



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated March 29, 2021)

**Drafting Number:** LLS 21-0458 **Date:** April 16, 2021  
**Prime Sponsors:** Rep. Jackson; Titone **Bill Status:** House Appropriations  
 Sen. Story **Fiscal Analyst:** Anna Gerstle | 303-866-4375  
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**Bill Topic:** ENERGY SECTOR CAREER PATHWAY IN HIGHER EDUCATION

**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 checked="" type="checkbox"/> State Transfer    | <input type="checkbox"/> Statutory Public Entity |

The bill requires the creation of an energy sector career pathway and establishes the Strengthening Photovoltaic and Renewable Careers Workforce Development Program. It includes a state transfer and increases state expenditures beginning in FY 2021-22.

**Appropriation Summary:** In FY 2021-22, the bill requires appropriations of \$1.8 million to multiple state agencies.

**Fiscal Note Status:** This revised fiscal note reflects the introduced bill, as amended by the House Energy and Environment Committee.

**Table 1  
State Fiscal Impacts Under HB21-1149**

|                     |                           | Budget Year<br>FY 2021-22 | Out Year<br>FY 2022-23 | Out Year<br>FY 2023-24 | Out Year<br>FY 2024-25 |
|---------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| <b>Revenue</b>      |                           | -                         | -                      | -                      | -                      |
| <b>Expenditures</b> | Cash Funds                | \$1,814,638               | \$1,028,514            | \$1,021,733            | \$1,021,977            |
|                     | Centrally Appropriated    | \$20,079                  | \$31,020               | \$31,020               | \$31,020               |
|                     | <b>Total Expenditures</b> | <b>\$1,834,717</b>        | <b>\$1,059,534</b>     | <b>\$1,052,753</b>     | <b>\$1,052,997</b>     |
|                     | <b>Total FTE</b>          | <b>1.3 FTE</b>            | <b>2.0 FTE</b>         | <b>2.0 FTE</b>         | <b>2.0 FTE</b>         |
| <b>Transfers</b>    | General Fund              | (\$5,000,000)             | -                      | -                      | -                      |
|                     | Cash Funds                | \$5,000,000               | -                      | -                      | -                      |
|                     | <b>Net Transfer</b>       | <b>\$0</b>                | -                      | -                      | -                      |
| <b>TABOR Refund</b> |                           | -                         | -                      | -                      | -                      |

## **Summary of Legislation**

The bill requires the creation of an energy sector career pathway and establishes the Strengthening Photovoltaic and Renewable Careers (SPARC) Workforce Development Program.

**Career pathway.** The bill requires that the Workforce Development Council (CWDC), the departments of Higher Education (DHE), Education, Natural Resources, and Labor and Employment, the Office of Economic Development and International Trade (OEDIT), and the community college system to develop a career pathway for the energy sector by 2022-23 academic year. The career pathway must conform with career pathway requirements in current law.

**SPARC program.** The bill creates the SPARC program in the Colorado Department of Labor and Employment (CDLE) to increase training, apprenticeship, and education programs that lead to employment in the energy sector, including those included in the career pathway.

The bill transfers \$5.0 million on July 1, 2021 from the General Fund to the newly created SPARC Program Fund. CDLE, in consultation with the CWDC, the community college system, and the Department of Higher Education, must allocate program funding to expand capacity of training programs and for the following, as applicable:

- career and training counseling and planning;
- scholarships;
- employer-provided training;
- apprenticeships;
- career and technical education;
- transportation, equipment and supplies; and
- retention services, among other things.

The program must prioritize programs that help workers attain a professional credential, certification, or license. By November 1, 2022 and each year thereafter, the CWDC must report to the General Assembly and provide a summary of the program in CDLE's annual SMART Act hearing.

Program funding may be used to cover administrative costs, and unexpended funds may be used in subsequent years without further appropriation. The program is repealed July 1, 2026.

## **Background**

A career pathway allows individuals to pursue industry-relevant skills and certification, obtain employment within an occupational area, and advance to higher levels of education and employment. Career pathways include apprenticeships and work-based learnings, initiatives for adults and out-of-school-youth, and alignment of individual career and academic plans in high school with postsecondary and workforce readiness opportunities. Development of career pathways must include consultation with a working group of subject matter experts and review by industry and trade associations.

**State Transfers**

In FY 2021-22, the bill transfers \$5.0 million from the General Fund to the SPARC program fund.

