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# Revised Fiscal Note

(replaces fiscal note dated March 16, 2023)

<b>Drafting Number:</b>	LLS 23-0621	<b>Date:</b>	April 17, 2023
<b>Prime Sponsors:</b>	Rep. Hamrick; Lieder Sen. Kolker; Danielson	<b>Bill Status:</b>	Senate Education
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**Bill Topic:** PROMOTION OF APPRENTICESHIPS

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> School District
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a pilot program in the Department of Labor and Employment to place apprenticeship navigators in two school districts to increase apprenticeship participation among graduating high school students. Apprenticeships must also be included in a new job board for high school students and in K12 student plans. The bill increases state expenditures and school district workload through FY 2026-27.

**Appropriation Summary:** For FY 2023-24, the bill requires and includes an appropriation of \$386,638 to multiple state agencies. See State Appropriations section.

**Fiscal Note Status:** The revised fiscal note reflects the reengrossed bill.

**Table 1  
State Fiscal Impacts Under HB 23-1212**

		Budget Year FY 2023-24	Out Year FY 2024-25
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$386,638	\$43,971
	Centrally Appropriated	\$34,701	\$47,002
	<b>Total Expenditures</b>	<b>\$421,339</b>	<b>\$90,973</b>
	<b>Total FTE</b>	<b>1.9 FTE</b>	<b>2.6 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$57,996	\$6,596

**Summary of Legislation**

The bill creates a two-year apprenticeship navigator pilot program in the Office of Future of Work in the Colorado Department of Labor and Employment (CDLE) to place a full-time apprenticeship navigator in two school districts where similar positions have not already been established. One of the school districts must be a rural district. The navigators must work to increase participation in apprenticeship programs among graduating high school students, including developing informational materials and holding events to increase awareness among students and parents.

The bill also requires that the office utilize the Colorado State Apprenticeship Directory to create and maintain a job board with apprenticeships and pre-apprenticeships that are accessible to high school students, and explore ways to incorporate apprenticeships into the state’s career planning tools, including individual career and academic plans (ICAPs) and the My Colorado Journey Platform. The State Board of Education must include apprenticeship programs in its rules for individual career and academic plans.

The pilot program is repealed January 1, 2027.

**State Expenditures**

The bill increases state expenditures in CDLE and the Colorado Department of Education (CDE) by \$264,706 in FY 2023-24 and \$247,606 in FY 2024-25, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2  
 Expenditures Under HB 23-1212**

	FY 2023-24	FY 2024-25
<b>Department of Labor</b>		
Personal Services	\$147,016	\$196,020
Operating Expenses	\$3,105	\$3,510
Capital Outlay Costs	\$20,010	-
SalesForce Costs	\$15,874	\$1,074
Centrally Appropriated Costs <sup>1</sup>	\$34,701	\$47,002
FTE – Personal Services	1.9 FTE	2.6 FTE
<b>CDLE Subtotal</b>	<b>\$220,706</b>	<b>\$247,606</b>
<b>Department of Education</b>		
Contract Staff	\$44,000	-
<b>CDE Subtotal</b>	<b>\$44,000</b>	<b>-</b>
<b>Total</b>	<b>\$264,706</b>	<b>\$247,606</b>
<b>Total FTE</b>	<b>1.9 FTE</b>	<b>2.6 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Colorado Department of Labor and Employment.** CDLE will have staffing costs to implement the two-year pilot program in FY 2023-24 and FY 2024-25, using funding appropriated in FY 2023-24. Computer and staffing costs for the job board are ongoing, beginning in FY 2023-24.

- **Staff.** CDLE requires 2.0 FTE in the first two years for the full-time navigators who will be placed in the two participating school districts. In addition, CDLE requires 0.6 FTE ongoing to create and maintain a job board for apprenticeships for high school students and to research incorporation of apprenticeships into the My Colorado Journey platform. Staffing costs in the first year are prorated for the General Fund pay date shift and a September start date.

The bill requires that CDLE research ways to incorporate apprenticeships into the My Colorado Journey platform, operated by the Colorado Workforce Development Council. The fiscal note assumes that substantive changes to My Colorado Journey will not be required; and if the initial work identifies changes, any resources needed will be requested through the budget process.

- **SalesForce.** CDLE will incur costs to modify the apprenticeship directory to add a job board for apprenticeships for high school students. Programming costs are estimated at \$14,800 in FY 2023-24 only to make the changes, and \$1,074 per year through FY 2026-27 for one additional SalesForce license for new staff.

**Colorado Department of Education.** The bill increases costs for the Colorado Department of Education to update State Board of Education rules related to ICAPs. The work includes stakeholder outreach and drafting the rules and is expected to be completed by a contract employee, estimated at 220 hours at a rate of \$200 per hour.

**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, decreasing the amount of General Fund available for other purposes.

## School District

The bill increases workload for the two school districts who choose to participate in the pilot program and have an apprenticeship navigator placed in the district. In addition, workload may increase for school districts to incorporate the apprenticeships into student ICAPs, in alignment with SBE rules.

## 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 and includes the following General Fund appropriations:

- \$44,000 to the Colorado Department of Education; and
- \$342,638 to the Colorado Department of Labor and Employment, and 1.9 FTE, which may be spent through FY 2024-25.

## State and Local Government Contacts

Education

Information Technology

Labor