


Colorado Legislative Council Staff Fiscal Note
STATE
REVISED FISCAL IMPACT
(replaces fiscal note dated April 18, 2013)

Drafting Number: LLS 13-0162	Date: April 22, 2013
Prime Sponsor(s): Rep. Duran; Melton Sen. Kerr	Bill Status: Senate Business Labor and Technology
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TITLE: CONCERNING THE COLORADO CAREERS ACT OF 2013, AND, IN CONNECTION THEREWITH, ESTABLISHING A TRANSITIONAL JOBS PROGRAM AND MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures General Fund	\$2.4 million	\$2.4 million
FTE Position Change	2.0 FTE	1.0 FTE
Effective Date: July 1, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		

Summary of Legislation

This *reengrossed* bill requires that the Department of Human Services (DHS) administer a transitional jobs program from July 1, 2013 through December 30, 2014. The purpose of the jobs program is to provide unemployed and underemployed adults an opportunity to experientially learn, model, and practice successful workplace behaviors that help them to obtain long-term unsubsidized employment. The bill requires that the DHS:

- identify organizations and employers able to provide employer services (employer of record) and organizations able to hire adults into transitional jobs (host site employers);
- define eligibility requirements for participation in the program;
- implement the program throughout the state, potentially with a gradual phase-in through 2014;
- initiate a request for proposal (RFP) process to select local agency contractors to be responsible for administering the transitional jobs program at the local level;
- define allowable uses of funding from the program; and
- collect data on performance outcomes and evaluate the data in order to present the results of the program in a timely and structured manner.

The bill contains an appropriation of \$2.4 million to the DHS for FY 2013-14. The DHS must use the money to reimburse the employer of record for wage-related costs, for administrative costs in the DHS, and for payments to local agency contractors. The program is repealed July 1, 2017.

Background

During FY 2009-10, the DHS requested additional appropriations of federal funds in the amount of \$28,957,513 to implement programs meant to mitigate the effects of the recession and draw down all of the federal funding made available by the Temporary Assistance for Needy Families Emergency Fund (TANF) provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). Of this total, \$11.25 million was utilized to create the TANF-supported Subsidized Employment Program (Colorado HIRE). Funds were applied to non-recurrent short-term work supports and subsidized wages at an average cost of \$6,750 per job. This subsidized employment was carried out through a Memorandum of Understanding with the Colorado Department of Labor and Employment (CDLE). The federal TANF appropriation was fully expended by FY 2010-11. This bill would re-authorize and fund the program with \$2.4 million General Fund.

State Expenditures

For FY 2013-14, this bill has a total cost of \$2.4 million General Fund and 2.0 FTE. For FY 2014-15, total costs are \$2.4 million and 1.0 FTE. The bill creates a transitional jobs program to help the unemployed transition into unsubsidized jobs. The DHS will establish program rules, create application procedures, develop criteria for evaluating applications, provide technical assistance and support services to employers who hire transitional job seekers, monitor grantees, assure accountability, and prepare program reports.

Beginning FY 2013-14, new FTE are needed to create and oversee the transitional jobs program. New staff are required to initiate the RFP process, create policies and procedures, collect and analyze data, provide technical and administrative support to grant recipients, and conduct site visits and training. New expenditures also include standard operating expenses for staff, travel, support services for employers, and program evaluation. Additional staff are required during the first year in order to initiate the program, create the necessary RFP process, and to oversee applications and awards. Beginning with FY 2014-15, FTE is reduced to 1.0. Detailed expenditures are displayed in Table 1.

Table 1. Expenditures Under HB 13-1004		
Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$104,323	\$52,162
FTE	2.0	1.0
Operating Expenses and Capital Outlay	11,306	950
Travel	2,650	10,600
Support Services for Local Agency Contractors	366,000	183,000
Program Evaluation	33,333	16,667
Printing, Communication, & Outreach	6,736	3,394
Transitional Employee Subsidies	1,875,649	2,133,227
TOTAL	\$2.4 million	\$2.4 million

State Appropriations

The bill contains an appropriation of \$2.4 million General Fund to the Department of Human Services. The DHS will also require spending authority and 2.0 FTE.

Departments Contacted

Counties
Labor

Municipalities
Governor

Higher Education
Regulatory Agencies

Human Services