



**Colorado  
Legislative  
Council  
Staff**

**Bill 2**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 18-0132  
**Prime Sponsor(s):**

**Date:** September 21, 2017  
**Bill Status:** Young and Beginning Farmers  
Interim Committee Bill Request  
**Fiscal Analyst:** Anna Gerstle (303-866-4375)

**BILL TOPIC:** AGRICULTURAL WORKFORCE DEVELOPMENT PROGRAM

Fiscal Impact Summary	FY 2018-2019	FY 2019-2020
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>\$56,064</b>	<b>\$81,630</b>
General Fund	\$43,157	\$64,108
Centrally Appropriated Costs	\$12,907	\$17,522
<b>FTE Position Change</b>	0.3 FTE	0.3 FTE
<b>Appropriation Required:</b> \$43,157 - Department of Agriculture (FY 2018-19).		
<b>Future Year Impacts:</b> Ongoing expenditure increase through FY 2023-24.		

**Summary of Legislation**

This bill, *requested by the Young and Beginning Farmers Interim Committee*, requires the Colorado Department of Agriculture to create by rule an agricultural workforce development program to incentivize agricultural businesses to hire interns by January 1, 2019. Eligible businesses may be reimbursed up to 50 percent of the costs to employ an intern, including wages, fixed expenses, and other costs. The internships must provide an intern with at least 130 hours of work experience over no more than six months, and the intern may not be a current or former employee or relative of the business owner or operator.

The department must establish rules for the program including eligibility requirements, the number of internships approved, reimbursement amount per internship, and whether a business may be reimbursed for more than one intern, but no more than three interns, per fiscal year. The program is repealed July 1, 2024.

**State Expenditures**

The bill increases state **General Fund expenditures by \$56,064 in FY 2018-19 and \$81,630 in FY 2019-20**. The costs are estimates based on the assumptions listed below. The number of internships approved, reimbursement amounts, and administrative expenses required to implement the bill are dependent on the amount appropriated to the program by the General

Assembly. Estimated costs are listed in Table 1 and discussed below.

<b>Table 1. Expenditures Under Bill #2</b>		
<b>Cost Components</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Personal Services	\$16,757	\$20,108
FTE	0.3 FTE	0.3 FTE
Internship Reimbursement	\$26,400	\$44,000
Centrally Appropriated Costs*	\$12,907	17,522
<b>TOTAL</b>	<b>\$56,064</b>	<b>\$81,630</b>

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

**Assumptions.** This fiscal note assumes the following:

- the minimum 130 hours per internship;
- \$880 is reimbursed per internship, or 50 percent of an estimated \$1,760 in internship costs (assuming 130 hours and \$12 per hour, plus fixed costs); and
- 30 internships approved in FY 2018-19 and 50 in FY 2019-20.

**Department of Agriculture.** Based on the assumptions above, \$26,400 in FY 2018-19 and \$44,000 in FY 2019-20 will be required to reimburse eligible businesses for internship costs. To administer the program, the Department of Agriculture requires 0.3 FTE beginning in FY 2018-19. Costs associated with the FTE are lower in FY 2018-19 due to an assumed August 1 start date and the General Fund paydate shift. Administration of the internship program includes developing program requirements, marketing the program, reviewing and approving applications, and distributing reimbursement.

**Department of Law.** The bill increases the workload for the Department of Law to assist the Department of Agriculture with rulemaking. It is estimated that 120 hours of rulemaking will be required in FY 2018-19. The workload increase can be accomplished within existing appropriations.

**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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Table 2. Centrally Appropriated Costs Under Bill #2</b>		
<b>Cost Components</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,528	\$2,533
Supplemental Employee Retirement Payments	\$1,502	\$1,802
Indirect Costs	\$8,877	\$13,187
<b>TOTAL</b>	<b>\$12,907</b>	<b>\$17,522</b>

**Effective Date**

The bill takes effect August 8, 2017, if the General Assembly adjourns on May 9, 2017, as scheduled, and no referendum petition is filed.

**State Appropriations**

For FY 2018-19, the bill requires a General Fund appropriation of \$43,157 and an allocation of 0.3 FTE to the Department of Agriculture.

**State and Local Government Contacts**

Agriculture   Information   Technology   Law