

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus, JBC Staff (303-866-2149)
DATE February 9, 2023
SUBJECT Revisions to staff recommendation of CDLE BA2 Disability Employment First Request

In the original Staff figure setting document for the Department of Labor and Employment, on page 66, staff recommended approval of BA2 Disability Employment First. Upon further review, and concern for a lack of reporting on and accountability for the recommendations being made by the requested positions, staff is recommending the request be denied or tabled until the Executive Branch can speak to the accountability measures that will be taken.

ORIGINAL STAFF RECOMMENDATION

Staff recommends approval of \$270,508 General Fund in FY 2023-24 and \$271,703 in FY 2024-25, with the requested roll forward authority on \$40,000 of the appropriation.

Staff is recommending approval of the request. However, one point of potential concern is that though these positions would make recommendations and collaborate with agencies on this effort, there is no requirement that agencies implement recommended changes. Staff believes that there should be some documentation of and accountability for recommendations made to agencies which can be provided to the EFAP, DVR, DPA, or the JBC at the end of the two year initiative.

REVISED STAFF RECOMMENDATION

Staff recommends the Committee deny or table discussion on the request until the Executive Branch is able to speak to the documentation of the recommendations from these positions as well as the accountability measures for enacting the recommended changes.

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2023-24

DEPARTMENT OF LABOR AND EMPLOYMENT

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
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FEBRUARY 9, 2023

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HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

In some of the analysis of decision items in this document, you may see language denoting certain ‘levels of evidence’, e.g. theory-informed, evidence-informed, or proven. For a detailed explanation of what is meant by ‘levels of evidence’, and how those levels of evidence are categorized, please refer to Section 2-3-210 (2), C.R.S.

DEPARTMENT OVERVIEW

The Colorado Department of Labor and Employment (CDLE) administers eight divisions. A brief description of each division and its functions is provided below.

EXECUTIVE DIRECTOR'S OFFICE

Provides administrative and technical support for Department's divisions and programs including accounting, budgeting, and human resource functions; houses the special purpose State Apprenticeship Agency, the Office of Future Work, and the Office of New Americans.

DIVISION OF UNEMPLOYMENT INSURANCE

Collects unemployment insurance premiums and surcharges from employers; administers the payment of unemployment insurance benefits to individuals who become unemployed through no fault of their own; and conducts audits and investigations to ensure proper payment of premiums and benefits.

DIVISION OF EMPLOYMENT AND TRAINING

- *Workforce Development Centers* assist job seekers and employers with job training and placement including: job listings; computer and internet access; career counseling and training; recruitment, pre-screening, and referral services; tax credits for employers; and training reimbursement for employers. CDLE directly administers the rural consortium; the rest are locally administered by the county but funded by CDLE.
- The *Colorado Workforce Development Council* provides workforce policy recommendations; designates local workforce investment areas; coordinates the delivery of workforce development programs; and reviews the allocation of federal Title I funds for adult employment and training activities and for youth activities.
- The *Office of Just Transition* supports coal workers, employers, and communities transition away from a coal economy in Colorado.

DIVISION OF LABOR STANDARDS AND STATISTICS

- *Labor Standards* administers employment and labor laws pertaining to wages paid, hours worked, minimum wage, labor standards, child labor, employment-related immigration laws, and working conditions. It also conducts all union agreement elections, certifies all-union provisions, and investigates and mediates allegations of unfair labor practices.
- *Labor Market Information* produces information on labor market trends including unemployment rates, industry trends, and employee compensation by region and industry.

DIVISION OF OIL AND PUBLIC SAFETY

Establishes and enforces rules, regulations, and statutes that govern amusement rides and devices; explosives; boilers; conveyances; fuel products; underground and aboveground petroleum storage tanks; cleanup of petroleum spills; and reimbursement of cleanup costs to qualifying storage tank owners/operators. The Division includes the Underground Damage Prevention Safety Commission and Fund, which includes enforcement oversight for Colorado 811.

DIVISION OF WORKERS' COMPENSATION

Regulates the workers compensation industry in Colorado. Oversees workers' compensation injury claims and compliance, mediates disputes, and administers the Medical Disasters (injuries prior to 1971), Major Medical (injuries from 1971-1981), and Subsequent Injury (more than one industrial injury or injury at more than one employer) Insurance Programs.

DIVISION OF VOCATIONAL REHABILITATION

Oversees vocational rehabilitation programs to enable individuals with disabilities to participate in the workforce. These programs include Vocational Rehabilitation Services, School-to-Work Alliance Program, Vocational Rehabilitation Mental Health Services, Independent Living Services, Business Enterprises Program for Individuals who are Blind, and the Business Enterprises Program.

DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE

Oversees the State Family and Medical Leave Insurance program. The Division consists of five primary operating branches: Employer Services and Program Integrity, Product and Technical Operations, Customer Success, Case Management, and Appeals.

SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$311,749,059	\$24,066,641	\$95,116,682	\$6,875,563	\$185,690,173	1,326.2
SB 23-121 (Supplemental)	(1,862,562)	(455,024)	(824,742)	(16,577)	(566,219)	0.0
Other legislation	25,498,754	7,896,748	17,470,812	248,364	(117,170)	17.8
TOTAL	\$335,385,251	\$31,508,365	\$111,762,752	\$7,107,350	\$185,006,784	1,344.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$335,385,251	\$31,508,365	\$111,762,752	\$7,107,350	\$185,006,784	1,344.0
FAMLI (I) True-up	38,757,707	0	38,757,707	0	0	346.0
Centrally appropriated line items	29,098,330	4,526,225	15,766,323	87,022	8,718,760	0.0
DVR RF (I) True-up	16,801,827	0	0	3,791,982	13,009,845	0.0
Non-prioritized decision items	2,948,442	704,203	1,317,215	25,944	901,080	1.0
R2 UI Fraud prevention	2,241,734	0	2,241,734	0	0	12.0
R4 BEP Continuous appropriation	271,000	0	271,000	0	0	0.0
BA2 Disability employment first	270,508	270,508	0	0	0	1.8
Community provider rate increase	192,356	192,356	0	0	0	0.0
BA1 Rides and Devices Program staffing	159,197	159,197	0	0	0	2.0
R3a Wage theft enforcement updates	151,359	0	151,359	0	0	1.0
R3b Wage theft worker payments	12,657	0	12,657	0	0	0.2
R1 Employment support fund	0	0	0	0	0	0.0
Appropriation to immigration legal defense fund	0	0	0	0	0	0.0
Annualize prior year legislation	(25,242,908)	(6,157,908)	(19,085,000)	0	0	(2.6)
Annualize prior year budget actions	(201,028)	(201,028)	0	0	0	0.0
TOTAL	\$400,846,432	\$31,001,918	\$151,195,747	\$11,012,298	\$207,636,469	1,705.4
INCREASE/(DECREASE)	\$65,461,181	(\$506,447)	\$39,432,995	\$3,904,948	\$22,629,685	361.4
Percentage Change	19.5%	(1.6%)	35.3%	54.9%	12.2%	26.9%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$7,496,861	\$557,972	\$6,356,093	\$16,577	\$566,219	0.5

*For items pending Committee common policy decisions, the amount shown is the request.

DESCRIPTION OF INCREMENTAL CHANGES

FAMLI (I) TRUE-UP: The recommendation includes an informational increase to the Family and Medical Leave Insurance (FAMLI) Program Costs line item of \$38.8 million and 346.0 FTE from the FAMLI Fund. The fund is continuously appropriated for the purposes of administering the program, so this amount is informational. This amount represents the number of staff necessary to ensure the program operates within compliance of statutory requirements.

CENTRALLY APPROPRIATED LINE ITEMS: The recommendation includes the following adjustments to centrally appropriated line items; final amounts will reflect the Committee's decisions on Common Policy. *These request items will be addressed in separate staff figure settings for Compensation Common Policies, the Department of Personnel, and the Governor's Office.*

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$9,960,792	\$2,370,661	\$4,490,997	\$88,970	\$3,010,164	0.0
Health, life, and dental	7,585,459	978,762	5,038,352	(52,130)	1,620,475	0.0
Salary survey	7,428,410	578,352	3,342,269	30,877	3,476,912	0.0
AED	1,590,451	179,057	1,104,098	(7,670)	314,966	0.0
SAED	1,590,451	179,057	1,104,098	(7,670)	314,966	0.0
Health, life, and dental true-up	1,247,547	105,257	630,959	1,648	509,683	0.0
Legal services	620,794	0	275,881	0	344,913	0.0
Statewide operating expenses inflation	537,638	1,536	198,385	48,680	289,037	0.0
Leased space	493,347	74,944	418,403	0	0	0.0
DPA Pay plan	67,312	33,210	34,102	0	0	0.0
Short-term disability	38,272	5,041	30,241	(309)	3,299	0.0
Risk legal adjustment correction	13,753	738	4,272	52	8,691	0.0
Capitol complex inflation	7,665	936	5,249	0	1,480	0.0
Capitol complex leased space	453	55	311	0	87	0.0
PERA Direct Distribution	(1,706,395)	25,182	(689,523)	(15,005)	(1,027,049)	0.0
ALJ services	(164,888)	(454)	(163,215)	0	(1,219)	0.0
CORE adjustment	(87,420)	(529)	(24,591)	(69)	(62,231)	0.0
Risk management and property adjustment	(63,221)	(3,391)	(19,639)	(239)	(39,952)	0.0
Workers' compensation	(47,023)	(2,189)	(14,325)	(113)	(30,396)	0.0
Shift differential	(15,066)	0	0	0	(15,066)	0.0
Annualize prior year salary survey	(1)	0	(1)	0	0	0.0
TOTAL	\$29,098,330	\$4,526,225	\$15,766,323	\$87,022	\$8,718,760	0.0

DVR RF (I) TRUE-UP: The recommendation includes an informational increase of \$16.8 million total funds to two line items in the Division of Vocational Rehabilitation. These adjustments come from reappropriated and federal funding sources, and are provided for informational purposes.

NON-PRIORITIZED DECISION ITEMS: The recommendation includes \$2.9 million in non-prioritized decision items including \$704,203 General Fund; final amounts will reflect the Committee’s decisions on Common Policy.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT IT Accessibility testing and remediation	\$3,481,855	\$850,617	\$1,541,765	\$30,989	\$1,058,484	1.0
OIT Budget package	1,281,071	304,895	577,635	11,401	387,140	0.0
DPA COE common policy	22,971	1,895	8,623	111	12,342	0.0
NP2 Annual fleet vehicle request	16,874	1,295	9,964	17	5,598	0.0
DPA Transfer perf. budgeting to DPA	4,136	25	1,164	3	2,944	0.0
Capitol complex staffing	4,097	500	2,806	0	791	0.0
OIT Real time billing	(1,862,562)	(455,024)	(824,742)	(16,577)	(566,219)	0.0
TOTAL	\$2,948,442	\$704,203	\$1,317,215	\$25,944	\$901,080	1.0

R2 UI FRAUD PREVENTION: The recommendation includes an increase of \$2.2 million in cash fund spending authority in FY 2023-24 and FY 2024-25 to continue to fund anti-fraud technology and 12.0 FTE in the Unemployment Insurance Division at the levels established under federal pandemic funding.

R4 BUSINESS ENTERPRISE PROGRAM (BEP) CONTINUOUS APPROPRIATION [REQUIRES LEGISLATION]: The recommendation includes an increase of \$271,000 in cash fund spending authority in FY 2023-24 and ongoing to allow for increased expenditures in the Business Enterprise Program.

BA2 DISABILITY EMPLOYMENT FIRST: The recommendation includes \$270,508 General Fund in FY 2023-24 and \$271,703 in FY 2024-25 for 2.0 FTE and contracted services in the Division of Vocational Rehabilitation and Independent Living Services to expand disability employment first philosophy, policy and practice across relevant state government agencies, work with the Employment First Advisory Partnership, and communicate disability employment first philosophy to the public.

COMMUNITY PROVIDER RATE INCREASE: The recommendation includes a 3.0 percent increase or \$192,356 General Fund for independent living centers on an ongoing basis, consistent with Committee common policy.

BA1 RIDES AND DEVICES PROGRAM STAFFING: The recommendation includes \$159,187 General Fund in FY 2023-24 and \$181,304 in FY 2024-25 and ongoing for an additional 2.0 FTE to allow for sufficient oversight of critical safety components within the Amusement Rides and Devices Program. The Department also requests an increase in Public Safety Cash Fund spending authority of \$56,388 and 0.5 FTE beginning in FY 2024-25. This increase in Public Safety Cash Fund spending authority and 2.0 FTE will be ongoing, and cash fund spending authority will continue to increase after FY 2024-25 to offset the corresponding decrease in General Fund as fees are increased.

R3A WAGE THEFT ENFORCEMENT UPDATES: The recommendation includes \$151,359 in cash fund spending authority in FY 2023-24 and \$161,634 in FY 2024-25 and ongoing from the Wage Theft Enforcement Fund (WTEF) for an added compliance investigator as well as resources for translation and interpretation services throughout the claims process.

R3B WAGE THEFT ENFORCEMENT WORKER PAYMENTS [REQUIRES LEGISLATION]: The recommendation includes: (1) An increase of \$12,657 in cash fund spending authority and 0.2 FTE in FY 2023-24 and \$16,046 in FY 2024-25 and ongoing; and (2) A statutory change to make wage theft workers payments an allowable use for the WTEF, make the WTEF continuously appropriated ONLY for the purposes of wage theft workers payments, and exempt the WTEF from cash fund reserve requirements. The statutory change would allow the Department to use excess reserves in the WTEF to make payments to workers who have been victims of wage theft. This would help manage excess cash fund revenues in the WTEF and create a system where wage theft payment obligations are transferred from workers to the Department.

R1 EMPLOYMENT SUPPORT FUND [REQUIRES LEGISLATION]: The recommendation includes a statutory change to establish a cap mechanism for the Employment Support Fund (ESF), and would change the method of premium collections for the ESF, Benefit Recovery Fund, and Unemployment Insurance Technology Fund. These changes would address federal conformity issues with how these funds are collected and how experience ratings are calculated.

APPROPRIATION TO IMMIGRATION LEGAL DEFENSE FUND: The recommendation includes maintaining the FY 2022-23 Long Bill amendment of an additional \$250,000 General Fund appropriation to the Immigration Legal Defense Fund on an ongoing basis.

ANNUALIZE PRIOR YEAR LEGISLATION: The recommendation includes a net decrease of \$25.2 million total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB22-230 Collective bargaining counties	\$140,236	\$140,236	\$0	\$0	\$0	0.8
SB22-161 Wage theft employee misclassification	57,776	57,776	0	0	0	1.1
SB22-097 Whistleblower protection	214	214	0	0	0	0.5
HB22-1394 Fund just transition	(17,555,000)	0	(17,555,000)	0	0	0.0
SB22-140 Expansion of experiential learning opportunities	(6,100,000)	(6,100,000)	0	0	0	(5.1)
SB21-251 GF loan FAMILI	(1,530,000)	0	(1,530,000)	0	0	0.0
SB22-210 License suppl health	(238,223)	(238,223)	0	0	0	0.3
HB22-1308 Agricultural workforce	(17,911)	(17,911)	0	0	0	(0.2)
TOTAL	(\$25,242,908)	(\$6,157,908)	(\$19,085,000)	\$0	\$0	(2.6)

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes a net decrease of \$201,028 General Fund to annualize the skills-based hiring decision item in FY 2022-23.

