



**Colorado
Legislative
Council
Staff**

HB16-1302

FISCAL NOTE

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

Drafting Number: LLS 16-0836 **Date:** March 15, 2016
Prime Sponsor(s): Rep. Duran; DelGrosso **Bill Status:** House Business Affairs and Labor
 Sen. Newell **Fiscal Analyst:** Kerry White (303-866-3469)

BILL TOPIC: ALIGN WITH WORKFORCE INNOVATION & OPPORTUNITY ACT

Fiscal Impact Summary	FY 2015-2016 <i>(current year)</i>	FY 2016-2017	FY 2017-2018
State Revenue			
State Expenditures	Minimal workload increase.		
Appropriation Required: None.			
Future Year Impacts: Ongoing minimal workload increase.			

Summary of Legislation

This bill changes the title of the "Colorado Workforce Investment Act" to the "Colorado Workforce Innovation and Opportunity Act" and aligns Colorado law with the federal "Workforce Innovation and Opportunity Act" of 2014. It also clarifies the roles of specific entities in workforce development programs and removes statutory requirements made inapplicable by the federal act, such as requirements for:

- the membership and function of local workforce development boards, including youth councils and rural consortium boards;
- the state workforce development plan and local plans for workforce investment areas;
- optional partners of workforce boards; and
- memoranda of understanding for one-stop operators.

One-stop operators. Beginning on July 1, 2017, workforce boards must select one-stop operators for local workforce development areas in accordance with federal law and local policy. If no qualified operator responds to the procurement process, local officials may designate an operator. The bill also allows counties to determine any expenditures of Temporary Assistance to Needy Families (TANF) funds for the purpose of cash contributions to infrastructure of the one-stop delivery system or delivery contracts.

New local workforce development areas. The bill clarifies that any county, municipality, city and county, or combination thereof may petition the Governor, on an annual basis, to form a new workforce development area, provided that this area meets federal requirements. The bill removes automatic temporary and permanent designations for local governments meeting certain size requirements.

Designation of planning regions. The Colorado Workforce Development Council, in consultation with local government officials, is required to conduct a process to identify planning regions.

Use of funds by counties. The bill allows counties to use their allocation of federal Title III (Wagner-Peyser Act) moneys for the operation of workforce development programs.

Background

The federal Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014, and took effect on July 1, 2015. It superceded the Workforce Investment Act of 1988 and amended the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. The WIOA is designed to help job seekers access employment, education, training, and support services and to match employers with skilled workers.

The Colorado Workforce Development Council (CWDC) consists of about 45 members, including representatives from state agencies, the Legislature, institutions of higher education, local governments, and various stakeholder groups, including organized labor, the business community, and community groups serving rural mental health, veterans, youth, and persons with disabilities.

State Expenditures

Overall and beginning in the current FY 2015-16, this bill increases workload by a minimal amount. Staff in the Colorado Department of Labor and Employment (CDLE) will update forms, policies, and procedures to ensure compliance with federal law. In addition, members of the CWDC will have minimal workload increases in order to conduct a process to identify planning regions. The new process for designating local workforce development areas may also increase workload in the Governor's Office by a minimal amount as areas will no longer qualify for automatic designations. This workload increase may be partially offset by the requirement that applications for such designations only be submitted on an annual basis.

Local Government Impact

Overall, it is anticipated that the requirements of this bill can be accomplished within the existing resources of local governments. Similar to the state, this bill increases workload for local governments to participate in the designation of new local workforce development areas, planning regions, and one-stop operators. The bill also provides flexibility concerning the use of federal funds in workforce development activities, which may shift how these funds are used.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Counties
Information Technology
Municipalities

Governor's Office
Labor and Employment
Special Districts

Human Services
Local Affairs