



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-1010
Prime Sponsors: Rep. Bird; Cutter
Sen. Lee

Date: March 9, 2020
Bill Status: House Business
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Bill Topic: **EXTEND INNOVATIVE INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM**

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 extends the repeal date of the innovative industries workforce development program in the Department of Labor and Employment until July 1, 2025. The bill increases state expenditures beginning in FY 2020-21.

Appropriation Summary: In FY 2020-21, the bill requires an appropriation of \$1,056,550 to the Department of Labor and Employment.

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

Table 1
State Fiscal Impacts Under HB 20-1346

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$1,056,550	\$1,066,032
	Centrally Appropriated	\$17,997	\$21,395
	Total	\$1,074,547	\$1,087,427
	Total FTE	1.1 FTE	1.3 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill extends the repeal date of the Innovative Industries Workforce Development Program (program) until July 1, 2025. Additionally, the bill requires that the General Assembly appropriate \$900,000 from the General Fund to the Division of Employment and Training (division) in the Department of Labor and Employment for program reimbursements.

Background

The program is cooperatively administered by the Colorado Workforce Development Council (CWDC) and the Division of Employment and Training. Employers with high-level internships and apprenticeships in an innovative industry may be reimbursed for up to \$5,000 in expenses per intern. An employer may be reimbursed for no more than 10 interns, and at least half of the reimbursement must be used to pay the interns.

Qualified employers and positions are reviewed and approved by the division. At least 80 percent of the participating employers must have fewer than 100 employees. The CWDC provides technical assistance, promotes the program, and prioritizes applications if there are more internships than available funding. The CWDC also submits an annual report to the finance and business committees of the General Assembly. The CWDC may contract with one or more intermediaries, for up to \$10,000 per intermediary, to assist with certain aspects of the program.

State Expenditures

The bill increases state General Fund expenditures in the Department of Labor and Employment by \$1,074,547 and 1.1 FTE in FY 2020-21, and by \$1,087,427 and 1.3 FTE in FY 2021-22, as shown in Table 2 and discussed below.

Table 2
Expenditures Under HB 20-1346

	FY 2020-21	FY 2021-22
Department of Labor and Employment		
Personal Services	\$77,730	\$93,277
Operating Expenses	\$1,620	\$1,755
Capital Outlay Costs	\$6,200	-
Employer Reimbursements	\$900,000	\$900,000
Intermediaries	\$70,000	\$70,000
Travel	\$1,000	\$1,000
Centrally Appropriated Costs*	\$17,997	\$21,395
Total Cost	\$1,074,547	\$1,087,427
Total FTE	1.1 FTE	1.3 FTE

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

Administrative costs. Beginning in FY 2020-21, the CDLE and the CWDC requires 1.3 FTE, prorated to 1.1 FTE in the first year to reflect an August start date and General Fund pay date shift. The CDLE requires 1.0 FTE administrator to manage the business and intern application processes, identify qualifying internships, interface with and monitor grant awards, track and analyze program outcomes, and approve and reimburse businesses after internship completion. The CWDC requires 0.3 FTE administrator to provide support to industry intermediaries, promote the program, and complete the annual report for the General Assembly. Additionally, to provide expertise and contacts, the CWDC will expend \$70,000 in each fiscal year, sufficient to obtain assistance in seven innovative industry sectors. These costs reflect a continuation of current levels of staffing, administrative, and intermediary funding.

Employer reimbursements. At the \$900,000 funding level specified in the bill, CDLE will support at least 180 internships, assuming the maximum reimbursement of \$5,000.

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 \$17,997 in FY 2020-21 and \$21,395 in FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$1,056,550 and 1.1 FTE to the Department of Labor and Employment.

State and Local Government Contacts

Information Technology

Labor