MAJOR DIFFERENCES FROM THE REQUEST

- Staff recommendation on Department request R3 is split into two recommendations: R3a Wage theft enforcement updates and R3b Wage theft enforcement worker payments. For R3b, staff recommends a different statutory change than requested for managing worker wage payments.
- Staff recommendation on Department request R4 BEP Continuous appropriation, is for increased ongoing cash fund spending authority of \$271,000 rather than the Department’s request for continuous appropriations from the BEP fund.
- Throughout the document, staff is not recommending appropriations for centrally appropriated costs in the first year for new FTE per JBC policy.

DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

→ R1 EMPLOYMENT SUPPORT FUND [REQUIRES LEGISLATION]

REQUEST: The Department requests a statutory change to:

- Establish a cap of \$32.5 million for the Employment Support Fund (ESF) which would allow reserves over that amount to be transferred from the ESF to the Unemployment Insurance Trust Fund (UITF); and
- A change in the method of premium collections for the ESF and Unemployment Insurance Technology Fund (Tech Fund) from “off the top” of the UITF to an Unemployment Insurance (UI) surcharge.

RECOMMENDATION: **Staff recommends approval of the request.** Staff requests permission to begin working with the Department and the Office of Legislative Legal Services on a committee bill draft to implement these legislative changes.

ANALYSIS:

FEDERAL COMPLIANCE

The ESF was created to support the Department and strengthen UITF solvency, and has traditionally been used to invest in employment-related services in local workforce centers and community partners, state employment and training programs, and labor standards and relations activities. The ESF is a cash fund that receives a small portion of the UI premiums paid by employers, which are transferred into the ESF at a rate of 0.11 percent. With the passage of S.B. 22-234, a portion of UI premiums are diverted to the Benefit Recovery Fund at a rate of 0.035 percent, capped at \$15.0 million per year. Last, the Tech Fund, used for employment and training automation initiatives, takes in .04 percent, capped at \$7.0 million per year.

The U.S. Department of Labor notified CDLE through a formal opinion on May 2, 2022 that the way the ESF is currently structured is out of conformity with federal law:

- 1 Currently, ESF revenue is paid into the UITF and then transferred into the ESF. Per federal law, any money deposited in the UITF must be used for the payment of UI benefits.
- 2 The Department currently factors in employer contributions to the UITF that are destined for the ESF into their experience rating calculations. Per federal law, the only contributions that can be taken into account for the calculation are contributions used to pay UI benefits.

If no changes occur, the federal government could pursue conformity proceedings against the State. This could result in the loss of the FUTA credit for Colorado employers or a freeze on the UI administration base grant the State currently receives.

The Department’s proposal would annually adjust employer rates to account for the need to separate ESF and Tech Fund contributions as surcharges, ensure equitable impact across employer experience ratings, and maintain anticipated revenue towards the ESF and Tech Fund. Total revenues will not change between the UITF, ESF, and Tech fund. CDLE will split the total rate into two categories: one rate dedicated to revenue that goes into the UITF and a second rate dedicated to revenue that goes into the ESF and Tech Fund. Those two separate rates will combine to equal the total rates currently allowed by statute. This would be net neutral to the employer, but would allow CDLE to break out the ESF and Tech Fund portions on the front end and ensure conformity with federal law for all three funds. Appendix B includes the proposed technical solution to this issue and an example

of what adjusted rates with the additional ESF and Tech Fund surcharges would look like if implemented in 2023.

To ensure employers understand and support the necessary changes, the Department is continuing to engage with stakeholders on this process. These discussions have included potentially turning off the solvency surcharge in FY 2024-25 as well as making changes to allow the Department to use the remainder of the \$600.0 million ARPA allocation in S.B. 22-234 to pay off private loans as well as federal loans.

EMPLOYMENT SUPPORT FUND REVENUES

With the ongoing implementation of S.B. 20-207, the taxable wage base will continue to increase annually, which will raise revenues in the ESF. Estimated increased revenues to the fund are shown in the table below. As revenues increase, there is no mechanism to reduce reserves in the ESF. Setting a cap on reserves, with excess funds transferred to the UITF, would ensure that the ESF has the revenue it needs while accelerating the trust fund’s return to solvency. The Department is requesting a cap to commence at \$32.5 million, with future changes tied to annual increases in average weekly wage earnings.

EMPLOYMENT SUPPORT FUND REVENUE GROWTH		
FISCAL YEAR	ANNUAL REVENUE	ANNUAL PERCENT INCREASE
2018-19	\$34,106,535	-
2019-20	\$38,094,735	12%
2020-21	\$40,454,269	6%
2021-22	\$45,099,205	11%
2022-23*	\$59,500,000	32%
2023-24*	\$69,500,000	14%
2024-25*	\$78,700,000	12%
2025-26*	\$87,700,000	10%
2026-27*	\$94,500,000	7%

ESF revenues are determined by fees set by the UITF enterprise, which exempts the ESF from cash fund maximum reserve requirements. However, the revenue in the ESF is not part of the enterprise and thus not exempt from revenue limits under TABOR.

STAFF RECOMMENDATION

Due to the issues of federal compliance and increasing revenue in the ESF, staff is recommending the Committee introduce legislation to add a cap on ESF reserves as well as adjust the mechanism for collecting UI premiums. Staff requests permission to begin working with the Department and the Office of Legislative Legal Services on a committee bill draft to implement these legislative changes.

(1) EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office (EDO) provides administrative and management services to the other divisions within the Department. The appropriation also includes centrally appropriated items. Within the Executive Director's Office also reside several special programs. These are the State Apprenticeship Agency (Section 8-15.7-102, C.R.S.), the Office of Future Work (Section 8-77-110, C.R.S.), and the Office of New Americans (Section 8-3.7-103, C.R.S).

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$80,285,858	\$9,028,717	\$34,704,225	\$1,127,735	\$35,425,181	121.1
SB 23-121 (Supplemental)	(1,862,562)	(455,024)	(824,742)	(16,577)	(566,219)	0.0
Other legislation	3,005,756	3,208,750	(84,188)	(1,636)	(117,170)	2.8
TOTAL	\$81,429,052	\$11,782,443	\$33,795,295	\$1,109,522	\$34,741,792	123.9
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$81,429,052	\$11,782,443	\$33,795,295	\$1,109,522	\$34,741,792	123.9
Centrally appropriated line items	24,846,546	4,103,798	13,767,500	14,445	6,960,803	0.0
Non-prioritized decision items	2,948,442	704,203	1,317,215	25,944	901,080	1.0
R2 UI Fraud prevention	197,680	0	197,680	0	0	0.0
Appropriation to immigration legal defense fund	0	0	0	0	0	0.0
Annualize prior year legislation	(3,003,578)	(3,003,578)	0	0	0	(3.2)
TOTAL	\$106,418,142	\$13,586,866	\$49,077,690	\$1,149,911	\$42,603,675	121.7
INCREASE/(DECREASE)	\$24,989,090	\$1,804,423	\$15,282,395	\$40,389	\$7,861,883	(2.2)
Percentage Change	30.7%	15.3%	45.2%	3.6%	22.6%	(1.8%)
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$2,109,945	\$563,582	\$963,567	\$16,577	\$566,219	0.5

*Some of the amount shown reflects the request, as these are pending Committee common policy decisions.

DECISION ITEMS - EXECUTIVE DIRECTOR'S OFFICE

The Executive Branch did not submit any decision items for this division.

APPROPRIATION TO IMMIGRATION LEGAL DEFENSE FUND

The Immigration Legal Defense Fund was created via H.B. 21-1194 (Immigration Legal Defense Fund). It provides grants to organizations that represent indigent individuals appearing before an immigration court in Colorado. House Bill 21-1194 added an annual appropriation of \$100,000 dollars General Fund to the Immigration Legal Defense Fund. In FY 2022-23, an amendment to the Long Bill added an additional \$500,000 to this appropriation, and this amount was reduced to \$250,000 by the Long Bill Conference Committee. That amendment approved during Conference Committee did not specify whether this was meant to be an ongoing or one-time addition to the appropriation.

The Department's FY 2023-24 budget request included the additional appropriation of \$250,000 General Fund, and later identified the appropriation as being a potential decision item to JBC staff.

RECOMMENDATION: Staff recommendation is to maintain the additional \$250,000 General Fund appropriation to the Immigration Legal Defense Fund. This is based on Staff's best estimation of legislative intent from the General Assembly and results from the initial grant distribution and identification of need by the grantee.

ANALYSIS: The following information was provided to the Joint Budget Committee as a required report from H.B. 21-1194:

In January 2022, the Office of New Americans awarded the Immigration Legal Defense Fund (ILDF) to one grantee, the Rocky Mountain Immigration Advocacy Network (RMIAN) for a period of twelve months. From January through June of 2022, RMIAN provided free legal representation to ten individuals who were in removal proceedings while detained by Immigration and Customs Enforcement at the GEO facility in Aurora.

RMIAN identifies clients for services for possible representation through the ILDF using a universal representation, merits-blind system, after screening for income eligibility. RMIAN conducts Know-Your-Rights presentations at the immigration detention center and offers free legal intakes. Based on the list of income-screened individuals from this process, RMIAN then uses a blind lottery system to inform case assignments for RMIAN attorneys doing this work. Through this process, RMIAN identified 370 individuals eligible for services from January through June of 2022. RMIAN was able to provide services to ten of these individuals.

→ CENTRALLY APPROPRIATED COMMON POLICY AND NON-PRIORITIZED ITEMS

This section includes a number of non-prioritized items that are for the Department's share of common policy items and requests addressed in presentations for other departments. **Staff requests permission to apply Committee decisions on non-prioritized and centrally-appropriated items that are still pending as well as the decision items in other divisions.** This includes line items set through common policy in this division and, where relevant, in other divisions.

LINE ITEM DETAIL — EXECUTIVE DIRECTOR'S OFFICE

PERSONAL SERVICES

This line item provides staff and services for needs that are common to all divisions within the Department. The Executive Director's Office administers facilities, equipment, and common program elements such as Human Resources, Financial Services, and Information Technology support staff, for example, needed by all divisions within the Department and, therefore, are budgeted within the "Personal Services" line item in the Executive Director's Office.

STATUTORY AUTHORITY: Pursuant to Section 24-75-112 (1) (b), C.R.S.

REQUEST: The Department requests an appropriation of \$11,218,259 total funds, including \$47,792 General Fund and 111.7 FTE.

RECOMMENDATION: The staff recommendation is provided in the table below, and is consistent with Committee action on common policy. Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$10,769,545	\$33,786	\$5,572,378	\$720,633	\$4,442,748	111.7
TOTAL	\$10,769,545	\$33,786	\$5,572,378	\$720,633	\$4,442,748	111.7
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$10,769,545	\$33,786	\$5,572,378	\$720,633	\$4,442,748	111.7
Centrally appropriated line items	367,695	2,088	218,064	0	147,543	0.0
Annualize prior year legislation	(21,862)	(21,862)	0	0	0	(0.5)
TOTAL	\$11,115,378	\$14,012	\$5,790,442	\$720,633	\$4,590,291	111.2
INCREASE/(DECREASE)	\$345,833	(\$19,774)	\$218,064	\$0	\$147,543	(0.5)
Percentage Change	3.2%	(58.5%)	3.9%	0.0%	3.3%	(0.4%)
FY 2023-24 EXECUTIVE REQUEST	\$11,218,259	\$47,792	\$5,859,543	\$720,633	\$4,590,291	111.7
Request Above/(Below) Recommendation	\$102,881	\$33,780	\$69,101	\$0	\$0	0.5

HEALTH, LIFE, DENTAL

This line item is used to pay for the state's share of health insurance, life insurance, and dental insurance (HLD) for employees who enroll in the state's health plan.

STATUTORY AUTHORITY: Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (9), C.R.S.

REQUEST: The Department requests an appropriation of \$26,329,381 total funds, including \$2,145,957 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below and is consistent with Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$17,250,695	\$1,013,465	\$7,043,312	\$93,442	\$9,100,476	0.0
TOTAL	\$17,250,695	\$1,013,465	\$7,043,312	\$93,442	\$9,100,476	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$17,250,695	\$1,013,465	\$7,043,312	\$93,442	\$9,100,476	0.0
Centrally appropriated line items	8,833,006	1,084,019	5,669,311	(50,482)	2,130,158	0.0
R2 UI Fraud prevention	132,000	0	132,000	0	0	0.0
TOTAL	\$26,215,701	\$2,097,484	\$12,844,623	\$42,960	\$11,230,634	0.0
INCREASE/(DECREASE)	\$8,965,006	\$1,084,019	\$5,801,311	(\$50,482)	\$2,130,158	0.0
Percentage Change	52.0%	107.0%	82.4%	(54.0%)	23.4%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$26,329,381	\$2,145,957	\$12,909,830	\$42,960	\$11,230,634	0.0
Request Above/(Below) Recommendation	\$113,680	\$48,473	\$65,207	\$0	\$0	0.0

SHORT-TERM DISABILITY

This line item is used to pay the Department's share of costs associated with the state's short-term disability program administered by the Department of Personnel.

STATUTORY AUTHORITY: Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (13), C.R.S.

REQUEST: The Department requests an appropriation of \$191,946 total funds, including \$14,382 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below and is consistent with Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$151,717	\$8,494	\$58,533	\$1,167	\$83,523	0.0
TOTAL	\$151,717	\$8,494	\$58,533	\$1,167	\$83,523	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$151,717	\$8,494	\$58,533	\$1,167	\$83,523	0.0
Centrally appropriated line items	38,709	5,473	30,246	(309)	3,299	0.0
R2 UI Fraud prevention	1,034	0	1,034	0	0	0.0
TOTAL	\$191,460	\$13,967	\$89,813	\$858	\$86,822	0.0
INCREASE/(DECREASE)	\$39,743	\$5,473	\$31,280	(\$309)	\$3,299	0.0
Percentage Change	26.2%	64.4%	53.4%	(26.5%)	3.9%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$486	\$415	\$71	\$0	\$0	0.0

PAID FAMILY MEDICAL LEAVE INSURANCE

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020. The newly created paid family and medical leave insurance program requires employers and employees in Colorado to pay a payroll premium to finance paid family and medical leave insurance benefits beginning January 1, 2023 in order to finance up to 12 weeks of paid family medical leave for eligible employees beginning January 1, 2024. The premium is 0.9 percent with at least half of the cost paid by the employer. H.B. 22-1133 prepaid state premiums by \$57 million until that amount runs out.

