

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0725	Date: January 16, 2014
Prime Sponsor(s): Rep. Kraft-Tharp Sen. Kerr	Bill Status: House Business, Labor, Economic, and Workforce Development
	Fiscal Analyst: Kerry White (303-866-3469)

SHORT TITLE: EXTEND TRANSITIONAL JOBS PROGRAM

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016	FY 2016-17
State Revenue			
State Expenditures	<u>\$1,202,736</u>	<u>\$2,407,671</u>	<u>\$1,204,255</u>
General Fund	\$1,195,270	\$2,390,541	\$1,195,270
Centrally Appropriated Costs**	7,466	17,130	8,985
FTE Position Change	1.0 FTE	2.0 FTE	1.0 FTE
Appropriation Required: \$1.2 million - Department of Human Services (FY 2014-15)			

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill extends the Transitional Jobs Program (known as ReHire Colorado) administered by the Department of Human Services (DHS) through December 30, 2016. The program is currently scheduled for repeal on December 30, 2014.

Background

The ReHire Colorado program was created under House Bill 13 - 1004 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. Under the bill, the DHS was appropriated \$2.4 million and 2.0 FTE for this program in FY 2013-14. Moneys are used to reimburse employers for wage-related costs, make payments to local agency contractors, and for staff and administrative costs.

State Expenditures

By extending the ReHire Colorado program by two years, this bill will increase state expenditures by \$1.2 million and 1.0 FTE for FY 2014-15, \$2.4 million and 2.0 FTE for FY 2015-16, and \$1.2 million and 1.0 FTE for FY 2016-17. These costs are based on the assumption that the existing appropriation, less capital outlay costs, will continue into the future. The program's costs are described in Table 1 and the discussion that follows.

Table 1. Expenditures Under HB14-1015			
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17
Personal Services	\$52,135	\$104,270	\$52,135
FTE	1.0	2.0	1.0
Operating Expenses	950	1,900	950
Travel, Program Evaluation, and Outreach Costs	21,360	42,719	21,360
Program Delivery Costs	1,120,825	2,241,652	1,120,825
Centrally Appropriated Costs*	7,466	17,130	8,985
TOTAL	\$1,202,736	\$2,407,671	\$1,204,255

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

Personal services and operating expenses. Personal services are based on a General Professional III salary of \$3,893 per month for 2.0 FTE. Standard operating costs of \$950 per year per FTE are also included. Costs in the first and third year are prorated to reflect a half year of operations. No paydate shift is required as staff is already in place.

Travel, program evaluation, and outreach costs. Travel expenses are \$1,325 per FTE per year. Program evaluation is calculated at \$33,333 per year, prorated to \$16,667 in partial fiscal years. Outreach costs, including printing, are \$6,736 per year, prorated to \$3,368 in partial fiscal years.

Program delivery costs. Program delivery costs include supportive services and wage subsidies and are \$2,241,652 per year, prorated to \$1,120,825 in partial fiscal years.

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 HB14-1015*			
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17
Employee Insurance	\$4,147	\$9,048	\$4,524
Supplemental Employee Retirement Payments	3,319	8,082	4,461
TOTAL	\$7,466	\$17,130	\$8,985

*More information is available at: <http://colorado.gov/fiscalnotes>

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

The bill requires an appropriation of \$1,195,270 General Fund and an allocation of 1.0 FTE for FY 2014-15 to the Department of Human Services.

State and Local Government Contacts

Human Services