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Fiscal Note

Drafting Number: LLS 24-0845 Date: February 26, 2024
Prime Sponsors: Rep. Velasco; Garcia Bill Status: House Business & Labor
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Bill Topic: WELCOME, RECEPTION, & INTEGRATION GRANT PROGRAM

Summary of Fiscal Impact: [] State Revenue [] State Transfer [] Local Government
[x] State Expenditure [] TABOR Refund [] Statutory Public Entity

The bill creates the Statewide Welcome, Reception, and Integration Grant Program to provide assistance to migrants. It increases state expenditures starting in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$2,500,000 to the Department of Labor and Employment

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 24-1280

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill establishes the Statewide Welcome, Reception, and Integration Grant Program in the Department of Labor and Employment (CDLE) to award grants to community-based organizations that provide culturally and linguistically appropriate navigation of state services to migrants within one year of arrival in the United States.

Grant program. The bill requires the CDLE to issue a request for proposals and contract with a nonprofit organization specializing in migrant services to award grants to community-based organizations. The CDLE and the administering organization must develop a grant application, application process, and selection process for grant recipients. To be considered for a grant, an organization must meet certain criteria. Grants may be used for conducting intake and an assessment of needs, and providing cultural orientation, case management, employment services, and housing services, among other services.

Selection panel. The administering organization must create a selection panel to evaluate program applicants and includes representation from impacted communities who have a demonstrated historical commitment to working with immigrant and migrant populations, and delivering related services.

Reporting. By January 1, 2025, and each year thereafter, the administering organization must submit a report to CDLE detailing grant program metrics and migrant population outcomes, which then must be submitted to the General Assembly.

Program funding. The bill appropriates \$2.5 million in FY 2024-25 to CDLE from the General Fund. No more than 20 percent of appropriated funds may be used to compensate the administering nonprofit organization for execution of the grant program.

Assumptions

The bill specifies that the nonprofit administrator and the CDLE must work collaboratively to administer the grant program. Based on this language, the fiscal note assumes that the Office of New Americans in the CDLE requires 1.0 FTE to assist with the direction and administration of the grant program. Additionally, the bill does not include a program repeal date; therefore, it is assumed that \$2.5 million will be appropriated from the General Fund to the CDLE on an ongoing basis for program administration and grants.

State Expenditures

The bill increases state expenditures in CDLE by \$2.5 million starting in FY 2024-25, paid from the General Fund to implement the grant program, contract with a nonprofit administrative organization, and award grants. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1280

	FY 2024-25	FY 2025-26
Department of Labor and Employment		
Personal Services	\$61,595	\$76,994
Operating Expenses	\$1,024	\$1,280
Capital Outlay Costs	\$6,670	-
Contractor Administration Fee	up to \$500,000	up to \$500,000
Grants	at least \$1,930,711	at least \$1,921,726
Centrally Appropriated Costs ¹	\$15,136	\$18,921
Total Cost	\$2,515,136	\$2,518,921
Total FTE	0.8 FTE	1.0 FTE

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

Department of Labor and Employment. The CDLE requires staff and contractor administration fees to implement the grant program. The remainder of funding will be available for grants, as outlined below.

- **Staff.** Starting in FY 2024-25, CDLE requires 1.0 FTE Administrator IV to issue requests for proposals, manage the administrative contract, develop program policies, review grant applications, and evaluate program metrics. Staff costs and FTE are prorated in the first year based on the bill's effective date.
- **Contractor administration fee.** Starting in FY 2024-25, up to \$500,000, or 20 percent of the total appropriation, may be retained by the contractor for administrative expenses as permitted by the bill. Actual costs will be determined in the contracting process.
- **Grants.** After administrative costs, about \$1.9 million will be available for grants each year starting in FY 2024-25.
- **Legal services.** CDLE may require legal services, provided by the Department of Law, which can be accomplished within existing legal services appropriations. Legal counsel is related to contract language, implementation, and ongoing administration of the program.
- **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.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2024-25, the bill includes a General Fund appropriation of \$2,500,000 to the Department of Labor and Employment. The fiscal note also assumes the CDLE requires 0.8 FTE.

State and Local Government Contacts

Governor
Law

Human Services

Labor

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).