STATUTORY AUTHORITY: Not applicable.

REQUEST: The Department requests \$0 total funds.

REQUEST/RECOMMENDATION: **The Department does not request, and staff does not recommend an appropriation for this line item.** Details are provided in the table below.

EXECUTIVE DIRECTOR'S OFFICE, PAID FAMILY AND MEDICAL LEAVE INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$215,486	\$12,492	\$84,188	\$1,636	\$117,170	0.0
Other legislation	(215,486)	(12,492)	(84,188)	(1,636)	(117,170)	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 04-257 (Section 24-51-411, C.R.S.), beginning in January 2006, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. During the 2005 legislative session, the General Assembly created a separate line item to provide funding in each calendar year. The AED rate increases each year until it reaches the maximum contribution rate of 5.0 percent in 2017 (for the State Division). If the actuarial value of assets goes over 103.0 percent, then the State Division's AED and SAED contributions may be cut by 0.5 percent each year. If the actuarial value of assets goes under 90.0 percent, then the State Division's AED and SAED contributions may be increased by 0.5 percent each year, but may not exceed 5.0 percent each.

STATUTORY AUTHORITY: Pursuant to Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of \$6,429,575 total funds, including \$471,059 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below and is consistent with Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$4,788,588	\$277,567	\$1,870,861	\$36,354	\$2,603,806	0.0
TOTAL	\$4,788,588	\$277,567	\$1,870,861	\$36,354	\$2,603,806	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$4,788,588	\$277,567	\$1,870,861	\$36,354	\$2,603,806	0.0
Centrally appropriated line items	1,593,491	180,547	1,105,648	(7,670)	314,966	0.0
R2 UI Fraud prevention	32,323	0	32,323	0	0	0.0
TOTAL	\$6,414,402	\$458,114	\$3,008,832	\$28,684	\$2,918,772	0.0
INCREASE/(DECREASE)	\$1,625,814	\$180,547	\$1,137,971	(\$7,670)	\$314,966	0.0
Percentage Change	34.0%	65.0%	60.8%	(21.1%)	12.1%	0.0%

EXECUTIVE DIRECTOR'S OFFICE, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 EXECUTIVE REQUEST	\$6,429,575	\$471,059	\$3,011,060	\$28,684	\$2,918,772	0.0
Request Above/(Below) Recommendation	\$15,173	\$12,945	\$2,228	\$0	\$0	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Similar to the AED line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases employees' contributions to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund. During the 2006 legislative session the General Assembly passed S.B. 06-235, which added Supplemental AED payments. Per statute, the funding comes from money that would have otherwise gone to State employees as part of salary increases. The statutory contribution rate for SAED continues to increase 0.5 percent each calendar year until it reaches the maximum 5.0 percent in 2017 (for the State and School Divisions). If the actuarial value of assets goes over 103.0 percent, then the State Division's AED and SAED contributions may be cut by 0.5 percent each year. If the actuarial value of assets goes under 90.0 percent, then the State Division's AED and SAED contributions may be increased by 0.5 percent each year, but may not exceed 5.0 percent each.

STATUTORY AUTHORITY: Pursuant to Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of \$6,429,575 total funds, including \$471,059 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below and is consistent with Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$4,788,588	\$277,567	\$1,870,861	\$36,354	\$2,603,806	0.0
TOTAL	\$4,788,588	\$277,567	\$1,870,861	\$36,354	\$2,603,806	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$4,788,588	\$277,567	\$1,870,861	\$36,354	\$2,603,806	0.0
Centrally appropriated line items	1,593,491	180,547	1,105,648	(7,670)	314,966	0.0
R2 UI Fraud prevention	32,323	0	32,323	0	0	0.0
TOTAL	\$6,414,402	\$458,114	\$3,008,832	\$28,684	\$2,918,772	0.0
INCREASE/(DECREASE)	\$1,625,814	\$180,547	\$1,137,971	(\$7,670)	\$314,966	0.0
Percentage Change	34.0%	65.0%	60.8%	(21.1%)	12.1%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$6,429,575	\$471,059	\$3,011,060	\$28,684	\$2,918,772	0.0
Request Above/(Below) Recommendation	\$15,173	\$12,945	\$2,228	\$0	\$0	0.0

PERA DIRECT DISTRIBUTION

This line item funds a direct distribution to the Public Employees Retirement Association, created in Section 24-51-414, C.R.S., enacted in S.B. 18-200.

STATUTORY AUTHORITY: Section 24-51-414 (2), C.R.S.

REQUEST: The Department requests an appropriation of \$351,777 total funds, including \$25,182 General Fund, for a direct distribution to the Public Employees Retirement Association (PERA).

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$2,058,182	\$0	\$853,594	\$16,587	\$1,188,001	0.0
TOTAL	\$2,058,182	\$0	\$853,594	\$16,587	\$1,188,001	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$2,058,182	\$0	\$853,594	\$16,587	\$1,188,001	0.0
Centrally appropriated line items	(1,706,395)	25,182	(689,523)	(15,005)	(1,027,049)	0.0
TOTAL	\$351,787	\$25,182	\$164,071	\$1,582	\$160,952	0.0
INCREASE/(DECREASE)	(\$1,706,395)	\$25,182	(\$689,523)	(\$15,005)	(\$1,027,049)	0.0
Percentage Change	(82.9%)	n/a	(80.8%)	(90.5%)	(86.5%)	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$351,777	\$25,182	\$164,061	\$1,582	\$160,952	0.0
Request Above/(Below) Recommendation	(\$10)	\$0	(\$10)	\$0	\$0	0.0

SALARY SURVEY

This line is intended to pay for salary adjustments in accordance with the total compensation report prepared by the Department of Personnel.

STATUTORY AUTHORITY: Pursuant to Section 24-50-104, C.R.S.

REQUEST: The Department requests an appropriation of \$7,428,410 including \$578,352 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below and is consistent with Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$4,456,591	\$464,230	\$2,254,663	\$23,897	\$1,713,801	0.0
TOTAL	\$4,456,591	\$464,230	\$2,254,663	\$23,897	\$1,713,801	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$4,456,591	\$464,230	\$2,254,663	\$23,897	\$1,713,801	0.0
Centrally appropriated line items	3,032,614	143,920	1,118,603	6,980	1,763,111	0.0
TOTAL	\$7,489,205	\$608,150	\$3,373,266	\$30,877	\$3,476,912	0.0
INCREASE/(DECREASE)						
	\$3,032,614	\$143,920	\$1,118,603	\$6,980	\$1,763,111	0.0
Percentage Change	68.0%	31.0%	49.6%	29.2%	102.9%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

MERIT PAY

This line item is a centrally appropriated line item used to pay for performance-based pay awards for state employees.

STATUTORY AUTHORITY: Pursuant to Section 24-50-104 (1)(c), C.R.S.

REQUEST: The Department requests an appropriation of \$0 total funds.

RECOMMENDATION: **Consistent with common policy, staff does not recommend an appropriation for this line item.**

TEMPORARY EMPLOYEES RELATED TO AUTHORIZED LEAVE

This line item would fund the backfill costs associated with state employees utilizing 160 hours or four weeks of Paid Family Medical Leave.

STATUTORY AUTHORITY: Not applicable.

REQUEST: The Department requests a continuation \$371,656 total funds including \$13,654 General Fund.

RECOMMENDATION: **The staff recommendation is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

SHIFT DIFFERENTIAL

The Shift Differential line item addresses the adjustment necessary to compensate employees for work performed outside of normal work schedules. These are second and third shift workers whose scheduled work hours fall outside of the regular Monday through Friday, 8:00 am to 5:00 pm work schedule. Typically, in order to sufficiently staff the second and third shifts, departments offer higher wages to employees willing to work non-traditional hours.

STATUTORY AUTHORITY: Pursuant to Section 24-50-104 (1)(a), C.R.S.

REQUEST: The Department requests \$0 total funds.

RECOMMENDATION: **The staff recommendation is provided in the table below and is consistent with Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, SHIFT DIFFERENTIAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$15,066	\$0	\$0	\$0	\$15,066	0.0
TOTAL	\$15,066	\$0	\$0	\$0	\$15,066	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$15,066	\$0	\$0	\$0	\$15,066	0.0
Centrally appropriated line items	(15,066)	0	0	0	(15,066)	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$15,066)	\$0	\$0	\$0	(\$15,066)	0.0
Percentage Change	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

WORKERS' COMPENSATION

This line item is used by the Department to reimburse the Department of Personnel for its share of costs associated with providing workers' compensation insurance to state employees.

STATUTORY AUTHORITY: Pursuant to Section 24-30-1510.7, C.R.S.

REQUEST: The Department requests an appropriation of \$541,111 including \$25,187 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$588,134	\$27,376	\$179,162	\$1,418	\$380,178	0.0
TOTAL	\$588,134	\$27,376	\$179,162	\$1,418	\$380,178	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$588,134	\$27,376	\$179,162	\$1,418	\$380,178	0.0
Centrally appropriated line items	(47,023)	(2,189)	(14,325)	(113)	(30,396)	0.0
TOTAL	\$541,111	\$25,187	\$164,837	\$1,305	\$349,782	0.0
INCREASE/(DECREASE)	(\$47,023)	(\$2,189)	(\$14,325)	(\$113)	(\$30,396)	0.0

EXECUTIVE DIRECTOR'S OFFICE, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	(8.0%)	(8.0%)	(8.0%)	(8.0%)	(8.0%)	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$541,111	\$25,187	\$164,837	\$1,305	\$349,782	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OPERATING EXPENSES

This line funds Department-wide and Executive Director’s Office expenses such as department-wide software maintenance agreements, office supplies, in-state travel, and state fleet parking costs.

STATUTORY AUTHORITY: Pursuant to Section 24-75-112 (1)(b), C.R.S.

REQUEST: The Department requests \$2,066,158 total funds, including \$18,601 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$1,895,558	\$17,065	\$810,505	\$0	\$1,067,988	0.0
TOTAL	\$1,895,558	\$17,065	\$810,505	\$0	\$1,067,988	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,895,558	\$17,065	\$810,505	\$0	\$1,067,988	0.0
Centrally appropriated line items	170,600	1,536	72,945	0	96,119	0.0
TOTAL	\$2,066,158	\$18,601	\$883,450	\$0	\$1,164,107	0.0
INCREASE/(DECREASE)	\$170,600	\$1,536	\$72,945	\$0	\$96,119	0.0
Percentage Change	9.0%	9.0%	9.0%	0.0%	9.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$2,066,158	\$18,601	\$883,450	\$0	\$1,164,107	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LEGAL SERVICES

This line item is used to pay the Department of Law for the provision of legal services to the Department.

STATUTORY AUTHORITY: Pursuant to 24-31-101 (1)(a), C.R.S., and defined in Section 24-75-112 (1)(i), C.R.S.

REQUEST: The Department requests an appropriation of \$1,763,727 including \$338,019 General Fund.

RECOMMENDATION: The staff recommendation is provided in the table below, and is pending Committee action on common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$903,407	\$98,493	\$455,354	\$0	\$349,560	0.0
Other legislation	\$121,242	\$121,242	\$0	\$0	\$0	0.0
TOTAL	\$1,024,649	\$219,735	\$455,354	\$0	\$349,560	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,024,649	\$219,735	\$455,354	\$0	\$349,560	0.0
Centrally appropriated line items	620,794	0	275,881	0	344,913	0.0
Annualize prior year legislation	118,284	118,284	0	0	0	0.0
TOTAL	\$1,763,727	\$338,019	\$731,235	\$0	\$694,473	0.0
INCREASE/(DECREASE)	\$739,078	\$118,284	\$275,881	\$0	\$344,913	0.0
Percentage Change	72.1%	53.8%	60.6%	0.0%	98.7%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$1,763,727	\$338,019	\$731,235	\$0	\$694,473	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PAYMENTS TO RISK MANAGEMENT AND PROPERTY FUNDS

Payment to Risk Management and Property Funds is an allocation appropriated to each department based on a shared statewide risk formula for two programs, the Liability Program and the Property Program. The state's liability program is used to pay liability claims and expenses brought against the state. The property program provides insurance coverage for state buildings and their contents.

STATUTORY AUTHORITY: Pursuant to Section 24-30-1510 and 24-30-1510.5, C.R.S.

REQUEST: The Department requests an appropriation of \$305,456 total funds, including \$16,328 General Fund.

RECOMMENDATION: The staff recommendation is provided in the table below, and is pending Committee action on common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$354,924	\$19,035	\$110,255	\$1,341	\$224,293	0.0
TOTAL	\$354,924	\$19,035	\$110,255	\$1,341	\$224,293	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$354,924	\$19,035	\$110,255	\$1,341	\$224,293	0.0
Centrally appropriated line items	(49,468)	(2,653)	(15,367)	(187)	(31,261)	0.0
TOTAL	\$305,456	\$16,382	\$94,888	\$1,154	\$193,032	0.0

EXECUTIVE DIRECTOR'S OFFICE, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$49,468)	(\$2,653)	(\$15,367)	(\$187)	(\$31,261)	0.0
Percentage Change	(13.9%)	(13.9%)	(13.9%)	(13.9%)	(13.9%)	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$305,456	\$16,382	\$94,888	\$1,154	\$193,032	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

VEHICLE LEASE PAYMENTS

This line item is used by the Department to reimburse the Department of Personnel for the costs associated with vehicle lease payments for vehicles used by the Department.

STATUTORY AUTHORITY: Pursuant to Section 24-30-1104 (2), C.R.S.

REQUEST: The Department requests an appropriation of \$226,724 total funds, including \$17,398 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, VEHICLE LEASE PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$209,850	\$16,103	\$123,937	\$208	\$69,602	0.0
SB 23-121 (Supplemental)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$209,850	\$16,103	\$123,937	\$208	\$69,602	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$209,850	\$16,103	\$123,937	\$208	\$69,602	0.0
Non-prioritized decision items	16,874	1,295	9,964	17	5,598	0.0
TOTAL	\$226,724	\$17,398	\$133,901	\$225	\$75,200	0.0
INCREASE/(DECREASE)	\$16,874	\$1,295	\$9,964	\$17	\$5,598	0.0
Percentage Change	8.0%	8.0%	8.0%	8.2%	8.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$226,724	\$17,398	\$133,901	\$225	\$75,200	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LEASED SPACE

This line item is used by the Department to pay for leased space in locations around the state. Most leases are for smaller spaces throughout the State for workforce centers and vocational rehabilitation offices. However, the Department’s primary offices in Denver at 633 17th Street are also located in leased space rather than in Capitol Complex facilities.

STATUTORY AUTHORITY: Pursuant to Section 24-75-112 (1) (b), C.R.S.

