



JOINT BUDGET COMMITTEE STAFF FY 2018-19 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Labor and Employment

The Department of Labor and Employment is responsible for administering unemployment insurance programs, enforcement of the state's labor laws, and inspections of a variety of industries from retail fuel locations to amusement park rides. The Department's FY 2017-18 appropriation represents approximately 0.9 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2017-18 APPROPRIATION AND FY 2018-19 REQUEST

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254 (Long Bill)	251,033,822	21,380,958	72,519,276	9,515,450	147,618,138	1,310.1
Other legislation	6,000	0	6,000	0	0	0.0
TOTAL	\$251,039,822	\$21,380,958	\$72,525,276	\$9,515,450	\$147,618,138	1,310.1
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$251,039,822	21,380,958	\$72,525,276	\$9,515,450	\$147,618,138	1,310.1
R1 Unemployment insurance reemployment program	230,900	0	230,900	0	0	0.0
NP1 Cybersecurity liability insurance policy	4,072	102	1,170	0	2,800	0.0
NP2 OIT Operating system and office productivity service	420,999	0	133,620	0	287,379	0.0
Community provider rate adjustment	66,668	66,668	0	0	0	0.0
Centrally appropriated line items	5,094,143	461,223	2,872,178	35,013	1,725,729	0.0
Annualize prior year budget actions and legislation	(4,026,689)	(3,406,823)	(663,337)	(1,004)	44,475	0.0
Technical adjustments	(289,967)	0	(163,902)	7,376	(133,441)	0.0
TOTAL	\$252,539,948	\$18,502,128	\$74,935,905	\$9,556,835	\$149,545,080	1,310.1
INCREASE/(DECREASE)	\$1,500,126	(\$2,878,830)	\$2,410,629	\$41,385	\$1,926,942	0.0
Percentage Change	0.6%	(13.5%)	3.3%	0.4%	1.3%	0.0%

R1 UNEMPLOYMENT INSURANCE: The request includes \$230,900 cash funds from the Unemployment Revenue Fund in FY 2018-19, annualizing to \$200,000 in future years, to implement a new online job search readiness system for claimants of unemployment insurance. The Department proposes to purchase, from a vendor, licenses for claimant access to a suite of online job preparedness modules.

NP1 CYBERSECURITY INSURANCE: The request includes Department's share of a request in the Department of Personnel for cybersecurity liability insurance. This request will be addressed in the briefing for the Department of Personnel.

NP2 OPERATING SYSTEM SUITE: The request includes the Department’s share of a request in the Governor’s Office of Information Technology (OIT) to create a new common policy service that encompasses products and services under the new Microsoft Licensing Agreement. This request will be addressed in the briefing for the Governor’s Office.

COMMUNITY PROVIDER RATE ADJUSTMENT: The request includes a common-policy 1.0 percent provider rate increase for independent living centers in the Division of Vocational Rehabilitation.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to OIT; and CORE operations.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION: The request includes the following adjustments for prior year budget actions and legislation.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize S.B. 16-1267 (Veterans Service to Career Program)	(\$165,296)	\$0	(\$165,296)	\$0	\$0	0.0
Annualize H.B. 15-1276 (Skilled Worker Outreach Program)	(3,400,000)	(3,400,000)	0	0	0	0.0
Annualize FY 2018 R1 Conveyance App and DB	(445,000)	0	(445,000)	0	0	0.0
Annualize prior year salary survey	(5,776)	(7,066)	(25,605)	(368)	27,263	0.0
Annualize merit base pay	(10,617)	243	(27,436)	(636)	17,212	0.0
TOTAL	(\$4,026,689)	(\$3,406,823)	(\$663,337)	(\$1,004)	\$44,475	0.0

TECHNICAL ADJUSTMENTS: The request includes various other technical adjustments. These in part offset the Department’s request for an increase for the NP2 Operating System Suite.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

THE UNEMPLOYMENT INSURANCE PROGRAM AND R1 REEMPLOYMENT INITIATIVE: Unemployment insurance claims are low due to historically low unemployment rates. The Department is using this low-demand period to implement unemployment insurance program improvements and replace its antiquated computer systems. It has requested \$230,900 for a computer-based system to promote re-employment. Requests have not, to date, been submitted on two other important issues: (1) The UI Trust Fund is projected to become insolvent under recessionary conditions without further statutory changes; (2) the Department is likely to request funding for additional computer system upgrades.

2015 AND 2016 STATE WORKFORCE-DEVELOPMENT BILLS SCHEDULED TO SUNSET: A number of programs authorized by 2015 and 2016 workforce bills repeal or lose funding at the end of FY 2017-18. The Department of Labor and Employment has not requested that any of the repealing programs be continued in future years and has correctly eliminated (annualized) \$3.6 million in associated General Fund support from its FY 2018-19 request.

UPDATE ON THE DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES TRANSFER TO LABOR AND EMPLOYMENT: The General Assembly transferred the Division of Vocational Rehabilitation and Independent Living Services from the Department of Human Service (DHS) to the Department of Labor and Employment (CDLE) effective July 1, 2016. The CDLE has effectively addressed some of the serious financial management problems that occurred under DHS. CDLE continues to work on expanding the vocational rehabilitation caseload and balancing accountability and efficiency in program operations.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2018-19_labbrf.pdf