HB 20-1395

Legislative
Council Staff
Nonpartisan Services for Colorado's Legislature

FINAL
FISCAL NOTE

Bill Topic:	**END WORK ACT GRANTS TRANSFER MONEY TO GENERAL FUND**

Summary of Fiscal Impact:	☐ State Revenue	☐ TABOR Refund	
	☒ State Expenditure	☐ Local Government	
	☒ State Transfer	☐ Statutory Public Entity	

Budget package bill. This bill removes the $3.3 million appropriation to the Skilled Worker, Outreach, Recruitment, and Key Training Grant Program in the Colorado Department of Labor and Employment from the 2020 long bill and requires a transfer of any unencumbered program funds to the General Fund. This reduces state expenditures for FY 2020-21 and creates a transfer to the General Fund in FY 2020-21 and FY 2021-22.

Appropriation Summary: This bill requires and includes a reduction in the appropriation to the Department of Labor and Employment of $3.3 million in FY 2020-21.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 20-1395

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	($3,300,000)	-
	Total	**($3,300,000)**	**-**
	Total FTE	**(2.0 FTE)**	**-**
Transfers	General Fund	at least $160,300	-
	Cash Funds	at least ($160,300)	-
	Total	**$0**	**-**
TABOR Refund		-	-

Summary of Legislation

The bill adjusts the General Fund appropriation to the Skilled Worker Outreach, Recruitment, and Key Training Grant Program (WORK program) in the Colorado Department of Labor and Employment (CDLE) from $3.3 million to zero. Unencumbered funds in the WORK fund are required to be transferred to the General Fund by the State Treasurer on September 1, 2020, and September 1, 2021. The CDLE is precluded from accepting, awarding, or issuing WORK program grants as of the effective date of the bill. The WORK program is repealed on September 30, 2021, after the WORK grant review committee submits its final report to the Governor and the General Assembly by August 31, 2021.

Background

The WORK program supports the marketing and updating of workforce training programs to meet industry needs for skilled workers. The program partners with business and industry to award matching grants to eligible applicants to support outreach and recruitment efforts for skilled worker training programs, to provide such training, or both. Eligible grant applicants include government or non-government entities that plan to offer a training program and have partnered with industry sectors.

The WORK program was created under House Bill 15-1276 and appropriated $10.0 million over three fiscal years, FY 2015-16 to FY 2017-18. House Bill 18-1316 extended the WORK program through FY 2020-21, and required the General Assembly to appropriate a total of $7.6 million to the WORK program during that time.

To date, the program has awarded $13,629,504 in grants to 38 grantees. For FY 2019-20, all WORK program funds have been awarded and existing contracts have various end dates ranging from June 30, 2020 (for funds awarded in FY 2018-19) through July 15, 2021 (for funds awarded in FY 2019-20). The estimated unspent and unencumbered balance available for transfer from the WORK fund to the General Fund is $160,300.

State Transfers

In FY 2020-21, the bill transfers an estimated $160,300 to the General Fund from the WORK fund. This amount represents the assumed unencumbered balance in the WORK fund as of May 2020. A subsequent transfer of any remaining funds in the WORK fund will take place in FY 2021-22.

State Expenditures

The bill reduces state expenditures by $3.3 million and 2.0 FTE by reducing the appropriation made in the 2020 long bill by that amount.

Effective Date

The bill was signed into law by the Governor and took effect on June 26, 2020.

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State Appropriations

In FY 2020-21, this bill requires and includes a reduction in General Fund of $3,300,000 and 2.0 FTE to the Department of Labor and Employment.

State and Local Government Contacts

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