REQUEST: The Department requests an appropriation of \$7,734,547 total funds, including \$556,918 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$7,241,200	\$481,974	\$2,998,239	\$0	\$3,760,987	0.0
TOTAL	\$7,241,200	\$481,974	\$2,998,239	\$0	\$3,760,987	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$7,241,200	\$481,974	\$2,998,239	\$0	\$3,760,987	0.0
Centrally appropriated line items	493,347	74,944	418,403	0	0	0.0
TOTAL	\$7,734,547	\$556,918	\$3,416,642	\$0	\$3,760,987	0.0
INCREASE/(DECREASE)						
Percentage Change	6.8%	15.5%	14.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

CAPITOL COMPLEX LEASED SPACE

This line item is used by the Department to reimburse the Department of Personnel for expenses related to maintaining capitol complex facilities managed by Department of Personnel.

STATUTORY AUTHORITY: Pursuant to Section 24-30-1104 (4) and Part 1 of Article 82 of Title 24, C.R.S.

REQUEST: The Department requests an appropriation of \$52,703 total funds, including \$6,434 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, CAPITOL COMPLEX LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$40,488	\$4,943	\$27,729	(\$24)	\$7,840	0.0
TOTAL	\$40,488	\$4,943	\$27,729	(\$24)	\$7,840	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$40,488	\$4,943	\$27,729	(\$24)	\$7,840	0.0
Centrally appropriated line items	8,118	991	5,560	0	1,567	0.0
Non-prioritized decision items	4,097	500	2,806	0	791	0.0
TOTAL	\$52,703	\$6,434	\$36,095	(\$24)	\$10,198	0.0

EXECUTIVE DIRECTOR'S OFFICE, CAPITOL COMPLEX LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	\$12,215	\$1,491	\$8,366	\$0	\$2,358	0.0
Percentage Change	30.2%	30.2%	30.2%	0.0%	30.1%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$52,703	\$6,434	\$36,095	\$0	\$10,174	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$24	(\$24)	0.0

PAYMENTS TO OIT

This line item is used to reimburse the Governor's Office of Information Technology for the Department's share of costs for the management and administration of OIT.

STATUTORY AUTHORITY: Pursuant to Section 24-37.5-103, C.R.S.

REQUEST: The Department requests an appropriation of \$30,233,764 total funds including \$7,183,884 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee's final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, PAYMENTS TO OIT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$20,854,463	\$4,963,348	\$9,402,599	\$186,272	\$6,302,244	0.0
SB 23-121 (Supplemental)	(1,862,562)	(455,024)	(824,742)	(16,577)	(566,219)	0.0
TOTAL	\$18,991,901	\$4,508,324	\$8,577,857	\$169,695	\$5,736,025	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$18,991,901	\$4,508,324	\$8,577,857	\$169,695	\$5,736,025	0.0
Centrally appropriated line items	9,960,792	2,370,661	4,490,997	88,970	3,010,164	0.0
Non-prioritized decision items	(581,491)	(150,129)	(247,107)	(5,176)	(179,079)	0.0
TOTAL	\$28,371,202	\$6,728,856	\$12,821,747	\$253,489	\$8,567,110	0.0
INCREASE/(DECREASE)	\$9,379,301	\$2,220,532	\$4,243,890	\$83,794	\$2,831,085	0.0
Percentage Change	49.4%	49.3%	49.5%	49.4%	49.4%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$30,233,764	\$7,183,880	\$13,646,489	\$270,066	\$9,133,329	0.0
Request Above/(Below) Recommendation	\$1,862,562	\$455,024	\$824,742	\$16,577	\$566,219	0.0

CORE OPERATIONS

This line item is used by the Department to reimburse the Department of Personnel for the costs associated with maintaining the state's accounting system.

STATUTORY AUTHORITY: Pursuant to Section 24-30-209, C.R.S.

REQUEST: The Department requests an appropriation of \$347,129 total funds, including \$2,100 General Fund.

RECOMMENDATION: **The staff recommendation is provided in the table below, and is pending Committee action on common policy.** Staff requests permission to make adjustments as necessary to reflect the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR'S OFFICE, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$430,413	\$2,604	\$121,074	\$339	\$306,396	0.0
TOTAL	\$430,413	\$2,604	\$121,074	\$339	\$306,396	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$430,413	\$2,604	\$121,074	\$339	\$306,396	0.0
Non-prioritized decision items	4,136	25	1,164	3	2,944	0.0
Centrally appropriated line items	(87,420)	(529)	(24,591)	(69)	(62,231)	0.0
TOTAL	\$347,129	\$2,100	\$97,647	\$273	\$247,109	0.0
INCREASE/(DECREASE)	(\$83,284)	(\$504)	(\$23,427)	(\$66)	(\$59,287)	0.0
Percentage Change	(19.3%)	(19.4%)	(19.3%)	(19.5%)	(19.3%)	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$347,129	\$2,100	\$97,647	\$273	\$247,109	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

UTILITIES

This line item is used to pay for the utilities expenses at 251 E. 12th Avenue. The building is owned by the State, and the utility expenses are paid by the Department of Labor and Employment.

STATUTORY AUTHORITY: Pursuant to Section 24-75-112 (1) (l), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$260,309 federal funds.

RECOMMENDATION: **Staff recommends approval of the continuation request.**

INFORMATION TECHNOLOGY ASSET MAINTENANCE

The Department relies extensively on computers and databases to track the constituents that pay fees and taxes to support its programs. The Department also relies extensively on technology to track the individuals who qualify for benefits from its programs. The Department uses this line item to purchase the Microsoft software and on data network infrastructure.

STATUTORY AUTHORITY: Pursuant to Section 24-75-112 (1) (l), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$218,626 total funds, including \$69,243 cash funds and \$149,383 federal funds.

RECOMMENDATION: **Staff recommends approval of the continuation request.**

STATEWIDE INDIRECT COST ASSESSMENT

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries offset overhead costs that would otherwise have been supported by General Fund. Recoveries from cash and federally funded programs are calculated for statewide indirect cost assessments.

STATUTORY AUTHORITY: Pursuant to Section 24-75-1401 (2), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,125,851 total funds including \$699,788 cash funds, \$8,087 reappropriated funds, and \$417,976 federal funds.

RECOMMENDATION: **Staff recommends approval of the continuation request.**

APPROPRIATION TO THE IMMIGRATION LEGAL DEFENSE FUND

The Immigration Legal Defense Fund was created via H.B. 21-1194 (Immigration Legal Defense Fund). It provides grants to organizations that represent indigent individuals appearing before an immigration court in Colorado.

STATUTORY AUTHORITY: Pursuant to Section 26-2-1201 (2), C.R.S.

REQUEST: The Department requests an appropriation of \$348,653 General Fund.

RECOMMENDATION: **Staff recommends approval of the request.** Details are provided below.

EXECUTIVE DIRECTOR'S OFFICE, APPROPRIATION TO THE IMMIGRATION LEGAL DEFENSE FUND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$348,653	\$348,653	\$0	\$0	\$0	0.1
TOTAL	\$348,653	\$348,653	\$0	\$0	\$0	0.1
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$348,653	\$348,653	\$0	\$0	\$0	0.1
Appropriation to immigration legal defense fund	0	0	0	0	0	0.0
TOTAL	\$348,653	\$348,653	\$0	\$0	\$0	0.1
INCREASE/(DECREASE)						
	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

STATE APPRENTICESHIP AGENCY

The Office of New Americans was established via H.B. 21-1150 to expand the integration efforts of the New Americans Initiative

STATUTORY AUTHORITY: Pursuant to Section 8-3.7-103, C.R.S.

REQUEST: The Department requests an appropriation of \$785,498 General Fund and 8.0 FTE.

RECOMMENDATION: **Staff recommends approval of the request.** Details are provided below.

EXECUTIVE DIRECTOR'S OFFICE, STATE APPRENTICESHIP AGENCY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$752,085	\$752,085	\$0	\$0	\$0	8.0
TOTAL	\$752,085	\$752,085	\$0	\$0	\$0	8.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$752,085	\$752,085	\$0	\$0	\$0	8.0
Centrally appropriated line items	33,413	33,413	0	0	0	0.0
TOTAL	\$785,498	\$785,498	\$0	\$0	\$0	8.0
INCREASE/(DECREASE)						
Percentage Change	4.4%	4.4%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OFFICE OF NEW AMERICANS

The Office of New Americans was established via H.B. 21-1150 to expand the integration efforts of the New Americans Initiative

STATUTORY AUTHORITY: Pursuant to Section 8-3.7-103, C.R.S.

REQUEST: The Department requests an appropriation of \$201,631 General Fund.

RECOMMENDATION: **Staff recommends approval of the request.** Details are provided below.

EXECUTIVE DIRECTOR'S OFFICE, OFFICE OF NEW AMERICANS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Other legislation	\$1,100,000	\$1,100,000	\$0	\$0	\$0	1.9
HB 22-1329 (Long Bill)	\$195,783	\$195,783	\$0	\$0	\$0	1.3
TOTAL	\$1,295,783	\$1,295,783	\$0	\$0	\$0	3.2
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,295,783	\$1,295,783	\$0	\$0	\$0	3.2
Centrally appropriated line items	5,848	5,848	0	0	0	0.0
Annualize prior year legislation	(1,100,000)	(1,100,000)	0	0	0	(1.8)
TOTAL	\$201,631	\$201,631	\$0	\$0	\$0	1.4
INCREASE/(DECREASE)						
Percentage Change	(84.4%)	(84.4%)	0.0%	0.0%	0.0%	(56.3%)
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OFFICE OF FUTURE WORK

The Office of New Americans was established via H.B. 21-1150 to expand the integration efforts of the New Americans Initiative

STATUTORY AUTHORITY: Pursuant to Section 8-3.7-103, C.R.S.

REQUEST/RECOMMENDATION: **The Department did not request and staff does not recommend an appropriation for this line item.** Details are shown in the table below.

EXECUTIVE DIRECTOR'S OFFICE, OFFICE OF FUTURE WORK						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Other legislation	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.9
TOTAL	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.9
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.9
Annualize prior year legislation	(2,000,000)	(2,000,000)	0	0	0	(0.9)
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$2,000,000)	(\$2,000,000)	\$0	\$0	\$0	(0.9)
Percentage Change	(100.0%)	(100.0%)	0.0%	0.0%	0.0%	(100.0%)
FY 2023-24 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BOTTOM LINE FUNDING RECOMMENDATION

The Executive Director's Office is funded by various federal sources for the centrally appropriated line items, which makes it difficult for the Department to project, a year in advance, the exact fund splits between fund types for centrally appropriated line items. Bottom line funding provides the Department the flexibility to apply federal funds to appropriate line items in order to cover expenses.

RECOMMENDATION: Staff recommends the Executive Director's Office remain bottom line funded, and staff requests permission to apply a bottom line fund split once pending line items are established.

(2) DIVISION OF UNEMPLOYMENT INSURANCE

The Department is responsible for administering Colorado's Unemployment Insurance Programs (UI Programs). UI Programs provide temporary benefits to individuals who have lost their job through no fault of their own. Program responsibilities include: general administration, tax collection from employers, benefits payments, employer audits, call center operation, claimant appeals, and quality control measures. Administrative funding for Unemployment Insurance is “on budget”, while benefits paid are “off budget”.

DIVISION OF UNEMPLOYMENT INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$73,046,105	\$0	\$13,168,203	\$0	\$59,877,902	484.7
TOTAL	\$73,046,105	\$0	\$13,168,203	\$0	\$59,877,902	484.7
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$73,046,105	\$0	\$13,168,203	\$0	\$59,877,902	484.7
Centrally appropriated line items	1,436,891	0	616,286	0	820,605	0.0
R2 UI Fraud prevention	2,044,054	0	2,044,054	0	0	12.0
TOTAL	\$76,527,050	\$0	\$15,828,543	\$0	\$60,698,507	496.7
INCREASE/(DECREASE)	\$3,480,945	\$0	\$2,660,340	\$0	\$820,605	12.0
Percentage Change	4.8%	0.0%	20.2%	0.0%	1.4%	2.5%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$52,235	\$0	\$52,235	\$0	\$0	0.0

DECISION ITEMS - DIVISION OF UNEMPLOYMENT INSURANCE

→ R2 UNEMPLOYMENT INSURANCE FRAUD PREVENTION

REQUEST: The Department requests a two year increase of \$2.4 million in cash fund spending authority for FY 2023-24 and FY 2024-25. This spending authority is requested from the Unemployment Revenue Fund which funds enforcement of compliance with the Colorado Employment Security Act. The request includes:

- Two years of funding for 12.0 FTE on the UI benefit Payment Control Invalid Claims Team, responsible for monitoring UI claims to make sure benefits are properly paid, this amount would replace the current federal funding levels;
- Resources to maintain and enhance technologies for front-end ID proofing and fraud analytics; and
- Vendor assistance with the Invalid Claims Unit and the Fraud Analytics Unit on data analytics and the case management system for the investigation of fraudulent claims.

RECOMMENDATION: Staff recommends approval of the request for \$2,241,734 in cash fund spending authority in FY 2023-24 and FY 2024-25. Staff is recommending appropriations for centrally appropriated costs in both years due to the number of FTE being funded as a continuation of federal funding.

*ANALYSIS:***UI CLAIMS**

For much of 2022, the Unemployment Insurance (UI) Division's focus was working through the backlog of pandemic-era claims. During the spring of 2020, the Division received the equivalent of ten years' worth of claims in a few months. The U.S. Department of Labor (DOL) mandated that states work down pandemic-related backlogs while processing new claims. The Division has cited staff shortages, continued attempts to defraud the system, federal rules limiting the use of automation, and federal requirements to provide employers with due process as driving up processing times above acceptable levels. Additionally, the DOL requires that merit staff review job separations and prohibits the use of other more technological processes in this review. As of December 2022, all claims processing teams are dedicated to incoming claims and the Division continues to work down processing times. With some additional internal measures, the Division believes it is on track to see processing times hit pre-pandemic levels of four to six weeks by March 2023.

UI FRAUD

At the onset of the pandemic, in order to expedite payments, CDLE and many other states suspended the typical adjudication process and paid claims before they could be fully processed. With the expansion of UI programs and federal funding, state UI programs were inundated with fraudulent claims. Using ARPA funds, Colorado implemented stronger identity verification technology on the front end of UI applications, data analytics to identify suspicious activity during the lifecycle of the claim, and more robust tools to support investigation of fraudulent cases. In addition, the Division has invested in processes and technology to ensure to prevent fraud from entering the UI program as well as allow for legitimate claimants with technology or literacy barriers to access the UI program.

The Division reports continued attempts to submit fraudulent claims. Current data shows roughly 15 to 20 percent of UI claims submitted are immediately placed on hold due to suspicion of fraud, with 10 percent of investigations resulting in a fraudulent invalid claim determination. Claims that are flagged as fraudulent are those that are taking longer than the estimated ten to twelve weeks to process. Investigating fraudulent claims requires continued staffing or the Division will see increasing backlogs of UI claims.

