



Legislative Council Staff

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FISCAL NOTE

Drafting Number:	LLS 19-0956	Date:	April 9, 2019
Prime Sponsors:	Rep. Buentello; Garnett Sen. Bridges; Rankin	Bill Status:	House Business

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Bill Topic:	GOVERNMENT YOUTH APPRENTICESHIP PROGRAM STIPENDS
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Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue <input checked="" type="checkbox"/> State Expenditure <input type="checkbox"/> State Transfer	<input type="checkbox"/> TABOR Refund <input checked="" type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity
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This bill creates the Government Youth Apprenticeship Stipend Program in the Colorado Workforce Development Council. The bill increases state and local government revenue and expenditures from FY 2019-20 to FY 2021-22.

Appropriation Summary:	In FY 2019-20, the bill requires a \$2.0 million transfer from the General Fund to the Department of Labor and Employment. The Government Youth Apprenticeship Stipend Fund is continuously appropriated to the department, therefore no appropriation is required.
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Fiscal Note Status:	The fiscal note reflects the introduced bill.
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Table 1
State Fiscal Impacts Under HB 19-1293

		FY 2019-20	FY 2020-21	FY 2021-22
Revenue		-	-	-
Expenditure	Cash Fund	\$2,000,000	\$2,000,000	\$2,000,000
	Total	\$2,000,000	\$2,000,000	\$2,000,000
Transfer	General Fund	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
	Cash Fund	\$2,000,000	\$2,000,000	\$2,000,000
	Total	\$0	\$0	\$0
TABOR Refund		-	-	-

Summary of Legislation

The bill creates the Government Youth Apprenticeship Stipend Program (program) in the Colorado Workforce Development Council (CWDC) within the Department of Labor and Employment (CDLE). Under the bill, the program receives a \$2.0 million annual General Fund transfer from FY 2019-20 to FY 2021-22 to provide grants to eligible nonprofit organizations to be distributed as stipends for high school students seeking apprenticeships at government entities. Governmental entities include the state or any state agency, including the judicial and legislative departments, local governments, school districts, and other political subdivisions of the state. The program repeals on July 1, 2024.

Program grants. Beginning in 2019, eligible nonprofit organizations may apply for grants by August 1 and the CWDC will award the grant money by September 1 of each year. Eligible nonprofit organizations may use up to 5 percent of the grant money to administer the program. Stipends may not exceed \$8,000 per apprenticeship and may only be used for eight apprenticeships per entity. In addition, 20 percent of the stipends must be awarded to governmental entities in rural areas.

Participating governmental entities. In order for a governmental entity to receive a stipend, the entity must:

- offer a governmental youth apprenticeship;
- pay the apprentice at least minimum wage;
- contribute at least \$2,000 towards the cost of apprenticeship stipends; and
- provide a signed affidavit that it will used the money as required.

The governmental entity may use stipend money to pay the apprentice's wages and to cover any fees, training costs, and transportation costs.

Government Youth Apprenticeship Stipend Fund. The bill creates the Government Youth Apprenticeship Stipend Fund. The Government Youth Apprenticeship Stipend Fund is continuously appropriated to the CWDC to award grant money to eligible nonprofit organizations. On June 30, 2024, all remaining unexpended and unencumbered funds in the cash fund will revert to the General Fund.

Reporting. The CWDC will include information on the program in its annual Colorado Talent Pipeline Report to the General Assembly. The report must include the number of eligible nonprofit organizations awarded grant money, the governmental entities that were awarded stipends, and the number of youth apprenticeships offered under the program.

State Transfers

In FY 2019-20, FY 2020-21, and FY 2021-22, the bill transfers \$2.0 million from the General Fund to the newly created Government Youth Apprenticeship Stipend Fund.

State Expenditures

The bill increases cash fund expenditures in CWDC by \$2.0 million in FY 2019-20, FY 2020-21 and FY 2021-22, from the Government Youth Apprenticeship Stipend Fund. CWDC will award grant money to eligible nonprofit organizations. It is assumed that up to three nonprofit organizations will apply for grant funds. Nonprofit organizations will then distribute stipend awards to governmental entities, with the possibility of 250 stipends being awarded for \$8,000 each.

Additionally, the bill increases workload for CWDC to establish and public grant award guidelines and notices; review applications; contract with eligible nonprofit organizations; award and distribute the grant money; review invoices and reports from grant recipient nonprofit organizations; and submit an annual report. This workload increase can be accomplished within existing resources. In the future, if more nonprofit organizations apply for program grant funds and should CWDC require additional resources, it will request them through the annual budget process.

Local Government and Statutory Public Entity

To the extent that any local government or statutory public entity becomes a stipend grant recipient, revenue and expenditures will increase for that government entity. Local governments that receive a stipend award must contribute \$2,000 towards the stipend. The impact to a particular jurisdiction depends on the amount of awarded stipends.

Effective Date

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

State Appropriations

For FY 2019-20, the bill requires a transfer of \$2,000,000 from the General Fund to the Government Youth Apprenticeship Stipend Fund. The Government Youth Apprenticeship Stipend Fund is continuously appropriated to the Colorado Workforce Development Council.

State and Local Government Contacts

Education

Information Technology

Labor