



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Revised Fiscal Note**

(replaces fiscal note dated March 10, 2022)

<b>Drafting Number:</b>	LLS 22-0648	<b>Date:</b>	April 13, 2022
<b>Prime Sponsors:</b>	Sen. Coleman Rep. McLachlan	<b>Bill Status:</b>	Senate Appropriations
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**Bill Topic: EXPANSION OF EXPERIENTIAL LEARNING OPPORTUNITIES**

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

The bill creates multiple programs to support work-based experiential learning opportunities through partnerships with businesses and colleges in Colorado. The bill will increase state expenditures from FY 2022-23 to FY 2023-24.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$6,111,319 to multiple state agencies.

**Fiscal Note Status:** The fiscal note reflects the introduced bill, as amended by the Senate Business, Labor, and Technology Committee. It has also been updated to include additional information.

**Table 1  
State Fiscal Impacts Under SB 22-140**

		<b>Budget Year FY 2022-23</b>	<b>Out Year FY 2023-24</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$6,111,319	-
	Centrally Appropriated	\$101,120	\$109,494
	<b>Total Expenditures</b>	<b>\$6,212,439</b>	<b>\$109,494</b>
	<b>Total FTE</b>	<b>6.4 FTE</b>	<b>6.9 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$916,698	-

## **Summary of Legislation**

The bill requires multiple state agencies to support work-based experiential learning opportunities through programs that partner with businesses and colleges in Colorado. All the programs created by the bill have specific data collection and reporting requirements to the Department of Labor and Employment's (CDLE) SMART Act hearing beginning in 2023.

**Work-based Learning Incentive Program.** By January 1, 2023, the CDLE, in collaboration with the Business Experiential-Learning Commission and multiple state departments, is required to create a program that provides monetary incentives to employers who create work-based learning opportunities for adults and youth. The CDLE will select employers and at least two program intermediaries through an application process. Intermediaries will facilitate work-based learning opportunities through incentive payments made directly to employers for technical assistance, business coaching, and other types of support. The bill appropriates \$3.0 million dollars from the General Fund to the CDLE for this program with roll-forward spending authority.

**Statewide Digital Navigator Program.** By January 1, 2023, the Office of Future Work (office) is required to create a statewide digital navigator program with the work-based learning program to address digital inequities. The program will conduct outreach, provide technology and literacy support, connect target populations to resources, and offer several other resources outlined in the bill. The digital navigator providers will be selected through an application process run by the office and must partner with a public entity or nonprofit to qualify. The bill appropriates \$2.0 million dollars from the General Fund for the program with roll-forward spending authority.

**Virtual Career-aligned English as a Second Language Program.** By January 1, 2023, the Office of New Americans (ONA) in the CDLE is required to create a virtual career-aligned English as a Second Language (ESL) program to provide ESL training for English language learners (ELL) to help ELLs transition into the workforce while training. The ONA will select a vendor to provide the virtual platform for ESL training. Additionally, the ONA will establish the rules and procedures for providing access to the ESL training in collaboration with other state departments, employers, and potential partners. The bill appropriates \$1.1 million from the General Fund to the CDLE for this program with roll-forward spending authority.

**Global Talent Task Force.** Lastly, the bill requires the ONA to establish and provide staff support for a Global Talent Task Force by September 1, 2022. Appointments to the task force will be made by the director of the ONA, legislative leadership, and the Governor. Other members of the task force include five members of agency leadership. The task force will evaluate processes for obtaining in demand occupational licenses and international credentials, expand current work in the CDLE and other state agencies to integrate new Americans and internationally trained professionals into the Colorado workforce, and provide policy recommendations to the Governor and General Assembly.

**Additional programs.** The bill adds references to work-based learning to existing programs, including the Adult Education and Literacy Grant Program, Student Reengagement Grant Program, Ninth Grade Success Grant Program, P-Tech Schools, School Counselor Grant Program, and the Colorado Opportunity Scholarship Initiative. The bill also removes limits on the number and type of entities eligible for the Fourth-Year Innovation Pilot Program, and modifies services covered by the Educational Stability Grant Program.