FUNDING

The Division received a large influx of additional federal pandemic-related funding in 2020 which expires in 2023. These funds were provided to support new unemployment benefits, IT system improvement, administration, and fraud resources. The Division utilized some of the federal funds to expand the UI Claimant Services Benefit Payment Control Fraud team to combat the increase in fraudulent claims. With the increased funding, the team was expanded to 21.0 FTE, with 12.0 FTE being supported by federal pandemic fraud assistance funds.

State funds are being requested in order to support ongoing technology and staffing costs to continue to prevent and mitigate fraud within the UI program. While there are ongoing discussions with the U.S. DOL around continued funding for UI fraud prevention, and additional grant opportunities may become available, future federal funding is not assured. If long term federal funding is made available to support fraud solutions long term, the UI program will offset the use of State funds with available federal funds.

UNEMPLOYMENT INSURANCE DIVISION PERFORMANCE RFI

Staff is recommending that if the Committee is interested in continuing to receive a quarterly update on UI Division performance, this update should be focused on fraud and claim backlogs. The Unemployment Compensation Fund has reached a positive balance and all federal loan balances and interest have been paid off. The initial RFI was intended to increase external reporting of the activities occurring in the UI Division and how well the Department was tracking its performance in responding to claims. The Department has provided these updates to the Committee, completed a performance audit with the Legislative Audit Committee (LAC), and publishes an annual report on the UITF. Appendix C includes an example of the previous RFI submitted in September 2022, as well as the RFI submitted in December 2022 focusing on a brief history of the last few years for the UITF. Staff believes continued routine performance reporting is critical to effective management of the Division, and at this time the focus should be on: (1) claims processing, (2) staffing, and (3) fraud.

CLAIMS PROCESSING

CDLE has returned to pre-pandemic adjudication methods and is now processing all claims before payment. Without fraud holds, claims are taking an average ten to twelve weeks to be processed. The Department's goal is for this timeframe to be down to four to six weeks by March 2023.

STAFFING

The Department has cited staffing issues as part of the reason for the Department's difficulties in reducing claims processing times. Federal pandemic-related related funding drastically increased FTEs, and the Division is now attempting to return to normal levels without that additional funding while continuing to address fraud and a backlog of UI claims.

FRAUD

The Department reports continued attempts to submit fraudulent claims. Current data shows roughly 15 to 20 percent of UI claims submitted are immediately placed on hold due to suspicion of fraud, with 10 percent of investigations resulting in a fraudulent invalid claim determination.

STAFF RECOMMENDATION

Staff is recommending a continuation of this RFI on a quarterly basis with a focus on claims processing, staffing, and fraud. Staff recommends the RFI specifically include:

- The total number of existing claims;
- The claims processing backlog;
- The mean and median processing times for UI claims;
- The number of FTEs in the Division broken down by team;
- The percentage of claims flagging as fraudulent; and
- The percentage of claims investigated and found to be fraudulent.

LINE ITEM DETAIL - DIVISION OF UNEMPLOYMENT INSURANCE

PROGRAM COSTS

This line item funds the UI Programs personal services, operating expenses, IT staff, and operating costs not housed in the Executive Director's Office. This includes 12.0 FTE added in FY 2014-15, responsible for quality testing and managing IT system adjustments related to new UI systems and regulations. It also includes \$2.0 million added in FY 2019-20 for IT software and costs for Amazon Web Services which hosts the new UI benefits system.

STATUTORY AUTHORITY: Pursuant to Section 8-71-101, C.R.S.

REQUEST: The Department requests an appropriation of \$76,579,285 total funds including \$15,880,778 cash funds, \$60,698,507 federal funds, and 496.7 FTE.

RECOMMENDATION: **The staff recommendation is provided in the table below.**

DIVISION OF UNEMPLOYMENT INSURANCE, PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$73,046,105	\$0	\$13,168,203	\$0	\$59,877,902	484.7
TOTAL	\$73,046,105	\$0	\$13,168,203	\$0	\$59,877,902	484.7
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$73,046,105	\$0	\$13,168,203	\$0	\$59,877,902	484.7
R2 UI Fraud prevention	2,044,054	0	2,044,054	0	0	12.0
Centrally appropriated line items	1,436,891	0	616,286	0	820,605	0.0
TOTAL	\$76,527,050	\$0	\$15,828,543	\$0	\$60,698,507	496.7
INCREASE/(DECREASE)	\$3,480,945	\$0	\$2,660,340	\$0	\$820,605	12.0
Percentage Change	4.8%	0.0%	20.2%	0.0%	1.4%	2.5%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$52,235	\$0	\$52,235	\$0	\$0	0.0

EMPLOYMENT AND TRAINING TECHNOLOGY INITIATIVES

This line item previously included the Department's efforts to modernize its unemployment insurance technology infrastructure but was consolidated into the Program Costs line item in FY 2020-21.

STATUTORY AUTHORITY: Pursuant to Section 8-77-109, C.R.S.

REQUEST/RECOMMENDATION: **The Department does not request, and staff does not recommend an appropriation for this line item.**

(3) DIVISION OF EMPLOYMENT AND TRAINING

The Division of Employment and Training provides services to businesses and potential employees to increase labor participation in the state. The 57 state and county run one-stop centers (also known as workforce centers and American job centers) offer job search assistance, additional job training, and classes to improve interview and resume skills to job seekers. Services at the centers, which are located throughout the State, are free to job seekers and employers, with the goal of matching qualified job seekers with employers. The State supports an on-line job search board (ConnectingColorado.com) and on-line resources, as well as in person services at workforce centers.

Workforce centers in the state's largest counties are operated by the counties themselves. The following counties have entered into contract with the State to operate their own centers: Adams, Arapahoe (with Douglas), Boulder, Denver, El Paso (with Teller), Jefferson (with Gilpin and Clear Creek), Larimer, Mesa, and Weld. All other counties are included in a Rural Consortium group served by state-staffed regional workforce centers.

DIVISION OF EMPLOYMENT AND TRAINING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$60,247,225	\$1,898,636	\$13,818,034	\$526,691	\$44,003,864	213.8
Other legislation	21,055,000	3,250,000	17,555,000	250,000	0	2.3
TOTAL	\$81,302,225	\$5,148,636	\$31,373,034	\$776,691	\$44,003,864	216.1
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$81,302,225	\$5,148,636	\$31,373,034	\$776,691	\$44,003,864	216.1
Centrally appropriated line items	765,449	62,232	436,573	23,897	242,747	0.0
Annualize prior year legislation	(20,533,138)	(2,978,138)	(17,555,000)	0	0	(1.9)
Annualize prior year budget actions	(201,028)	(201,028)	0	0	0	0.0
TOTAL	\$61,333,508	\$2,031,702	\$14,254,607	\$800,588	\$44,246,611	214.2
INCREASE/(DECREASE)	(\$19,968,717)	(\$3,116,934)	(\$17,118,427)	\$23,897	\$242,747	(1.9)
Percentage Change	(24.6%)	(60.5%)	(54.6%)	3.1%	0.6%	(0.9%)
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$2,533,138	(\$21,862)	\$2,555,000	\$0	\$0	(0.0)

DECISION ITEMS - DIVISION OF EMPLOYMENT AND TRAINING

The Executive Branch did not submit any decision items for this division.

LINE ITEM DETAIL - DIVISION OF EMPLOYMENT AND TRAINING

STATE OPERATIONS AND PROGRAM COSTS

This line item funds administrative staff of the Employment and Training division and supports the administration of several other employment programs. Funding in this line item is primarily from the Employment Support Fund (unemployment insurance premiums) and federal funds. In FY 2020-21 some of the funding in this line item was moved to the line item for One-stop Workforce Center

Contracts. General Fund was added in S.B. 19-171 for the creation and maintenance of an apprenticeship directory.

STATUTORY AUTHORITY: Pursuant to Sections 8-83-101, C.R.S. *et seq.* and 8-15.5-101, C.R.S. *et seq.*

REQUEST: The Department requests of \$7,482,597 total funds, including \$106,902 General Fund, \$3,816,269 cash funds, and \$3,559,426 federal funds and 110.0 FTE.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

DIVISION OF EMPLOYMENT AND TRAINING, STATE OPERATIONS AND PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$7,024,010	\$101,055	\$3,399,763	\$0	\$3,523,192	110.1
Other legislation	\$3,000,000	\$3,000,000	\$0	\$0	\$0	2.3
TOTAL	\$10,024,010	\$3,101,055	\$3,399,763	\$0	\$3,523,192	112.4
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$10,024,010	\$3,101,055	\$3,399,763	\$0	\$3,523,192	112.4
Centrally appropriated line items	458,587	5,847	416,506	0	36,234	0.0
Annualize prior year legislation	(2,978,138)	(2,978,138)	0	0	0	(1.9)
TOTAL	\$7,504,459	\$128,764	\$3,816,269	\$0	\$3,559,426	110.5
INCREASE/(DECREASE)	(\$2,519,551)	(\$2,972,291)	\$416,506	\$0	\$36,234	(1.9)
Percentage Change	(25.1%)	(95.8%)	12.3%	0.0%	1.0%	(1.7%)
FY 2023-24 EXECUTIVE REQUEST	\$7,482,597	\$106,902	\$3,816,269	\$0	\$3,559,426	110.0
Request Above/(Below) Recommendation	(\$21,862)	(\$21,862)	\$0	\$0	\$0	(0.5)

ONE-STOP WORKFORCE CENTER CONTRACTS

This line item includes federal Wagner-Peyser funds allocated for one-stop workforce center operations and state Employment Support Funds also allocated for this purpose. The one-stops serve as centers for the dissemination of all federal employment program information, including job training and search programs. The line item includes funds allocated to counties that operate their own workforce centers and amounts allocated to the Colorado Rural Workforce Consortium (CRWC). The CRWC sites are staffed by the State. This line item includes base operating support for resource and referral services. Additional federal funding for Workforce Center programs, including all funds for worker training, are included in the Workforce Innovation and Opportunity Act line item.

STATUTORY AUTHORITY: Pursuant to Sections 8-83-101, C.R.S. *et seq.*

REQUEST: The Department requests an appropriation of \$20,929,564 including \$9,897,639 cash funds, \$11,031,925 federal funds and 36.0 FTE.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

DIVISION OF EMPLOYMENT AND TRAINING, ONE-STOP WORKFORCE CENTER CONTRACTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$20,844,306	\$0	\$9,897,639	\$0	\$10,946,667	36.0
TOTAL	\$20,844,306	\$0	\$9,897,639	\$0	\$10,946,667	36.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$20,844,306	\$0	\$9,897,639	\$0	\$10,946,667	36.0
Centrally appropriated line items	85,258	0	0	0	85,258	0.0
TOTAL	\$20,929,564	\$0	\$9,897,639	\$0	\$11,031,925	36.0
INCREASE/(DECREASE)	\$85,258	\$0	\$0	\$0	\$85,258	0.0
Percentage Change	0.4%	0.0%	0.0%	0.0%	0.8%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$20,929,564	\$0	\$9,897,639	\$0	\$11,031,925	36.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

TRADE ADJUSTMENT ACT ASSISTANCE

This line item reflects federal pass through funding used to provide job training assistance to workers dislocated because of foreign trade agreements. Assistance includes extended UI benefits and supplemental salary payments.

STATUTORY AUTHORITY: Pursuant to Sections 8-83-101, C.R.S. *et seq.*

REQUEST: The Department requests a continuation appropriation of \$2,000,000 federal funds, which represents a continuation of level funding.

***RECOMMENDATION:* Staff recommends approval of the request for a continuation appropriation of \$2,000,000 federal funds**

WORKFORCE INNOVATION AND OPPORTUNITY ACT

Federal Workforce Innovation and Opportunity Act (WIOA) funds are distributed to state and county run one-stop centers for services and programs that provide job training and job skills. The federally-funded program serves eligible adults and youth who need additional employment services, education, and/or training to prepare them to enter the workforce or to reenter after a job loss. The WIOA funds skills assessments, basic skills remediation, occupational skills training, and retraining.

STATUTORY AUTHORITY: Pursuant to Sections 8-83-201, C.R.S. *et seq.*

REQUEST: The Department requests an appropriation of \$26,655,260 federal funds and 51.2 FTE.

***RECOMMENDATION:* Staff recommends approval of the request.** Details are shown in the table below.

DIVISION OF EMPLOYMENT AND TRAINING, WORKFORCE INNOVATION AND OPPORTUNITY ACT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$26,534,005	\$0	\$0	\$0	\$26,534,005	51.2
TOTAL	\$26,534,005	\$0	\$0	\$0	\$26,534,005	51.2
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$26,534,005	\$0	\$0	\$0	\$26,534,005	51.2
Centrally appropriated line items	121,255	0	0	0	121,255	0.0
TOTAL	\$26,655,260	\$0	\$0	\$0	\$26,655,260	51.2
INCREASE/(DECREASE)	\$121,255	\$0	\$0	\$0	\$121,255	0.0
Percentage Change	0.5%	0.0%	0.0%	0.0%	0.5%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$26,655,260	\$0	\$0	\$0	\$26,655,260	51.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

WORKFORCE DEVELOPMENT COUNCIL

This line item supports the staff of the Workforce Development Council. The Council was created to meet the requirements of Title I of the federal Workforce Investment Act of 1998, and its function was reauthorized in the Workforce Innovation and Opportunity Act of 2014. The Council is responsible for designating local workforce investment areas, coordinating the delivery of workforce development programs, and reviewing the allocation of federal Title I funds for adult employment and training activities and youth activities. The Council is supported by state General Fund and funds transferred (reappropriated) from the Departments of Human Services, Education, Local Affairs, and Community Colleges. The Office of State Planning and Budgeting is required to determine each agency’s contributions on an annual basis.

With the passage of H.B.15-1170 (Postsecondary and Workforce Readiness), the Council works with local education providers, business, industry, Department of Education to raise the level of Postsecondary and Workforce Readiness. Also with the passage of H.B. 15-1274 (Career Pathways for Students), the Council works with its partners to design integrated career pathways within identified growth industries. These bills are the source of the General Fund and 3.5 FTE in this line.

STATUTORY AUTHORITY: Pursuant Title 24, Article 46.3, C.R.S.

REQUEST: The Department requests \$1,432,612 total funds including \$856,933 General Fund, \$25,091 cash funds and, \$550,588 reappropriated funds.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown in the table below.

DIVISION OF EMPLOYMENT AND TRAINING, WORKFORCE DEVELOPMENT COUNCIL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$1,553,075	\$1,005,752	\$20,632	\$526,691	\$0	12.5
TOTAL	\$1,553,075	\$1,005,752	\$20,632	\$526,691	\$0	12.5

DIVISION OF EMPLOYMENT AND TRAINING, WORKFORCE DEVELOPMENT COUNCIL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,553,075	\$1,005,752	\$20,632	\$526,691	\$0	12.5
Centrally appropriated line items	80,565	52,209	4,459	23,897	0	0.0
Annualize prior year budget actions	(201,028)	(201,028)	0	0	0	0.0
TOTAL	\$1,432,612	\$856,933	\$25,091	\$550,588	\$0	12.5
INCREASE/(DECREASE)						
	(\$120,463)	(\$148,819)	\$4,459	\$23,897	\$0	0.0
Percentage Change	(7.8%)	(14.8%)	21.6%	4.5%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

CDWC RESKILLING, UPSKILLING AND NEXT-SKILLING WORKERS PROGRAM

The reskilling, upskilling, and next-skilling workers program was created as an initiative of the state council as a means to train unemployed and underemployed Coloradans during times of substantial unemployment.

