



Legislative Council Staff
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Revised Fiscal Note

(replaces fiscal note dated February 26, 2024)

Drafting Number: LLS 24-0845 Date: March 11, 2024
Prime Sponsors: Rep. Velasco; Garcia Bill Status: House Appropriations
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Bill Topic: WELCOME, RECEPTION, & INTEGRATION GRANT PROGRAM

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

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

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$2.5 million from the Statewide Welcome, Reception, and Integration Cash Fund to the Department of Labor and Employment.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended in the House Business Affairs and Labor Committee.

Table 1
State Fiscal Impacts Under HB 24-1280

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

1 Money transferred from the General Fund to the Statewide Welcome, Reception, and Integration Cash Fund in FY 2024-25 is designated under the bill. The fiscal note assumes that the General Assembly will transfer through an appropriation the same amount in FY 2025-26 and future fiscal years.

## **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 administering organization must conduct statewide outreach and inform organizations of the new grant program, and develop a grant application and selection process. To be considered for a grant, an organization must meet certain criteria and the administering entity must give consideration to recipients that serve populations in rural areas with limited access to resources. 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 creates the Statewide Welcome, Reception, and Integration Cash Fund and transfers \$2.5 million on July 1, 2024 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.

The bill transfers one-time funding to the grant program in FY 2024-25 only. The fiscal note assumes that the General Assembly will annually appropriate \$2.5 million from the General Fund to the Statewide Welcome, Reception, and Integration Cash Fund for program administration and grants. Actual money transferred or appropriated is at the discretion of the General Assembly.

**State Transfers**

The bill transfers \$2.5 million from the General Fund to the Statewide Welcome, Reception, and Integration Cash Fund on July 1, 2024.

**State Expenditures**

The bill increases state expenditures in CDLE by about \$2.5 million starting in FY 2024-25, paid from the Statewide Welcome, Reception, and Integration Cash 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           |
|---|----------------------|----------------------|
| <b>Department of Labor and Employment</b> |                      |                      |
| 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 <sup>1</sup> | \$15,136             | \$18,921             |
| <b>Total Cost</b>                         | <b>\$2,515,136</b>   | <b>\$2,518,921</b>   |
| <b>Total FTE</b>                          | <b>0.8 FTE</b>       | <b>1.0 FTE</b>       |

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

**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 requires an appropriation of \$2,500,000 from the Statewide Welcome, Reception, and Integration Cash Fund to the Department of Labor and Employment, and 0.8 FTE.

## Departmental Difference

The CDLE estimates that the Office of New Americans requires 1.5 FTE starting in FY 2024-25 to develop and administer the grant program in collaboration with the nonprofit administering entity. The fiscal note assumes that the administering entity is primarily responsible for managing the program, and that CDLE requires 1.0 FTE in a supportive role only.

## State and Local Government Contacts

Governor  
Law

Human Services

Labor

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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](#).