**State Expenditures**

The bill increases state expenditures in the Department of Labor and Employment by \$5.8 million in FY 2022-23 and \$575,844 in FY 2023-24 from the General Fund. The fiscal note assumes that the \$6.1 million appropriated in the bill will be expended over two fiscal years, and will not cover the costs in the Legislative Department. Expenditures are shown in Table 2 and detailed on the next page.

**Table 2  
 Expenditures Under SB 22-140**

	FY 2022-23	FY 2023-24
<b>Department of Labor and Employment</b>		
Personal Services	\$412,662	\$450,175
Operating Expenses	\$9,315	\$9,315
Capital Outlay Costs	\$43,400	-
Task Force Costs	\$2,400	\$1,200
Work-based Learning Incentive Program	\$2,543,377	-
Statewide Digital Navigator Program	\$1,695,585	-
Virtual Career-Aligned ESL Program	\$932,572	-
Centrally Appropriated Costs <sup>1</sup>	\$101,120	\$109,494
FTE – Personal Services	6.4 FTE	6.9 FTE
<b>CDLE Subtotal</b>	<b>\$5,740,430</b>	<b>\$570,184</b>
<b>Legislative Department</b>		
Legislator Per Diem and Travel	\$11,319	\$5,660
<b>Legislative Subtotal</b>	<b>\$11,319</b>	<b>\$5,660</b>
<b>Total Cost</b>	<b>\$5,751,749</b>	<b>\$575,844</b>
<b>Total FTE</b>	<b>6.4 FTE</b>	<b>6.9 FTE</b>

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

**Department of Labor and Employment.** The CDLE requires an increase of 6.9 FTE through FY 2023-24 to implement the programs included in the bill. The FTE are divided across multiple offices within CDLE as shown below. Standard operating and capital outlay costs are included and personal services are prorated to reflect the General Fund pay date shift. These positions will conclude on June 30, 2024.

- **Division of Employment and Training.** The division requires 2.0 FTE for grant and employment specialists to administer the work-based learning incentive program. These positions will coordinate the program, establish and monitor resources, process reimbursements, and other administrative functions.

- **Workforce Development Council.** The council will have an increase in workload to serve an advisory role for the work-based learning incentive program. The additional workload can be accomplished within existing appropriations.
- **Office of Future of Work.** The office will create the digital navigation program and requires 1.0 FTE for an administrator to oversee the program. The position will conduct stakeholder outreach, raise awareness of the program, develop outreach materials, and other administrative tasks such as data collection and analysis and meeting reporting requirements.
- **Procurement and Contracts Unit.** The unit requires a 0.5 FTE Contract Administrator to set up the systems for tracking information and the creation of agreements for the bill's implementation.
- **Office of New Americans.** The ONA requires 3.4 FTE to develop and establish the virtual career-aligned ESL program and to establish and support the Global Talent Taskforce. Establishing the virtual career-aligned ESL program will include identifying and collaborating with vendors, determining curricula for in-demand industries, recruiting employer partners, building communication lines between the various parties, and oversight and evaluation of the program vendors, employers, and participants. Costs also include an amount for stipends to members of the task force, as specified in the bill.
- **Program funding.** Funding for the three programs with appropriation amounts set in the bill are shown in Table 2 as proportionate to the original funding split established in the bill after personal services, operating expenses, and capital outlay costs are subtracted from the total appropriation.

**Legislative Department.** The Legislative Department requires funding for the six legislators on the Global Talent Task Force. Costs include standard per diem and travel reimbursement, estimated at \$235.82 per member per meeting. The fiscal note assumes that these costs are in addition to the funding specified in the bill.

**Other state agencies.** The bill increases workload for the Governor's Office, the Departments of Education, Early Childhood, Higher Education, and Human Services, and the Offices of Economic Development and Information Technology to collaborate, where required, on programs and task forces within the bill. 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 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 totals shown 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 requires the following General Fund appropriations:

- \$6,100,000 to the Department of Labor and Employment and 6.4 FTE, which has roll-forward spending authority to cover FY 2023-24 costs; and
- \$11,319 to General Assembly in the Legislative Department.

## **State and Local Government Contacts**

Counties  
Higher Education  
Labor  
Regulatory Agencies

Education  
Human Services  
Law

Governor  
Information Technology  
Municipalities