STATUTORY AUTHORITY: Pursuant to Section 24-46.3-603, C.R.S.

REQUEST/RECOMMENDATION: **The Department does not request, and staff does not recommend an appropriation for this line item.**

CWDC WORKFORCE INNOVATION ACT – ARPA MONEY

These are added funds for the Federal Workforce Innovation and Opportunity Act (WIOA), distributed to state and county run one-stop centers for services and programs that provide job training and job skills. The federally-funded program serves eligible adults and youth who need additional employment services, education, and/or training to prepare them to enter the workforce or to reenter after a job loss. The WIOA funds skills assessments, basic skills remediation, occupational skills training, and retraining.

STATUTORY AUTHORITY: Pursuant to Section 24-46.3-703, C.R.S.

REQUEST/RECOMMENDATION: **The Department does not request, and staff does not recommend an appropriation for this line item.**

WORKFORCE IMPROVEMENT GRANTS

Workforce improvement grants are federal and private grants awarded to the Workforce Development Council for the creation of workforce development activities. These are typically directed toward special populations (youth, disabled, veterans, etc.).

STATUTORY AUTHORITY: Pursuant Title 24, Article 46.3, C.R.S.

REQUEST: The Department requests \$1,000,000 federal funds, which represents a continuation level of funding.

RECOMMENDATION: **Staff recommends continuation of \$1,000,000 shown for informational purposes.**

COLORADO VETERANS' SERVICE-TO-CAREER PROGRAM

House Bill 16-1267 (Lee and Fields/Carroll and Woods) required CDLE to develop a grant program to which workforce centers could apply to enhance workforce center services for veterans that were not available under the federal Workforce Innovation and Opportunity Act. The bill specified that workforce centers “may contract with a nonprofit agency to administer the program” and specified that, “in selecting workforce centers to administer the program, the Department shall give preference to a workforce center that partners with a nonprofit agency that is an integrated service and support center for veterans and their families.” The program was reauthorized with modifications under H.B. 18-1343 (Lee and Carver/Lambert and Todd). This bill:

- Extended the program's January 1, 2019, repeal date, until January 1, 2024;
- Expanded eligibility for program services to include veterans, veterans' spouses, persons actively serving in the U.S. Armed Forces and within six months of discharge, or a member of the National Guard or military reserves who has completed initial entry training;
- Adjusted the allowable administrative overhead for certain expenses incurred by the CDLE;
- Required that the CDLE develop an evaluation methodology to measure program outcomes and effectiveness prior to initiating the bid process for awarding grants; and
- Clarified and defines terms.

The bill included a \$1,000,000 appropriation from the Marijuana Tax Cash Fund (MTCF) in FY 2018-19. Grants of \$75,000 to \$350,000 were awarded to workforce centers in five counties. The General Assembly approved a new appropriation of \$300,000 cash funds from the Marijuana Tax Cash Fund in FY 2020-21 with a footnote specifying that the funds were to be prioritized for workforce centers that partner with a nonprofit. In FY 2021-22 and FY 2022-23, \$500,000 was appropriated to the Department for this program without the footnote.

STATUTORY AUTHORITY: Pursuant to Section 8-14.3-203, C.R.S.

REQUEST: The Department requests \$500,000 cash funds from the MTCF

RECOMMENDATION: **Staff recommends a continuation of \$500,000 from the MTCF.**

HOSPITALITY EDUCATION GRANT PROGRAM

Senate Bill 14-015 (Hospitality Career Education Grant Program) created the hospitality career secondary education grant program in CDLE. The program awards grants to increase the number and quality of hospitality programs operating in secondary schools beginning FY 2015-16 academic year. This line item supports program development, grant administration, and grant awards to hospitality programs in Colorado high schools.

STATUTORY AUTHORITY: Pursuant to Sections 24-46.3-201, C.R.S., *et seq.*

REQUEST: The Department requests \$416,193 General Fund.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown in the table below.

DIVISION OF EMPLOYMENT AND TRAINING, HOSPITALITY EDUCATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$414,105	\$414,105	\$0	\$0	\$0	0.5
TOTAL	\$414,105	\$414,105	\$0	\$0	\$0	0.5
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$414,105	\$414,105	\$0	\$0	\$0	0.5
Centrally appropriated line items	2,088	2,088	0	0	0	0.0
TOTAL	\$416,193	\$416,193	\$0	\$0	\$0	0.5
INCREASE/(DECREASE)	\$2,088	\$2,088	\$0	\$0	\$0	0.0
Percentage Change	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$416,193	\$416,193	\$0	\$0	\$0	0.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

EMPLOYMENT SUPPORT AND JOB RETENTION SERVICES PROGRAM

House Bill 19-1107 (Employment Support Job Retention Services Program) created this program to assist eligible individuals with job retention services. Under the provisions of this bill, the Department must develop a competitive solicitation process to contract with an outside nonprofit to administer the program. The administering entity must develop formal memoranda of understanding with public agencies and private nonprofit organizations to provide employment, job training, and job retention services to eligible individuals. Services that are eligible for reimbursement include transportation, emergency childcare, emergency housing, job training or education fees, work tools and equipment, food and nutrition, utility and internet bills, prepaid cell phones, licenses and certifications, legal services related to employment, interpretation, and qualified medical and mental health expenses, among others.

The program is repealed September 30, 2022.

STATUTORY AUTHORITY: SECTIONS 8-83-401 THROUGH 8-83-407, C.R.S.

REQUEST: The Department requests \$252,088 total funds including \$2,088 General Fund and \$250,000 reappropriated funds.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

DIVISION OF EMPLOYMENT AND TRAINING, EMPLOYMENT SUPPORT AND JOB RETENTION SERVICES PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Other legislation	\$250,000	\$0	\$0	\$250,000	\$0	0.0
HB 22-1329 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$250,000	\$0	\$0	\$250,000	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$250,000	\$0	\$0	\$250,000	\$0	0.0
Centrally appropriated line items	2,088	2,088	0	0	0	0.0
TOTAL	\$252,088	\$2,088	\$0	\$250,000	\$0	0.0
INCREASE/(DECREASE)	\$2,088	\$2,088	\$0	\$0	\$0	0.0
Percentage Change	0.8%	n/a	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$252,088	\$2,088	\$0	\$250,000	\$0	0.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.5

JUST TRANSITION OFFICE

House Bill 19-1314 created the Just Transitions Office to oversee the creation of a plan that will assist communities and workers whose coal-related industries and jobs are subject to significant economic transition. The office is required to:

- Identify or estimate the timing and location of facility closures and job layoffs in coal-related industries and their impact on affected workers, businesses, and coal transition communities, then make recommendations to the advisory committee as to how the office can most effectively respond to these economic dislocations;
- Provide administrative, logistical, research, and policy support to the advisory committee's work;
- Participate in CDLE's SMART Act presentation to the General Assembly regarding requirements for financing components of the just transition plan, administering the plan, and expected results; and
- Engage in relevant administrative proceedings, such as matters before the Public Utilities Commission and the Air Quality Control Commission.

The statute provides for a 19 member advisory committee to recommend a just transition plan for the state. The final plan was submitted December 31, 2020.

STATUTORY AUTHORITY: Sections 8-83-501 through 8-83-506, C.R.S.

REQUEST: The Department requests \$393,332 General Fund and 3.5 FTE.

RECOMMENDATION: **Staff recommends approval of the request.** Details are shown below.

DIVISION OF EMPLOYMENT AND TRAINING, JUST TRANSITION OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$377,724	\$377,724	\$0	\$0	\$0	3.5

DIVISION OF EMPLOYMENT AND TRAINING, JUST TRANSITION OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$377,724	\$377,724	\$0	\$0	\$0	3.5
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$377,724	\$377,724	\$0	\$0	\$0	3.5
Centrally appropriated line items	15,608	0	15,608	0	0	0.0
TOTAL	\$393,332	\$377,724	\$15,608	\$0	\$0	3.5
INCREASE/(DECREASE)	\$15,608	\$0	\$15,608	\$0	\$0	0.0
Percentage Change	4.1%	0.0%	#DIV/0!	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$393,332	\$377,724	\$15,608	\$0	\$0	3.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

JUST TRANSITION PLAN IMPLEMENTATION/COAL TRANSITION COMMUNITY ASSISTANCE

House Bill 21-1290 transferred funding to the Just Transition Cash Fund for FY 2020-21 for the purposes of to implementing the final just transition plan and provide supplemental funding for existing state programs that the office identifies as the most effective vehicles for targeted investment in coal transition communities.

STATUTORY AUTHORITY: Sections 8-83-504, C.R.S.

REQUEST: The Department requested an appropriation of \$2,555,000 cash funds.

RECOMMENDATION: **Staff does not recommend funding for this line item in order to properly annualize out prior year legislation.** Details are shown in the table below.

DIVISION OF EMPLOYMENT AND TRAINING, JUST TRANSITION PLAN IMPLEMENTATION/ COAL TRANSITION COMMUNITY ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Other legislation	\$5,555,000	\$0	\$5,555,000	\$0	\$0	0.0
HB 22-1329 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$5,555,000	\$0	\$5,555,000	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$5,555,000	\$0	\$5,555,000	\$0	\$0	0.0
Annualize prior year legislation	(5,555,000)	0	(5,555,000)	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$5,555,000)	\$0	(\$5,555,000)	\$0	\$0	0.0
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$2,555,000	\$0	\$2,555,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$2,555,000	\$0	\$2,555,000	\$0	\$0	0.0

COAL TRANSITION WORKER ASSISTANCE

House Bill 21-1290 transferred funding to the Coal Transition Workforce Assistance Account in the Just Transition Cash Fund for FY 2020-21 for the purposes of assistance programs that directly assist coal transition workers and family and other household members of coal transition workers.

STATUTORY AUTHORITY: Sections 8-83-504.5, C.R.S.

REQUEST/RECOMMENDATION: **The Department did not request and staff does not recommend an appropriation for this line item.** Details are shown in the table below.

DIVISION OF EMPLOYMENT AND TRAINING, COAL TRANSITION WORKER ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Other legislation	\$12,000,000	\$0	\$12,000,000	\$0	\$0	0.0
HB 22-1329 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$12,000,000	\$0	\$12,000,000	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$12,000,000	\$0	\$12,000,000	\$0	\$0	0.0
Annualize prior year legislation	(12,000,000)	0	(12,000,000)	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$12,000,000)	\$0	(\$12,000,000)	\$0	\$0	0.0
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

APPROPRIATION TO THE SKILLED WORKERS OUTREACH, RECRUITMENT, AND KEY TRAINING PROGRAM FUND

House Bill 15-1275 (Pabon & Williams/Cooke and Health) created this program, known as the WORK Act. The bill authorized \$10,000,000 General Fund for marketing and updating training programs to meet industry standards and training needs for skilled workers. Appropriations were required to the Skilled Workers Outreach, Recruitment, and Key Training Program Fund over a three year period. The program was extended in H.B. 18-1316 for an additional three years, with a \$1,000,000 General Fund appropriation in FY 2018-19, and \$3,300,000 General Fund in FY 2019-20.

During the 2020 legislative session, the General Assembly adopted H.B. 20-1395 (End WORK Act Grants) to repeal the program and transfer any unexpended amounts to the General Fund in FY 2020-21 and FY 2021-22 as previously-authorized grants concluded.

STATUTORY AUTHORITY: Pursuant to Section 8-83-304, C.R.S., until repealed.

REQUEST/RECOMMENDATION: **The Department did not request and staff does not recommend an appropriation for this line item.**

SKILLED WORKERS OUTREACH, RECRUITMENT AND KEY TRAINING PROGRAM

This line item reflected spending for the Skilled Worker Outreach, Recruitment and Key Training Grant Program from amounts deposited in the Appropriation to the Skilled Worker Outreach, Recruitment, and Key Training Program Fund line item, described above.

STATUTORY AUTHORITY: Pursuant to Section 8-83-304, C.R.S., until repealed.

REQUEST/RECOMMENDATION: The Department did not request and staff does not recommend an appropriation for this line item.

EMPLOYMENT SUPPORT AND JOB RETENTION SERVICES CASH FUND

House Bill 19-1107 (Employment Support Job Retention Services Program) created the Employment Support and Job Retention Services Cash Fund to support the Employment Support and Job Retention Services program. The bill included an appropriation of \$750,000 General Fund into the cash fund in FY 2019-20, with the expectation that funds would be expended from the fund over a three year time period. Funds from this source are expended in the Employment Support and Job Retention Services Program line item.

STATUTORY AUTHORITY: SECTIONS 8-83-401 THROUGH 8-83-407, C.R.S.

REQUEST: THE DEPARTMENT REQUESTS AN APPROPRIATION OF \$250,000 GENERAL FUND.

RECOMMENDATION: Staff recommends approval of the request. Details are shown below.

DIVISION OF EMPLOYMENT AND TRAINING, EMPLOYMENT SUPPORT AND JOB RETENTION SERVICES PROGRAM CASH FUND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Other legislation	\$250,000	\$250,000	\$0	\$0	\$0	0.0
TOTAL	\$250,000	\$250,000	\$0	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$250,000	\$250,000	\$0	\$0	\$0	0.0
TOTAL	\$250,000	\$250,000	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$250,000	\$250,000	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

INDUSTRY INFRASTRUCTURE GRANT PROGRAM

House Bill 16-1288 created the Industry Infrastructure Program to partner with eligible nonprofit entities to develop and maintain the industry competency standardization needed to support businesses in their implementation of work site training program. Statute required three General Fund

transfers of \$300,000 each on September 1, 2016, 2017, and 2018. Funds were granted to CareerWise to support its work in this area. The program is repealed effective July 1, 2021.

STATUTORY AUTHORITY: SECTIONS 24-46.3-401 THROUGH 406, C.R.S.

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, an appropriation for this line item.

(4) DIVISION OF LABOR STANDARDS AND STATISTICS

This line item group administers Colorado employment and labor laws pertaining to wages paid, hours worked, minimum wage, labor standards, child labor, employment-related immigration laws, and working conditions. The Division of Labor also conducts all-union agreement elections, elections to certify or decertify collective bargaining agreements, certifications of all-union provisions in the building and construction trades industries, and investigates and mediates allegations of unfair labor practices. The Labor Market Information (LMI) section provides information on employment trends across the state, unemployment numbers, and job growth information. LMI works with state and county one-stop centers to provide relevant training classes in fields that are growing or have potential long-term growth in Colorado.