**State Expenditures**

The bill increases state expenditures by \$1.8 million in FY 2021-22 and by about \$1.05 million in FY 2022-23 through FY 2024-25 in the Colorado Department of Labor and Employment and the community college system. This amount reflects the \$5.0 million transferred for the SPARC program, which is assumed to be spent over four years. Costs are listed in Table 2 and discussed below.

**Table 2  
 Expenditures Under HB21-1149**

| <b>Cost Components</b>                      | <b>FY 2021-22</b>  | <b>FY 2022-23</b>  | <b>FY 2023-24</b>  | <b>FY 2024-25</b>  |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Department of Labor &amp; Employment</b> |                    |                    |                    |                    |
| Personal Services                           | \$78,234           | \$121,796          | \$121,796          | \$121,796          |
| Operating Expenses                          | \$5,614            | \$6,559            | \$6,559            | \$6,559            |
| Capital Outlay Costs                        | \$6,200            | -                  | -                  | -                  |
| Centrally Appropriated Costs <sup>1</sup>   | \$20,079           | \$31,020           | \$31,020           | \$31,020           |
| FTE – Personal Services                     | 1.3 FTE            | 2.0 FTE            | 2.0 FTE            | 2.0 FTE            |
| <b>CDLE Subtotal</b>                        | <b>\$110,127</b>   | <b>\$159,375</b>   | <b>\$159,375</b>   | <b>\$159,375</b>   |
| <b>Community College System</b>             |                    |                    |                    |                    |
| System Office                               | \$584,516          | \$393,977          | \$374,742          | \$403,043          |
| Pueblo Community College                    | \$427,268          | \$75,215           | \$76,240           | \$77,295           |
| Arapahoe Community College                  | \$446,625          | \$224,076          | \$232,956          | \$224,270          |
| Community College of Aurora                 | \$266,181          | \$206,891          | \$209,440          | \$189,014          |
| <b>CCCS Subtotal</b>                        | <b>\$1,724,590</b> | <b>\$900,159</b>   | <b>\$893,378</b>   | <b>\$893,622</b>   |
| <b>Total</b>                                | <b>\$1,834,717</b> | <b>\$1,059,534</b> | <b>\$1,052,753</b> | <b>\$1,052,997</b> |
| <b>Total FTE</b>                            | <b>1.3 FTE</b>     | <b>2.0 FTE</b>     | <b>2.0 FTE</b>     | <b>2.0 FTE</b>     |

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

**CDLE.** Currently, an energy sector career pathway is under development; however, it does not fully meet the bill's definition of energy sector. As a result, the department will hire a temporary 0.3 FTE in FY 2021-22 only to work with industry and state agency partners to expand the current energy sector pathway by the end of FY 2021-22.

CDLE will hire two workforce navigators (1.0 FTE in FY 2021-22 and 2.0 FTE FY 2022-23 through FY 2024-25) to support students in accessing training opportunities and navigating prior learning assessments, coordinate with local workforce centers and institutions of higher education, and engage industry partners. Associated operating expenses may include training, travel, and coordination with partnering entities.

**Community college system.** Funding energy sector training and education programs will be allocated to three community colleges and the system office. Costs include instructors and curriculum development; support for students navigating the career pathway and accessing credit for prior learning and work experience; administrative functions; marketing and outreach; and training equipment. Specifically, costs include:

- solar lab and electrical vehicle program materials and instructors at Pueblo Community College;
- smart grid training equipment and instructors at Arapahoe Community College; and
- photovoltaic training panels, a mock roof, instructors, and a mobile training lab at Community College of Aurora.

Costs in the three community colleges are estimates only; actual allocations will be made by the Board of Community Colleges and Occupational Education.

**Other state agencies.** The bill increases workload for the OEDIT, and the departments of Education, Higher Education, and Natural Resources to support the development of the career pathway. No change in appropriations is required for these agencies.

**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 \$20,079 in FY 2021-22 and \$31,020 in FY 2022-23.

## Local Government

The bill increases workload for school districts and local workforce development boards to choose to participate in the development of the career pathway.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

In FY 2021-22, the bill requires the following appropriations from the SPARC Program Fund:

- \$90,048 to the Colorado Department of Labor and Employment, and 1.3 FTE; and
- \$1,724,590 to the State Board of Community Colleges and Occupational Education.

**State and Local Government Contacts**

Counties  
Labor  
OEDIT

Education  
Municipalities  
School Districts

Higher Education  
Natural Resources