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**FINAL
FISCAL NOTE**

Drafting Number: LLS 18-1108 **Date:** September 18, 2018
Prime Sponsors: Rep. Pabon; Exum **Bill Status:** Signed into Law
 Sen. Cooke; Williams A. **Fiscal Analyst:** Erin Reynolds | 303-866-4146
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Bill Topic: EXTEND CDLE WORK GRANT PROGRAM

Summary of Fiscal Impact:

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

This bill extends the Skilled Worker, Outreach, Recruitment, and Key Training (WORK) grant program in the Colorado Department of Labor and Employment through FY 2020-21, and requires appropriations of \$7.6 million General Fund over those three fiscal years. It will increase state expenditures through FY 2020-21.

Appropriation Summary: For FY 2018-19, the bill requires and includes an appropriation of \$1.0 million to the Colorado Department of Labor and Employment.

Fiscal Note Status: This fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 18-1316**

		FY 2018-19	FY 2019-20	FY 2020-21
Revenue		-	-	-
Expenditures	General Fund	up to \$1,000,000	up to \$3,300,000	up to \$3,300,000
	Centrally Appropriated	\$29,089	\$29,089	\$29,089
	Total	up to \$1,029,089	up to \$3,329,089	up to \$3,329,089
	Total FTE	2.0 FTE	2.0 FTE	2.0 FTE
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

This bill extends the Skilled Worker Outreach, Recruitment, and Key Training Grant Program (WORK program) in the Colorado Department of Labor and Employment (CDLE) from January 1, 2018, through January 1, 2021. It requires the General Assembly to appropriate a total of \$7.6 million to the WORK program during that time, with appropriations not to exceed \$3.3 million in any given fiscal year. Unencumbered moneys remain available for expenditure in the next fiscal year without an appropriation.

The bill requires the WORK program to accept grant applications by January 1 of each year, award grants by April 1 of each year, and award grant money to recipients within 45 days, to the extent possible. Of the available grant money, two-thirds must be granted to eligible applicants that were awarded matching grants in a prior fiscal year, and one-third to eligible applicants that have not previously received a matching grant. To the extent possible, the bill also requires the grant review committee to recommend matching grant amounts.

After the WORK grant review committee reviews applications, the bill requires that it submit its recommendations to the state Workforce Development Council for a final determination. The bill also requires that the WORK program report is to be part of the Colorado Talent Pipeline Report, instead of a separate report.

Background

House Bill 15-1276 created the WORK program. The program was appropriated \$10 million over three fiscal years, FY 2015-16 to FY 2017-18, for grants to organizations that offer workplace training skills. House Bill 17-1357 extended the time period that the WORK program could accept grant applications through January 1, 2018, with a requirement that grants be awarded by April 1, 2018. To date, the program has awarded \$9.5 million in grants to 22 grantees.

State Expenditures

The bill will increase state General Fund expenditures in CDLE by \$7.6 million over the next three fiscal years, plus centrally appropriated costs. Expenditures are displayed in Table 2 and discussed below.

**Table 2
Expenditures Under HB 18-1316**

	FY 2018-19	FY 2019-20	FY 2020-21
Department of Labor and Employment			
Personal Services	\$154,209	\$154,209	\$154,209
Operating Expenses and Capital Outlay Costs	\$1,900	\$1,900	\$1,900
Grants	\$843,891	\$3,143,891	\$3,143,891
Centrally Appropriated Costs*	\$29,089	\$29,089	\$29,089
Total Cost	\$1,029,089	\$3,329,089	\$3,329,089
Total FTE	2.0 FTE	2.0 FTE	2.0 FTE

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

Colorado Department of Labor and Employment. CDLE will continue awarding WORK grants with 2.0 FTE Grants Specialist staff through FY 2020-21.

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 estimated to be \$29,089 from FY 2018-19 to FY 2020-21.

Effective Date

The bill was signed into law by the Governor and took effect on May 24, 2018.

State Appropriations

For FY 2018-19, the bill requires and includes a General Fund appropriation of \$1,000,000 to the Colorado Department of Labor and Employment and an allocation of 2.0 FTE.

State and Local Government Contacts

Information Technology

Labor

Law