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Fiscal Note

Drafting Number: LLS 23-0647
Prime Sponsors: Rep. Dickson; Amabile
Date: January 30, 2023
Bill Status: House Business Affairs & Labor
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Bill Topic: STUDY WORKFORCE TRANSITIONS TO OTHER INDUSTRIES

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires the Department of Labor and Employment to commission a study on the skill transferability of workers in the oil and gas industry and in occupations facing disruption due to automation. The bill increases state expenditures in FY 2023-24 and FY 2024-25.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$167,318 to the Department of Labor and Employment.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 23-1074

Table with 4 columns: Category, Sub-category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill requires the Office to Future of Work in the Department of Labor and Employment (CDLE) to solicit a vendor contract, through a competitive process, for a study to evaluate the skill transferability of workers in the oil and gas industry and in occupations in Colorado facing disruption due to automation. The bill specifies the components of the study, which must include recommendations for policy and funding. The study must be completed on or before December 1, 2024, and a report submitted to the Governor’s Office and relevant legislative committees.

State Expenditures

The bill increases General Fund expenditures by \$171,144 in FY 2023-24 and \$28,558 in FY 2024-25 in the CDLE. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 23-1074

	FY 2023-24	FY 2024-25
Department of Labor & Employment		
Personal Services	\$17,318	\$23,090
Vendor Contract Cost	\$150,000	-
Centrally Appropriated Costs ¹	\$3,826	\$5,468
Total Cost	\$171,144	\$28,558
Total FTE	0.2 FTE	0.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. The CLDE will incur a cost of \$150,000 to commission the study required under the bill. This figure is based on the cost of recent studies and department contracts, relative to the size and scope of the study required by the bill, and the fiscal note assumes it will be spent over two years. In addition, the CDLE requires a 0.3 FTE term-limited position at Analyst IV level to select a vendor to conduct the study, coordinate with the Colorado Energy Office, oversee the vendor contract, and review drafts and final products. First year costs are prorated for the General Fund pay date shift and a September 1, 2023, start date.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$167,318 to the Department of Labor and Employment, and 0.2 FTE.

State and Local Government Contacts

Economic Development
Labor

Governor

Information Technology