



Legislative Council Staff *Nonpartisan Services for Colorado's Legislature*

Fiscal Note

Drafting Number: LLS 21-0633
Prime Sponsors: Rep. Jodeh

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Bill Status: House SCMVA
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Bill Topic: **CREATE THE COLORADO OFFICE OF NEW AMERICANS**

Summary of Fiscal Impact:

<input checked="" 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 creates the Office of New Americans in the Department of Labor and Employment and transfers the Refugee Services Program to the new office. It increases state revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires a net reduction of \$2,069,544 to the Department of Human Services.

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

**Table 1
State Fiscal Impacts Under HB 21-1150**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Gifts, Grants, Donations	\$238,689	\$291,182
	Total Revenue	\$238,689	\$291,182
Expenditures	Gifts, Grants, Donations	\$198,688	\$239,847
	Federal Funds	(\$2,069,544)	(\$2,759,392)
	Centrally Appropriated	\$40,001	\$51,335
	Total Expenditures	(\$1,830,855)	(\$2,468,210)
	Total FTE	2.4 FTE	3.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill creates the Office of New Americans (ONA), initially in the Department of Labor and Employment (CDLE), and moves the Colorado Refugee Services Program that is currently located in the Office of Economic Security in the Department of Human Services (DHS) to the ONA. Among the duties specified in the bill, the ONA is required to implement a statewide strategy to facilitate economic stability and promote successful economic, social, linguistic, and cultural integration by investing in the success of immigrants in Colorado. The ONA is also responsible for the development, review, and administration of Colorado's Refugee Services Plan.

The director of the ONA has regular access to the Governor's Office and has the power to convene other state agencies. The ONA will report to the General Assembly on or before November 1, 2022, and annually thereafter, on the operations of the ONA during the prior fiscal year. The ONA may seek, accept, and expend gifts, grant, or donations from private or public sources. The bill includes activities that the ONA may undertake and promote if funding is available.

The CDLE will report on the efficacy of housing the ONA in the CDLE in its SMART Act hearing and a change in the location of the office may be considered at that time.

Background

Colorado Refugee Services Program. The Colorado Refugee Services Program is funded under the federal Immigration and Nationality Act and is housed in the DHS. The program provides cash and medical assistance, refugee social services, and support in resettlement. Between 1980 and 2000, nearly 63,000 individuals eligible for refugee services moved to Colorado.

New Americans Initiative. In November 2019, Governor Polis announced the addition of a position of New American advisor, co-housed at CDLE and the Governor's Office. Working with executive agencies and stakeholders, the New Americans Initiative has identified priority projects in the categories of economic development, access, education and outreach, and sustainability. The initiative is supported by a grant through the Governor's Office.

State Revenue

This bill will increase revenue from gifts, grants, and donations, which are assumed to be at least \$238,689 in FY 2021-22 and \$291,182 in FY 2022-23. The Governor's Office has been receiving a grant from the Silicon Valley Foundation in the amount of \$145,000 per year, which is expected to be renewed for at least one more year. This grant will fund the ONA Director who will seek other funding sources to cover additional staffing. This revenue is not subject to TABOR.

State Expenditures

This bill reduces overall expenditures by \$1,830,855 in FY 2020-21 and \$2,468,210 in FY 2022-23 from increased expenditures in CDLE and reduced expenditures in the DHS beginning in FY 2021-22. Changes in expenditures are shown in Table 2 and discussed below.

**Table 2
 Expenditures Under HB 21-1150**

Cost Components	FY 2021-22	FY 2022-23
Department of Labor and Employment¹		
Personal Services	\$176,848	\$235,797
Operating Expenses	\$3,240	\$4,050
Capital Outlay Costs	\$18,600	\$0
Refugee Services (Federal Funds)	\$6,496,748	\$8,078,849
Centrally Appropriated Costs ²	\$40,001	\$51,335
FTE – Personal Services	9.9 FTE	13.0 FTE
CDLE Subtotal	\$6,735,437	\$8,370,031
Department of Human Services		
Refugee Services (Federal Funds)	(\$6,496,748)	(\$8,078,849)
Refugee Services (Federal Funds - TANF)	(\$2,069,544)	(\$2,759,392)
FTE – Personal Services	(7.5 FTE)	(10.0 FTE)
DHS Subtotal	(\$8,566,292)	(\$10,838,241)
Total	(\$1,830,855)	(\$2,468,210)
Total FTE	2.4 FTE	3.0 FTE

¹ With the exception of federal funds, CDLE's expenditures are grant-funded and do not require an appropriation.

² Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. The bill will increase grant funded expenditures for the ONA by \$238,689 and 2.4 FTE in FY 2021-22 and \$291,182 and 3.0 FTE in FY 2022-23 to establish and administer the ONA. Staff will expand the integration efforts of the New Americans Initiative. These costs do not require an appropriation.

The bill will also increase federally funded expenditures in the ONA for refugee services by \$6,496,748 and 7.5 FTE in FY 2021-22 and \$8,078,849 and 10.0 FTE in FY 2022-23. The fiscal note assumes that the ONA will have the same indirect costs to administer the Refugee Services Program as DHS, so the increase in expenditures includes \$437,612 for indirect costs assessments in FY 2021-22 and \$583,482 for FY 2022-23. FY 2021-22 figures have been prorated for an October 1, 2021, transfer date.

Department of Human Services. The bill reduces federally funded expenditures by \$8,566,292 and 7.5 FTE in FY 2021-22 and \$10,838,241 and 10.0 FTE in FY 2022-23 to transfer the Refugee Services Program to the ONA. FY 2021-22 figures have been prorated for an October 1, 2021, transfer date. The reduction in expenditures also includes a reduction of \$2,069,544 in FY 2021-22 and \$2,759,392 in FY 2022-23 from the Temporary Assistance for Needy Families (TANF) Block Grant as these can only be administered by DHS under current law. These funds will be available for future appropriation by the General Assembly.

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 \$40,001 in FY 2021-22 and \$51,335 in FY 2022-23.

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 2021-22, the following appropriations are required:

- Department of Human Services: a reduction of \$8,128,681 in federal funds and 7.5 FTE; and
- Department of Labor and Employment: increase of \$6,059,137 in federal funds and 7.5 FTE.
- In addition, it is assumed that the CDLE will require an additional 2.4 FTE in FY 2021-22 for staff in the ONA funded through gifts, grants, and donations. Grant funding itself does not require appropriation by the General Assembly.

State and Local Government Contacts

Human Services

Information Technology

Labor