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Fiscal Note

Drafting Number:	LLS 23-1030	Date:	April 26, 2023
Prime Sponsors:	Sen. Pelton B.; Hinrichsen Rep. Ortiz; Hartsook	Bill Status:	Senate State Affairs
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Bill Topic: COLORADO VETERANS' SERVICE-TO-CAREER PROGRAM

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill modifies the Veterans' Service-to-Career Program in the Department of Labor and Employment. Starting in FY 2023-24, the bill increases state expenditures and may increase local government revenue and expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill. This analysis is preliminary and will be updated following further review and any additional information received.

**Table 1
State Fiscal Impacts Under SB 23-302¹**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	Marijuana Tax Cash Fund	-	up to \$500,000
	Continuing FTE	-	0.5 FTE
Transfer		-	-
Other Budget Impacts		-	-

¹ Table 1 shows continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill extends the repeal of the Veterans' Service-to-Career program (program) in the Department of Labor and Employment (CDLE) from January 1, 2024, to January 1, 2029. The bill provides flexibility for the program by no longer requiring that career development services for eligible participants be paid from available federal funding before state funding. Additionally, the bill clarifies that the CDLE is no longer required to develop an evaluation methodology for program outcomes before awarding grants to work force centers that provide career development services to program participants.

Background

[House Bill 16-1267](#) created a pilot version of the program, and the program was expanded with [House Bill 18-1343](#). Since its inception, the program has been funded through an annual appropriation from the Marijuana Tax Cash Fund (MTCF) to the CDLE.

The [FY 2023-24 Long Bill](#) includes a \$500,000 appropriation from the MTCF to the CDLE for the program. Under current law, unspent appropriations at the end of each fiscal year rolls forward and is available to spend in the next fiscal year.

State Expenditures

The bill increases state expenditures in the CDLE by up to \$500,000 per year from FY 2024-25 to FY 2028-29, paid from the Marijuana Tax Cash Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-302

	FY 2023-24	FY 2024-25
Department of Labor and Employment		
Personal Services	-	\$49,123
Operating Expenses	-	\$675
Grants	-	up to \$436,790
Centrally Appropriated Costs ¹	-	\$13,412
Total Cost	-	up to \$500,000
Total FTE	-	0.5 FTE

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

Assumptions. Although the bill extends the repeal of the program, future funding is subject to appropriations by the General Assembly. This fiscal note assumes that future appropriations will match appropriations for prior fiscal years at \$500,000 per year from the Marijuana Tax Cash Fund.

Staff. The CDLE requires continuing 0.5 FTE to administer the program beginning in FY 2024-25, who will review applications, select recipients that meet requirements, disburse funds, monitor recipients, and prepare program reports.

Grants. Assuming a \$500,000 appropriation, the CDLE will award a total of up to \$437,000 in grants to qualifying local workforce centers. These awards may occur over multiple fiscal years.

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.

Local Government

The bill increases local government revenues and expenditures for counties operating workforce centers that receive grants from the program.

Effective Date

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

State and Local Government Contacts

Counties

Labor

Military Affairs