DIVISION OF LABOR STANDARDS AND STATISTICS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation					
HB 22-1329 (Long Bill)	\$8,076,433	\$1,365,743	\$3,290,536	\$3,420,154	82.4
Other legislation	1,437,998	1,437,998	0	0	12.7
TOTAL	\$9,514,431	\$2,803,741	\$3,290,536	\$3,420,154	95.1
FY 2023-24 RECOMMENDED APPROPRIATION					
FY 2022-23 Appropriation	\$9,514,431	\$2,803,741	\$3,290,536	\$3,420,154	95.1
Centrally appropriated line items	352,471	121,959	158,754	71,758	0.0
R3a Wage theft enforcement updates	151,359	0	151,359	0	1.0
R3b Wage theft worker payments	12,657	0	12,657	0	0.2
Annualize prior year legislation	(176,192)	(176,192)	0	0	2.5
TOTAL	\$9,854,726	\$2,749,508	\$3,613,306	\$3,491,912	98.8
INCREASE/(DECREASE)	\$340,295	(\$54,233)	\$322,770	\$71,758	3.7
Percentage Change	3.6%	(1.9%)	9.8%	2.1%	3.9%
FY 2023-24 EXECUTIVE REQUEST					
Request Above/(Below) Recommendation	(\$3,709)	\$0	(\$3,709)	\$0	(0.0)

DECISION ITEMS - DIVISION OF LABOR STANDARDS AND STATISTICS

→ R3A WAGE THEFT ENFORCEMENT UPDATES

REQUEST: The Department requests an increase of \$168,052 in cash fund spending authority and 1.0 FTE in FY 2023-24 and \$161,634 in FY 2024-25 and ongoing from the Wage Theft Enforcement Fund (WTEF) for a compliance investigator as well as additional resources for translation and interpretation services.

RECOMMENDATION: Staff recommends approval of the request for \$151,359 in cash fund spending authority in FY 2023-24 and \$161,634 in FY 2024-25 and ongoing.

ANALYSIS: In 2015, the Colorado Wage Act assigned the Division of Labor Standards and Statistics (DLSS) to investigate, rule on, and order payments on individual wage complaints. Prior to that, the Division was much smaller and mostly helped mediate disputes between parties which did not result in rulings or orders to pay. DLSS is seeing increasing workloads based on both the volume of claims

and the complexity of investigations related to new wage laws being enacted. Individual wage claims yield typically simpler investigations and rulings than many of the new programs that have been assigned to DLSS through recent legislation. Some of the most complex cases are related to paid sick leave claims, retaliation claims, Equal Pay Act investigations, and direct investigations. After FY 2019-20, DLSS began direct investigations. The Division was finding that often times wage theft violations were occurring for all or many employees in a work place where just a single complaint had been filed. Systemic investigations have resulted in more sweeping employer changes which address violations across the board for employees.

Wage theft claims increased in Colorado in FY 2021-22 as seen in the table below. This could be due to recent expansions of legislation around wage theft violations as well as the Division’s efforts to raise awareness of these legislative changes. The Division continues to see increases in wage theft enforcement investigations and the need for information dissemination as required by statute. The Division is anticipating future resource needs will grow annually by 3.0 percent.

ANNUAL WAGE THEFT CLAIMS BY TYPE							
	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Individual Wage & Hour	4,286	3,882	3,178	3,006	3,025	2,900	3,665
Non-Wage Labor Rights	12	18	20	28	80	13	13
Retaliation	-	-	-	-	-	194	430
Unfair Labor Practice & Union Membership & Classification	-	-	-	-	-	8	18
Pay & Promotion Transparency	-	-	-	-	-	134	567
Direct Investigations	-	-	-	-	172	127	41
Total Claims	4,298	3,900	3,198	3,034	3,277	3,376	4,734

REQUEST/RECOMMENDATION

In FY 2023-24 and ongoing the Department requests and staff recommends:

- One additional Compliance Investigator who will be responsible for answering employer and employee questions and providing any follow up as needed; and
- Additional cash fund spend authority of \$80,056 for translation and interpretation services used in wage theft investigations.

→ R3B WAGE THEFT WORKER PAYMENTS [REQUIRES LEGISLATION]

REQUEST: The Department requests:

- 1 An increase of \$12,657 in cash fund spending authority and 0.2 FTE in FY 2023-24 and \$16,046 in FY 2024-25 and ongoing; and
- 2 A statutory change to transfer funds above the excess reserve cap from the Wage Theft Enforcement Fund (WTEF) to a new Wage & Hour Outstanding Losses Expenditure (WHOLE) Fund which would be continuously appropriated to the Division for the purposes of making wage theft workers’ payments.

RECOMMENDATION: **Staff recommends the Department approve the request with some differences discussed below.** Staff requests permission to begin working with the Department and the Office of Legislative Legal Services on a committee bill draft that makes the following changes:

- Makes wage theft workers payments an allowable use for the WTEF;

- Makes the WTEF continuously appropriated ONLY for the purposes of wage theft workers payments; and
- Exempts the WTEF from cash fund reserve requirements.

EVIDENCE LEVEL: The Department indicated that this request item is theory-informed, and staff agrees with this designation. When a request item is designated ‘theory-informed’ it means that the program “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.” (Section 2-3-210 (2)(f), C.R.S.).

Based on a limited review of research¹, JBC staff found that “stronger state-level wage and hour laws and their enforcement lead to lower incidences of wage theft.” Staff believes that this proposed program could be qualified as stronger enforcement, since the State will have the capacity to enforce payment of owed wages by taking on the debt from workers. Staff is uncertain whether it will be possible to specifically associate changes in employer behavior with this program, since a number of other bills, namely S.B. 22-161, will have a larger penalizing impact on employers who fail to pay. The Division will be able to measure the number of workers who are able to receive owed wages due to this program, and would report this to the JBC in the recommended RFI.

ANALYSIS: This request comes from the Department’s attempts to manage new legislation, increasing fines, and cash fund reserves. Increasing and unpredictable fines for wage theft collected by the Division have historically exceeded the uncommitted reserve cap on the WTEF. The Department is reporting increasing levels and complexity of wage theft violations due to expansions in legislative requirements and authority. The Division has brought forward this budget request as a measure to address cash fund compliance as well as meet a need they are seeing for workers who do not receive owed wages from employers.

WAGE AND THEFT ENFORCEMENT FUND (WTEF)

DLSS administers the WTEF to investigate wage claim cases, and issues citations to collect fines for employer wage violations. The WTEF was under a three-year cash fund waiver through FY 2022-23, and at that time received another cash fund waiver for an additional three years. Wage theft fines vary widely in size and scope, which makes the ability to predict revenues difficult since they are based on the type and severity of the violation, the number of employees impacted, and whether a settlement agreement of the fine leads to a discounted amount in collections. This unpredictability of the fines is what the Division is attempting to address with the request. Regardless of expected revenues, if a case settles in June of a fiscal year, the cash fund will be out of compliance at the end of that year unless the Department has continuous authority to expend that amount.

FINES

Wage theft violation fines are determined in statute, and are dependent upon the amount employees are owed. A majority of these are failure to respond to investigation notices, failure to provide mandatory pay statements to employees, and failure to pay wages determined to be owed to employees. Fines are deposited into the WTEF as they are collected. Over the last few years as revenue from fines has become more regular, and the Division has requested increasing cash fund spending

¹ [Policies to Protect Workers from Wage Theft](#) (Galvin, 2017)

authority from the WTEF on an annual basis. The table below identifies these increasing revenues and expenditures, as well as expected revenue in upcoming years.

WAGE THEFT ENFORCEMENT CASH FLOWS		
FISCAL YEAR	REVENUE	EXPENDITURES
2016-17	\$35,950	\$0
2017-18	92,120	0
2018-19	104,910	0
2019-20	108,887	0
2020-21	127,415	312
2021-22	284,759	171,730
2022-23*	999,155	353,991
2023-24*	524,382	1,093,383

SB 22-161 WAGE THEFT EMPLOYEE MISCLASSIFICATION

Senate Bill 22-161 made a number of changes to statute that will impact revenue for the WTEF. This legislation:

- Changed enforcement procedures and financial penalties for non-payment of wages;
- Increased the Division’s authority to fine parties who fail to provide information or evidence the Division requests in its investigative effort;
- Increased penalties and fines by 50 percent for employers that do not pay all ordered wages, penalties, and fines within 60 days; and
- Allows employees to file group wage and hour complaints.

EMPLOYER RESOURCES

The Division’s goal is to increase compliance, not to impose fines or prolong proceedings. DLSS will send employers notices of possible violations, and many employers respond by agreeing to fix their practices. In these cases, employers will pay significantly reduced fees. If the employer makes changes before there is an official finding, no fine is imposed. A minority of employers refuse to fix practices that violate workers’ rights even after DLSS notifies them of violations. In those instances, initial fines of a few hundred dollars can yield total fines in the tens or hundreds of thousands of dollars.

DLSS currently runs a full-time call center that employers and employees can call with questions regarding labor laws. DLSS answers questions without judgment; if an employer call reports a non-compliant practice call center staff will identify this to the employer without imposing consequences for non-compliance.

Additionally, DLSS has substantially increased its outreach program to provide non-legalistic advice. This is available to anyone, but is mainly provided for the benefit of employers and trade associations that lack legal representation. These presentation typically focus on new issues for employers, like the new paid sick leave and agricultural labor laws and the passage of S.B. 22-161. With the introduction of a number of new labor laws, the Division began a series of continually updated published guidance on State labor laws. Last year’s approved budget also included adding an Appeals Coordinator to provide better assistance for employers to navigate administrative appeals of rulings against them.

NON-PAYMENT OF OWED WAGES

When the Division issues orders for employers to pay workers for wages owed, these are due immediately, however workers may still not receive owed unpaid wages. If the employer does not comply with the order to pay, the Division may impose additional fines. The Division has found that

a majority of the workers who are victims of wage theft are marginalized populations that are non-English speakers, low wage workers, and/or undocumented workers who have difficulties pursuing financial reparations. Currently, if an employer does not pay after an order has been issued, the next step is for workers who are owed unpaid wages to file a motion with the courts. This process has not proven to be easily accessible to a majority of the individuals the Division works with. The Division roughly estimates that ten to fifteen percent of legitimate claims, between 300 and 450 annually, are not paid out to workers, and the average debt owed to workers is \$2,000.

PROPOSED WAGE THEFT PAYMENT PROGRAM

The Division is proposing a statutory change to transfer funds from the WTEF above the reserve maximum to a new fund, the Wage & Hour Outstanding Losses Expenditure (WHOLE) Fund. This change would also allow those transferred funds to be utilized as a source of payments to victims of wage theft. With this change, after a payment order is issued by the Division and the employer does not pay, individuals who are owed wages would file an application with the Division that indicates effort was made to receive wages owed. The Division would review the application and pay the workers based on pre-set criteria DLSS would publicly disclose, such as amount owed, egregiousness of the violation, and inability of the worker to collect.

The Division anticipates initially making payments to workers once or twice per year, and adjusting this timeframe as needed in the future, however worker requests for payment will be evaluated on an ongoing basis. The Division does anticipate that requests could outpace funding, which is why the plan is to evaluate claims on a rolling basis and make final decisions on payments at one or two points in the year. The worker payments would be for wages and penalties for wage non-payment owed to the workers, not the fines owed to the State, though employers found to have violated wage law may also face fines to the state for non-payment of wages.

Once worker wage payments have been made from the WTEF, the Division will take on the debt of the owed wages and continue to seek recoupment. The Division will attempt to enforce the employer's obligation to pay using tools provided by statute, including investigative tools to confirm employer assets, liens and levies against such assets, etc. The Division expects recoupment to be very limited, as the fund will only pay out wages to workers in the cases when the Division is unable to ensure collection of these from the employer. The Division expects that employers facing recoupment will largely either:

- Be out of business;
- Be in bankruptcy (which by federal law prevents collection efforts); or
- Otherwise have failed to pay in a way that is difficult to redress (e.g., an employer who is an individual rather than a business and has either moved out of state or has no collectible assets, or a debt that is hard but not impossible to collect yet is too small, \$100 to \$250, to justify extensive collection efforts).

Payments made from the Division to workers would reflect a judgment that these employers' debts have proven to be highly unlikely to be collected or uncollectible. Accordingly, the Division is assuming a recoupment rate of 10.0 percent or \$20,000 to \$30,000 annually. These recouped wages would be counted as revenue under TABOR.

The Division anticipates paying out the entirety of the excess reserve revenues in the WTEF in wage payments. While this amount will vary annually, the Division will consider administrative costs to run the program, anticipated but unpredictable fines, and cash fund balances being in compliance with

uncommitted reserves. In the first year of the program, the Division is estimating this amount will be between \$200,000 and \$300,000 based on the existing fund balance and estimated revenue. An additional 0.2 FTE is being requested to support the increased workload associated with processing payments to the victims of wage theft and receipts in the fund.

RECOMMENDATION

Staff recommends approval of the requested program and \$12,657 in ongoing cash fund spending authority for 0.2 FTE with some caveats. Instead of creating a new fund with annual transfers from the WTEF, staff recommends the Committee sponsor legislation that achieves the following:

- Makes wage theft workers payments an allowable use for the WTEF;
- Makes the WTEF continuously appropriated ONLY for the purposes of wage theft workers payments; and
- Exempts the WTEF from cash fund reserve requirements.

Instead of creating an entirely new cash fund, because this program is an effort to manage the WTEF, staff recommends continuously appropriating the WTEF for the purpose of wage theft workers’ payments and then leaving the WTEF subject to annual appropriation for programmatic purposes. This would reduce the need to annually transfer estimated amounts between cash funds, ensure legislative oversight of the programmatic costs of the program, and allow the Division to manage excess reserves in the cash fund. This is similar to the mechanisms in Workers’ Compensation and Petroleum Storage Tank cash funds.

Staff is recommending the Committee also add language to exempt the WTEF from the reserve requirement, however this is optional since the fund is currently under a three year waiver. Staff believes that since existing statute and annual legislation is the determinant of fines being collected rather than these being set by the Division, the WTEF will continue to have compliance issues after the waiver expires. Staff believes the compliance issues will not be able to be addressed by the Division since they have minimal control over fines.

Staff also recommends adding an RFI for the Division that would annually report to the JBC:

- 1 The amount of cash fund reserves in excess of the statutory requirement;
- 2 The number of employees receiving wage payments from the fund;
- 3 The amount of wages paid out from the fund; and
- 4 Wage payments recouped by the Division.

LINE ITEM DETAIL - DIVISION OF LABOR STANDARDS AND STATISTICS
LABOR STANDARDS PROGRAM COSTS

This line item funds the personal services and operating expenses for the Labor program section of the division.

STATUTORY AUTHORITY: Pursuant to Title 8, Articles 1 through 6, and Article 12, C.R.S. and Section 26-2-715, C.R.S.

