



**Legislative
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FISCAL NOTE

Drafting Number: LLS 18-0692
Prime Sponsors: Rep. Lee; Carver

Date: April 4, 2018
Bill Status: House Education
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Bill Topic: VETERANS' SERVICE-TO-CAREER PROGRAM

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill continues indefinitely the Veterans Service-to-Career Grant Program in the Colorado Department of Labor and Employment.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$500,000 to the Colorado Department of Labor and Employment.

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

**Table 1
State Fiscal Impacts Under HB 18-1343**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	Cash Funds	\$500,000	\$34,725
	Centrally Appropriated	\$6,879	\$6,879
	Total	\$506,879	\$41,604
	Total FTE	0.5 FTE	0.5 FTE
Transfers		-	-
Tabor Refund		-	-

Summary of Legislation

House Bill 16-1267 created the Colorado Veterans' Service-to-Career Pilot Program in the Colorado Department of Labor and Employment (CDLE). The pilot program authorizes nonprofit agencies to partner with workforce centers selected by the CDLE to provide eligible participants with skills training, internships, work placement, career and professional counseling, and other related support services. This bill:

- removes the January 1, 2019, repeal date, effectively converting the pilot project into a permanent and ongoing program;
- expands eligibility for program services to include veterans, veterans' spouses, persons actively serving in the U.S. Armed Forces and within six months of discharge, or a member of the National Guard or military reserves who has completed initial entry training;
- adjusts the allowable administrative overhead for expenses incurred by the CDLE from seven to eight percent;
- clarifies and defines terms; and
- requires that the CDLE develop an evaluation methodology to measure program outcomes and effectiveness prior to initiating the bid process for awarding grants.

The bill permits any unspent money that remains in the CDLE's current FY 2017-18 appropriation for administrative costs to be used to design the evaluation methodology, or to contract for its design. Unspent money for program services as of July 1, 2018, may be used for FY 2018-19.

Background

The Colorado Veterans' Service-to-Career Pilot Program is scheduled to repeal on January 1, 2019. For FY 2016-17, the CDLE was appropriated \$500,000 from the Marijuana Tax Cash Fund and 0.5 FTE. The department received a supplemental appropriation of approximately \$168,000 in FY 2017-18. The program is anticipated to expend all existing funds in the current FY 2017-18.

State Expenditures

The bill increases state expenditures by \$506,879 and 0.5 FTE in FY 2018-19 and by \$41,604 and 0.5 FTE in FY 2019-20. New expenditures are from the Marijuana Tax Cash Fund. State expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under HB 18-1343

	FY 2018-19	FY 2019-20
Colorado Department of Labor and Employment		
Personal Services	\$34,250	\$34,250
Operating Expenses and Capital Outlay Costs	\$475	\$475
Grant Funds	\$465,275	-
Centrally Appropriated Costs*	\$6,879	\$6,879
FTE – Personal Services	0.5 FTE	0.5 FTE
Total Cost	\$506,879	\$41,604
Total FTE	0.5 FTE	0.5 FTE

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

Service to career grant program. The bill increases expenditures in CDLE beginning with FY 2018-19 and ongoing. CDLE will develop an evaluation methodology prior to awarding the next round of grants in FY 2018-19, and continue to administer the application process, select grantees, disburse funds, monitor programs, and prepare summary reports. This fiscal note assumes that grant awards will be disbursed over the next two fiscal years, similar to the program's administration as a pilot in FY 2016-17 and FY 2017-18.

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 \$6,879 in both FY 2018-19 and FY 2019-20.

Local Government Impact

The bill increases revenue and expenditures for local governments operating workforce centers that apply for and receive grants through the state program. Local workforce centers will be eligible to receive additional funding from CDLE to support veterans and dependants with skills training, internships, work placement, career and professional counseling, and other related support services.

Effective Date

The bill takes effect July 1, 2018.

State Appropriations

For FY 2018-19, the bill requires an appropriation of \$500,000 from the Marijuana Tax Cash Fund to the Colorado Department of Labor and Employment and 0.5 FTE.

State and Local Government Contacts

Counties
Local Affairs

Information Technology
Military Affairs

Labor