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FISCAL NOTE

Drafting Number:	LLS 18-0132	Date:	January 17, 2018
Prime Sponsors:	Sen. Donovan; Crowder Rep. Catlin; McLachlan	Bill Status:	Senate Agriculture
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Bill Topic: AGRICULTURAL WORKFORCE DEVELOPMENT PROGRAM

**Summary of
Fiscal Impact:**

- | | |
|---|--|
| ☐ State Revenue | ☐ TABOR Refund |
| ☒ State Expenditure | ☐ Local Government |
| ☐ State Transfer | ☐ Statutory Public Entity |

The bill requires the Colorado Department of Agriculture to create an agricultural workforce development program to reimburse agricultural businesses that hire interns. It increases state expenditures through FY 2023-24.

**Appropriation
Summary:**

In FY 2018-19, the bill requires an appropriation of \$43,157 to the Department of Agriculture.

**Fiscal Note
Status:**

This fiscal note reflects the introduced bill, which was recommended by the Young and Beginning Farmers Interim Committee.

Table 1
State Fiscal Impacts Under SB 18-042

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$43,157	\$64,108
	Centrally Appropriated	\$7,476	\$8,471
	Total	\$50,633	\$72,579
	Total FTE	0.3 FTE	0.3 FTE
Transfers		-	-

Summary of Legislation

This bill requires the Colorado Department of Agriculture to create by rule an agricultural workforce development program to incentivize agricultural businesses to hire interns by January 1, 2019. Eligible businesses may be reimbursed up to 50 percent of the costs to employ an intern, including wages, fixed expenses, and other costs. The internships must provide an intern with at least 130 hours of work experience over no more than six months.

The department must establish rules for the program including: eligibility requirements, the number of internships approved, reimbursement amount per internship, and whether a business may be reimbursed for more than one intern, but no more than three interns, per fiscal year. The program is repealed July 1, 2024.

Assumptions

The fiscal note assumes the following:

- the minimum 130 hours per internship;
- \$880 is reimbursed per internship, or 50 percent of an estimated \$1,760 in internship costs (assuming 130 hours and \$12 per hour, plus fixed costs); and
- 30 internships approved in FY 2018-19 and 50 in FY 2019-20 through the end of the program in FY 2023-24.

State Expenditures

The bill increases state General Fund expenditures by \$50,633 and 0.3 FTE in FY 2018-19 and \$72,579 and 0.3 FTE in FY 2019-20 through FY 2023-24 for the Department of Agriculture. The costs are estimates based on the assumptions listed above. The number of internships approved, reimbursement amounts, and administrative expenses required to implement the bill are dependent on the amount appropriated to the program by the General Assembly. Estimated costs are listed in Table 2 and discussed below.

Table 2
Expenditures Under SB 18-042

	FY 2018-19	FY 2019-20
Department of Agriculture		
Personal Services	\$16,757	\$20,108
Internship Reimbursement	\$26,400	\$44,000
Centrally Appropriated Costs*	\$7,476	\$8,471
FTE – Personal Services	0.3 FTE	0.3 FTE
Total Cost	\$50,633	\$72,579
Total FTE	0.3 FTE	0.3 FTE

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

Department of Agriculture. To administer the program, the Department of Agriculture requires 0.3 FTE beginning in FY 2018-19. Costs associated with the FTE are lower in FY 2018-19 due to an assumed August 1 start date and the General Fund payday shift. Administration of the internship program includes developing program requirements, marketing the program, reviewing and approving applications, and distributing reimbursement. Based on the assumptions above, \$26,400 in FY 2018-19 and \$44,000 in FY 2019-20 will be required to reimburse eligible businesses for internship costs. Rulemaking is estimated to require 120 hours of legal services from the Department of Law which can be accomplished within the department's existing legal services appropriation.

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, supplemental employee retirement payments, and indirect costs are estimated to be \$7,476 in FY 2018-19 and \$8,471 in FY 2019-20.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a General Fund appropriation of \$43,157 and an allocation of 0.3 FTE to the Department of Agriculture.

State and Local Government Contacts

Agriculture Information Technology Law