



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated February 23, 2022)

|                         |   |                        |   |
|-------------------------|---|------------------------|---|
| <b>Drafting Number:</b> | LLS 22-0394                             | <b>Date:</b>           | May 4, 2022   |
| <b>Prime Sponsors:</b>  | Rep. Duran; Exum<br>Sen. Fields; Priola | <b>Bill Status:</b>    | Senate Appropriations                                     |
|                         |   | <b>Fiscal Analyst:</b> | Erin Reynolds   303-866-4146<br>Erin.Reynolds@state.co.us |

**Bill Topic:** EMPLOYMENT SUPPORT AND JOB RETENTION SERVICES

**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 expands and extends the Employment Support and Job Retention Program in the Department of Labor and Employment through September 2029. Beginning in FY 2022-23, it creates an ongoing state transfer and increases state expenditures.

**Appropriation Summary:** For FY 2022-23, the bill includes an appropriation of \$250,000 to the Department of Labor and Employment.

**Fiscal Note Status:** The revised fiscal note reflects the reengrossed bill.

**Table 1  
State Fiscal Impacts Under HB 22-1230**

|                              |                           | Budget Year<br>FY 2022-23 | Out Year<br>FY 2023-24 |
|------------------------------|---------------------------|---------------------------|------------------------|
| <b>Revenue</b>               |                           | -                         | -                      |
| <b>Expenditures</b>          | Cash Funds                | \$250,000                 | \$250,000              |
|                              | Centrally Appropriated    | \$8,309                   | \$8,309                |
|                              | <b>Total Expenditures</b> | <b>\$258,309</b>          | <b>\$258,309</b>       |
|                              | <b>Total FTE</b>          | <b>0.5 FTE</b>            | <b>0.5 FTE</b>         |
| <b>Transfers<sup>1</sup></b> | General Fund              | (\$250,000)               | (\$250,000)            |
|                              | Cash Funds                | \$250,000                 | \$250,000              |
|                              | <b>Net Transfer</b>       | <b>\$0</b>                | <b>\$0</b>             |
| <b>Other Budget Impacts</b>  | General Fund Reserve      | \$37,500                  | \$37,500               |

<sup>1</sup> The bill transfers \$250,000 per year to the Employment Support and Job Retention Program Cash Fund via a required appropriation from the General Fund.

## Summary of Legislation

This bill expands and extends until September 1, 2029, the Employment Support and Job Retention program in the Department of Labor and Employment (CDLE). The bill expands the types of organizations that may provide the services of the program, changes the eligibility criteria, modifies the reporting requirements, and requires an annual appropriation of \$250,000 to the Employment Support and Job Retention Services Program Cash Fund.

## Background

House Bill 19-1107 created the Employment Support and Job Retention Services Program in the CDLE, which was set to expire at the end of this fiscal year. The program provides funding for employment preparation and pursuit, job training, and job retention. CDLE developed a competitive solicitation process to contract with an outside nonprofit entity to administer the program.

## State Transfers

The bill transfers \$250,000 from the General Fund to the Employment Support and Job Retention Program Cash Fund in FY 2022-23 and each fiscal year thereafter. This transfer is made via an appropriation from the General Fund to the cash fund.

## State Expenditures

The bill increases state expenditures in the CDLE by \$258,309 beginning in FY 2022-23 and ongoing from the Employment Support and Job Retention Program Cash Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1230**

|   | <b>FY 2022-23</b> | <b>FY 2023-24</b> |
|---|-------------------|-------------------|
| <b>Department of Labor and Employment</b> |                   |                   |
| Personal Services                         | \$36,785          | \$36,785          |
| Operating Expenses                        | \$675             | \$675             |
| Program Funding                           | \$212,540         | \$212,540         |
| Centrally Appropriated Costs <sup>1</sup> | \$8,309           | \$8,309           |
| <b>Total Cost</b>                         | <b>\$258,309</b>  | <b>\$258,309</b>  |
| <b>Total FTE</b>                          | <b>0.5 FTE</b>    | <b>0.5 FTE</b>    |

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

**Program funding.** The bill appropriates \$250,000 annually to the Employment Support and Job Retention Services program Cash Fund. The funds are allocated to various organizations that meet the requirements of the program through a competitive selection process designed by the CDLE.

**Staffing.** The program currently has a grant specialist that oversees and administers the existing program. This position, which is scheduled to expire under current law, will be continued under the bill. Standard operating and capital outlay costs are included for this staff.

**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 beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts in Table 1, which will decrease the amount of General Fund available for other purposes.

## Effective Date

The bill takes effect July 1, 2022.

## State Appropriations

For FY 2022-23, the bill includes an appropriation of \$250,000 from the General Fund to the Employment Support and Job Retention Program Cash Fund, which is further appropriated to the CDLE with 0.5 FTE.

## State and Local Government Contacts

Counties

Information Technology

Labor