



**Colorado  
Legislative  
Council  
Staff**

**HB16-1267**

**FISCAL NOTE**

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

**Drafting Number:** LLS 16-0383 **Date:** March 1, 2016  
**Prime Sponsor(s):** Rep. Lee; Fields **Bill Status:** House Business Affairs and Labor  
 Sen. Woods; Carroll **Fiscal Analyst:** Amanda Hayden (303-866-4918)

**BILL TOPIC:** COLORADO VETERANS' SERVICE-TO-CAREER PILOT PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>\$835,628</b>	<b>\$40,296</b>
General Fund	831,042	33,332
Centrally Appropriated Costs	4,586	6,964
<b>FTE Position Change</b>	0.4 FTE	0.5 FTE
<b>Appropriation Required:</b> Appropriation included - \$850,000 (FY 2016-17).*		
<b>Future Year Impacts:</b> None.		

\* \$14,372 of the appropriation provided in FY 2016-17 rolls forward to be used in FY 2017-18. See State Expenditures section.

**Summary of Legislation**

This bill creates the Colorado Veterans' Service-to-Career Pilot Program in the Colorado Department of Labor and Employment (CDLE). Through CDLE and in partnership with nonprofit agencies, workforce centers throughout the state may apply for grants to develop and expand career services for veterans, spouses, and eligible participants. Eligible participants include a veteran's dependent child under age 27 and a veteran's caregiver over age 18.

In selecting grantees, CDLE must give preference to workforce centers that partner with an integrated service and support center for veterans, that are located in a community with large military installations, that have existing programs or partnerships with businesses or organizations that provide employment services, and that have the capacity to provide a wide range of services. Workforce centers that participate in the program must report on services offered, participation rates, and program success, and CDLE must report, in turn, to the General Assembly.

The bill makes a one-time General Fund appropriation of \$850,000 to CDLE to administer the program. CDLE may use up to five percent and workforce centers may use up to seven percent of the money for administrative costs. The program repeals January 1, 2019.

**Background**

CDLE operates 77 workforce centers in 53 counties across the state. Through workforce centers, the CDLE employs state veterans representatives, who provide one-on-one assistance to veterans. There are approximately 400,000 veterans living in Colorado.

**State Expenditures**

This bill increases state General Fund expenditures by \$835,628 and 0.4 FTE in FY 2016-17 and by \$40,296 and 0.5 FTE in FY 2017-18 in CDLE. These costs are listed in Table 1 and explained below.

<b>Table 1. Expenditures Under HB16-1267</b>		
<b>Cost Components</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Personal Services	\$18,482	\$32,857
FTE	0.4 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	5,060	475
Centrally Appropriated Costs*	4,586	6,964
Total Grant Funds	807,500	
<b>TOTAL</b>	<b>\$835,628</b>	<b>\$40,296</b>

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

**Colorado Department of Labor and Employment (CDLE).** CDLE requires \$835,628 and 0.4 FTE in FY 2016-17 and \$40,296 and 0.5 FTE in FY 2017-18 to develop an application process and contract requirements, to select grantees and disburse funds, to monitor programs, and to consolidate reports on progress and program success. First year costs have been prorated to reflect a September 1, 2016, start date. The fiscal note assumes that the five percent (\$42,500) set aside for administration will cover total first year costs of \$28,128 (which includes centrally appropriated costs). Administrative costs in the second year are only partially covered by the remaining \$14,372, and CDLE requires a General Fund appropriation of \$25,924 in FY 2017-18. CDLE will disburse \$807,500 as grants, of which workforce center recipients can use up to seven percent for administration. Although shown in the first year in Table 1, the fiscal note assumes that grant funds will be disbursed over the course of both fiscal years.

**Indirect costs.** Because the bill specifies that indirect costs associated with administration of the grant program are to be paid from the \$850,000 appropriation, the indirect costs are included in the appropriation and not addressed through the annual budget process. Table 2 below summarizes indirect costs under the bill.

<b>Table 2. Indirect Costs Under HB16-1267</b>		
<b>Cost Components</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,004	\$4,020
Supplemental Employee Retirement Payments	1,582	2,944
<b>TOTAL</b>	<b>\$4,586</b>	<b>\$6,964</b>

## Local Government Impact

The bill increases revenue and expenditures by \$807,500 for local governments operating workforce centers that apply for and receive grants through the pilot program. The bill does not specify a minimum or maximum grant size, and it is unknown which counties or cities and counties will receive grants. For these reasons, the precise impact to specific local governments has not been estimated.

## Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

## State Appropriations

The bill includes an appropriation of \$850,000 to CDLE in FY 2016-17 and roll forward spending authority. The fiscal note assumes that \$835,628 will be spent in FY 2016-17 and that the remaining \$14,372 will roll forward to FY 2017-18. The bill requires an additional appropriation of \$25,924 in FY 2017-18.

The bill requires an allocation of 0.4 FTE to the CDLE in FY 2016-17.

## State and Local Government Contacts

Counties      Information Technology      Labor      Military Affairs

## Research Note Available

An LCS Research Note for HB16-1267 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.