



**Colorado
Legislative
Council
Staff**

HB16-1288

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0850 **Date:** March 11, 2016
Prime Sponsor(s): Rep. Kraft-Tharp **Bill Status:** House Business Affairs and Labor
 Sen. Tate; Merrifield **Fiscal Analyst:** Louis Pino (303-866-3556)

BILL TOPIC: INDUSTRY INFRASTRUCTURE GRANT PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue			
Cash Fund	<u>at least</u> \$300,000	<u>at least</u> \$300,000	<u>at least</u> \$300,000
State Transfer			
General Fund	(\$500,000)	(\$500,000)	(\$500,000)
Cash Fund	\$500,000	\$500,000	\$500,000
State Expenditures	\$805,693	\$806,954	\$806,954
Cash Fund	\$800,000	\$800,000	\$800,000
Centrally Appropriated Costs	\$5,963	\$6,964	\$6,954
FTE Position Change	0.4 FTE	0.5 FTE	0.5 FTE
Appropriation Required: See State Appropriations Section.			
Future Year Impacts: None			

Summary of Legislation

This bill creates the Industry Infrastructure Grant Program within the Colorado Workforce Development Council (CWDC). The purpose of the program is for the CWDC to partner with authorized nonprofit entities to develop industry competency standards to support businesses in their implementation of work site training programs.

The bill also creates the Industry Infrastructure Fund to implement the program. The fund is allowed to receive gifts, grants, donations and money from the General Fund. For FY 2016-17, FY 2017-18, and FY 2018-19, if an authorized nonprofit entity donates at least \$300,000 to the fund by July 1 of each fiscal year, the bill requires a transfer of \$500,000 from the General Fund to the Industry Infrastructure Fund.

An authorized nonprofit is one that:

- partners with businesses to ensure access to training opportunities for students up to age 24;
- provides support to industry association and training partners;
- facilitates industry-driven training centers;

- coordinates multi-industry lead competency identification to inform the development of workplace learning curriculum;
- serves as a medium between government, education, and businesses in order to create a common nomenclature; and
- donates at least \$300,000 to the Industry Infrastructure Fund.

An awarded nonprofit entity may use money from the fund to:

- identify industry specific standards and assessments for accountability and implementation of competencies within workforce programs;
- implement industry defined competencies within workforce programs;
- assist businesses and industry associations with human resource training; and
- collaborate with entities to facilitate training and education between the classroom and businesses.

Finally, on or before January 1, 2017, and on or before January 1 of the next three years after, the CWDC shall prepare a report on program, which will include information on the authorized nonprofit entity (if any), the industry sectors along with a list of competencies for each of these sectors, and any other measurable outcomes the council deems appropriate. The report will be included in the Colorado Talent Report prepared annually by the CWDC.

State Revenue

The fiscal note assumes that one or more authorized nonprofit entities will donate at least \$300,000 to the fund each year, increasing state revenue. Cash fund revenue will further increase if more than \$300,000 each year is donated.

State transfers. Starting in FY 2016-17 and the two subsequent fiscal years, the State Treasurer will make a one-time transfer in each fiscal year of \$500,000 from the General Fund to the Industry Infrastructure Fund. If the donation threshold is not met in any fiscal year a transfer from the General Fund will not occur.

State Expenditures

Conditional upon the receipt of at least \$300,000 in annual donations, **the bill will increase state expenditures by \$805,693 and 0.4 FTE in FY 2016-17, and \$806,964 and 0.5 FTE in FY 2017-18 and FY 2018-19.** New expenditures are for program administration and to provide awards to authorized nonprofit entities. Total expenditures are displayed in Table 1 and described below.

Table 1. Expenditures Under HB16-1288			
Cost Components	FY 2016-17	FY 2017-18	FY 2018-19
Personal Services	\$27,381	\$32,857	\$32,857
FTE	0.4 FTE	0.5 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	\$396	\$475	\$475
Awards to entities	\$772,223	\$766,668	\$766,668
Centrally Appropriated Costs*	\$5,693	\$6,964	\$6,964
TOTAL	\$805,693	\$806,964	\$806,964

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

Colorado Department of Labor and Employment (CDLE). The CDLE will require 0.4 FTE in FY 2016-17 and 0.5 FTE in FY 2017-18 and FY 2018-19 to assess qualified nonprofit entities and their potential for partnership with the CWDC. The department will also collect information about the grant program and prepare the report required under the bill.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2 . Centrally Appropriated Costs Under HB16-1288			
Cost Components	FY 2016-17	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,303	\$3,964	\$3,964
Supplemental Employee Retirement Payments	\$2,390	\$3,000	\$3,000
TOTAL	\$5,693	\$6,964	\$6,964

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2016-17, the CDLE requires an allocation of 0.4 FTE. Money in the Industry Infrastructure Fund are continuously funded.

State and Local Government Contacts

Economic Development Office

Governor's Office

Labor