REQUEST: The Department requests an appropriation of \$6,359,105 total funds including \$2,749,508 General Fund, \$3,613,306 cash funds, and 68.5 FTE.

RECOMMENDATION: The staff recommendation is reflected in the table below.

DIVISION OF LABOR STANDARDS AND STATISTICS, LABOR STANDARDS, LABOR PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$4,656,279	\$1,365,743	\$3,290,536	\$0	\$0	52.1
Other legislation	\$1,437,998	\$1,437,998	\$0	\$0	\$0	12.7
TOTAL	\$6,094,277	\$2,803,741	\$3,290,536	\$0	\$0	64.8
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$6,094,277	\$2,803,741	\$3,290,536	\$0	\$0	64.8
Centrally appropriated line items	280,713	121,959	158,754	0	0	0.0
R3a Wage theft enforcement updates	151,359	0	151,359	0	0	1.0
R3b Wage theft worker payments	12,657	0	12,657	0	0	0.2
R1 Employment support fund	0	0	0	0	0	0.0
Annualize prior year legislation	(176,192)	(176,192)	0	0	0	2.5
TOTAL	\$6,362,814	\$2,749,508	\$3,613,306	\$0	\$0	68.5
INCREASE/(DECREASE)	\$268,537	(\$54,233)	\$322,770	\$0	\$0	3.7
Percentage Change	4.4%	(1.9%)	9.8%	0.0%	0.0%	5.7%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$3,709)	\$0	(\$3,709)	\$0	\$0	0.0

WHISTLEBLOWER PROTECTION PUBLIC HEALTH EMERGENCIES

House Bill 20-1415 (Herod & Sullivan/Pettersen & Rodriguez) Prohibits a principal, including an employer, certain labor contractors, public employers, and entities that rely on independent contractors for a specified percentage of their workforce, from discriminating, retaliating, or taking adverse action against any worker who raises concerns about workplace health and safety practices or hazards related to a public health emergency. Senate Bill 22-097 (Whistleblower Protection Health & Safety) expanded protections beyond the public health emergency which have been incorporated into the Labor Standards Program Costs line item.

STATUTORY AUTHORITY: Section 8-14.4-101, C.R.S., *et. seq.*

REQUEST/RECOMMENDATION: The Department does not request, and staff does not recommend an appropriation for this line item. Funding for this line item was consolidated in the Labor Standards line item in 2022.

LABOR MARKET INFORMATION PROGRAM COSTS

This line item provides funding for the personal services and operating expenses associated with the Labor Market Information program. It supports federally funded programs that track the Colorado economy by measuring activity within the workforce. It serves as a statistical clearinghouse for all sectors of the economy. The program is federally funded.

STATUTORY AUTHORITY: Pursuant to Sections 24-1-136, 8-71-107, 8-72-106, and 8-72-107, C.R.S.

REQUEST: The Department requests an appropriation of \$3,491,912 federal funds and 30.3 FTE.

RECOMMENDATION: Staff recommends approval of the Department’s request. Details are provided in the table below.

DIVISION OF LABOR STANDARDS AND STATISTICS, LABOR STATISTICS, LABOR MARKET INFORMATION						
PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$3,420,154	\$0	\$0	\$0	\$3,420,154	30.3
TOTAL	\$3,420,154	\$0	\$0	\$0	\$3,420,154	30.3
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$3,420,154	\$0	\$0	\$0	\$3,420,154	30.3
Centrally appropriated line items	71,758	0	0	0	71,758	0.0
TOTAL	\$3,491,912	\$0	\$0	\$0	\$3,491,912	30.3
INCREASE/(DECREASE)	\$71,758	\$0	\$0	\$0	\$71,758	0.0
Percentage Change	2.1%	0.0%	0.0%	0.0%	2.1%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$3,491,912	\$0	\$0	\$0	\$3,491,912	30.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(5) DIVISION OF OIL AND PUBLIC SAFETY

The Division of Oil and Public Safety is responsible for a variety of regulatory functions related to environmental protection, public safety, and consumer protection. Included in its duties are rulemaking and enforcing rules, regulations, and statutes that govern amusement rides, explosives, boilers, conveyances, fuel products (gas and compressed natural gas), petroleum storage tanks, and cleanup of petroleum spills.

DIVISION OF OIL AND PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$6,641,684	\$108,602	\$5,804,343	\$19,318	\$709,421	69.5
TOTAL	\$6,641,684	\$108,602	\$5,804,343	\$19,318	\$709,421	69.5
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$6,641,684	\$108,602	\$5,804,343	\$19,318	\$709,421	69.5
Centrally appropriated line items	380,723	6,265	361,406	0	13,052	0.0
BA1 Rides and devices program staffing	159,197	159,197	0	0	0	2.0
TOTAL	\$7,181,604	\$274,064	\$6,165,749	\$19,318	\$722,473	71.5
INCREASE/(DECREASE)	\$539,920	\$165,462	\$361,406	\$0	\$13,052	2.0
Percentage Change	8.1%	152.4%	6.2%	0.0%	1.8%	2.9%
FY 2023-24 EXECUTIVE REQUEST	\$7,190,208	\$282,668	\$6,165,749	\$19,318	\$722,473	71.5
Request Above/(Below) Recommendation	\$8,604	\$8,604	\$0	\$0	\$0	0.0

DECISION ITEMS - DIVISION OF OIL AND PUBLIC SAFETY

→ BA1 AMUSEMENT RIDES AND DEVICES PROGRAM STAFFING

REQUEST: The Department requests an increase of \$220,000 in General Fund spending authority and 2.0 FTE in FY 2023-24 and \$145,000 in and 1.5 FTE in FY 2024-25 to allow for sufficient oversight of critical safety components within the Amusement Rides and Devices Program. The Department also requests an increase in Public Safety Cash Fund spending authority of \$56,388 and 0.5 FTE beginning in FY 2024-25. This increase in Public Safety Cash Fund spending authority and 2.0 FTE will be ongoing, and cash fund spending authority will continue to increase after FY 2024-25 to offset the corresponding decrease in General Fund as fees are increased.

RECOMMENDATION: Staff recommends approval of the request for \$159,187 General Fund in FY 2023-24 and \$181,304 in FY 2024-25 and ongoing. Staff is recommending the funding in the Personal Services line item rather than the requested Underground Damage Prevention Safety Commission line item.

EVIDENCE LEVEL: The Department indicated that this request item is theory-informed, and staff believes the evidence level is not applicable to this request. The amusement industry is heavily regulated because of the potential safety concerns, and the State is responsible for conducting audits of regulatory inspections. The letters of support from amusement park operators for this request, found in Appendix E, indicate a drop in the frequency of state inspectors. The Division states that

this is due to the increasing number of inspections that must be completed without an increase in inspectors. Ensuring annual inspections and increased education will ensure State oversight of amusement rides, which according to the Global Association for the Attractions Industry (IAAPA), is essential in insuring safety standards in the industry. While the theory behind the request is clear, it will be difficult to measure outcomes other than reduced injuries and fatalities from rides, which are already minimal. Staff believes that because this is an FTE request, the evidence level is not applicable.

ANALYSIS:

PROGRAM

The Division of Oil and Public Safety (OPS) is responsible for a variety of regulatory functions related to environmental protection, consumer protection, and public safety. Section 8-20-1002, C.R.S. authorizes the Amusement Rides and Devices Program (Amusement Program) to develop regulations for and oversee all mechanical rides and devices in the State of Colorado. The Amusement Program has adopted minimum standards related to the construction, operation, repair, and maintenance of rides operated by traveling carnivals and stationary amusement parks (indoor and outdoor), as well as other devices used for entertainment purposes, such as zip lines, water slides, and ride simulators. The Amusement Program also requires operators to obtain an annual permit prior to operation to ensure amusement rides and devices have received required annual third-party inspections and obtained adequate insurance coverage in case of an accident. Third-party inspectors must be certified by the Amusement Program to inspect rides in Colorado.

The Amusement Program was originally appropriated for, and currently has, 3.0 FTE, which are also shared with the Explosives Program. Both programs are funded by the Public Safety Cash Fund established in Section 8-1-151, C.R.S. The FTE for this program have not increased in the last decade.

PERMITTED OPERATORS AND REGULATED DEVICES IN CO		
YEAR	PERMITTED OPERATORS	REGULATED RIDES/DEVICES
2016	184	1,082
2017	180	1,052
2018	186	1,026
2019	204	1,137
2020	148	679
2021	182	912
2022	191	974
2023*	204	974

FEES

The Amusement Program currently issues operator fees and ride fees within the Public Safety Cash Fund. The operator fee is \$500 per operator per year and the ride fee is \$130 per ride per year, which totals approximately \$250,000 annually. In addition to these fees, the Amusement Program typically receives \$1,500 in interest and occasionally issues fines to businesses who do not comply with the rules and regulations. The last fee change in this program occurred in 2013. At that time, separate fees for Class A “kiddie” rides permitted at \$100 and Class B “non-kiddie” rides permitted at \$135 were combined to a singular \$130 fee for all rides.

In order to provide an appropriate amount of time for stakeholder outreach and the regulation revision process, as well as to allow time for the industry to recover from pandemic impacts, the Division is planning on raising fees in FY 2024-25. The Division wants to increase current operator fees from

\$500 per operator to \$800 per operator and current ride fees from \$130 per ride to \$260 per ride. This would increase revenue by approximately \$190,000 per year, and would allow for the fee increase to fully pay for the positions by FY 2026-27. Once fee increases are implemented, the Division’s main concern will be managing cash flows, as permits will be updated annually. This is the reason for the offsetting General Fund request.

CONCERNS

There have been two fatalities on regulated devices in Colorado since 2000, one in Grand Junction in 2018 and one in Glenwood Springs in 2021. The Department’s investigation into the latest fatality concluded that it was due to a lack of proper procedures and inadequate training for ride operators leading to multiple errors. The Division conducts audit inspections to ensure that the annual third-party ride and device inspections required in the Amusement Rides and Devices regulations are completed correctly. The Division is wanting to implement more robust inspections that will require more of the inspectors’ time and will focus on training and education around safety. The Division is hopeful that this request will allow for sufficient oversight of critical safety components and reduce the potential for accidents.

REQUEST

The Department is requesting \$220,000 General Fund in FY 2023-23 to support 2.0 FTE. This amount of General Fund will be reduced annually as the Department raises and collects fees through FY 2026-27 when the positions will be entirely cash funded. Several amusement ride operators have written letters of support for this initiative, noting less regular inspections and desire for continued State support; these letters are located in Appendix E.

OUT-YEAR IMPACTS OF AMUSEMENT RIDES AND DEVICES INSPECTION REQUEST				
	FY23-24	FY24-25	FY25-26	FY 26-27
General Fund	\$220,000	\$145,000	\$75,000	\$0
Cash Funds	\$0	\$56,388	\$126,388	\$201,388
FTE	2.0	2.0	2.0	2.0

- The new manager for the Amusement Program will be responsible for reviewing the amusement facility training programs and evaluating the programs in relation to statute, regulations, and all adopted codes and standards. The results and recommended enhancements of the program review will be presented to amusement operator management, training leads, and staff of these programs, taking into account the operational risks of different types of rides. The program review results will aid the program in the enhancement of regulatory enforcement and allow the program to better address specific training needs of its operators.
- The new technician for the Amusement Program will process permit applications and related documents and will also assist the program manager with scheduling program reviews, training and preparing training materials.

The addition of these dedicated resources will ideally allow the Amusement Program to provide sufficient oversight of critical safety components through increased education and training for operators.

LINE ITEM DETAIL - DIVISION OF OIL AND PUBLIC SAFETY

PERSONAL SERVICES

This line item is responsible for a variety of regulatory functions related to public health and safety, including establishing and enforcing rules, regulations, and statutes, which govern carnival and amusement park rides, conveyances, explosives, boilers, retail fuel dispensers, underground and aboveground petroleum storage tanks, cleanup of oil spills, and reimbursement of cleanup costs to qualifying storage tank owners/operators.

The Long Bill includes appropriations for administrative costs. However, the majority of revenues and expenditures related to petroleum storage tank cleanup and redevelopment are off budget.

STATUTORY AUTHORITY: Pursuant to Sections 8-1-151, 8-20-101 through 8-20-904, 8-20.5-101 through 8-20.5-407, 9-4-101, et sec., 9-5.5-101, et seq., 9-7-101, et seq., and 22-32-124, C.R.S.

REQUEST: The Department requests an appropriation of \$6,024,987 total funds and 68.0 FTE.

RECOMMENDATION: **The staff recommendation is reflected in the table below.**

DIVISION OF OIL AND PUBLIC SAFETY, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$5,721,749	\$0	\$5,138,031	\$19,318	\$564,400	68.0
TOTAL	\$5,721,749	\$0	\$5,138,031	\$19,318	\$564,400	68.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$5,721,749	\$0	\$5,138,031	\$19,318	\$564,400	68.0
Centrally appropriated line items	303,238	0	303,238	0	0	0.0
BA1 Rides and devices program staffing	159,197	159,197	0	0	0	2.0
TOTAL	\$6,184,184	\$159,197	\$5,441,269	\$19,318	\$564,400	70.0
INCREASE/(DECREASE)	\$462,435	\$159,197	\$303,238	\$0	\$0	2.0
Percentage Change	8.1%	#DIV/0!	5.9%	0.0%	0.0%	2.9%
FY 2023-24 EXECUTIVE REQUEST	\$6,024,987	\$0	\$5,441,269	\$19,318	\$564,400	68.0
Request Above/(Below) Recommendation	(\$159,197)	(\$159,197)	\$0	\$0	\$0	(2.0)

OPERATING EXPENSES

This line item provides funding for operating expenses of the division.

STATUTORY AUTHORITY: Pursuant to Sections 8-1-151, 8-20-101 through 8-20-904, 8-20.5-101 through 8-20.5-407, 9-4-101, et sec., 9-5.5-101, et seq., 9-7-101, et seq., and 22-32-124, C.R.S.

REQUEST: The Department requests an appropriation of \$862,553 including \$704,480 cash funds and \$158,073 federal funds.

RECOMMENDATION: Staff recommendation is provided in the table below and reflects the Committee’s decision on common policy. JBC staff requests permission to make adjustments as necessary to reflect Committee final action for this line item.

DIVISION OF OIL AND PUBLIC SAFETY, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$791,333	\$0	\$646,312	\$0	\$145,021	0.0
TOTAL	\$791,333	\$0	\$646,312	\$0	\$145,021	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$791,333	\$0	\$646,312	\$0	\$145,021	0.0
Centrally appropriated line items	71,220	0	58,168	0	13,052	0.0
TOTAL	\$862,553	\$0	\$704,480	\$0	\$158,073	0.0
INCREASE/(DECREASE)	\$71,220	\$0	\$58,168	\$0	\$13,052	0.0
Percentage Change	9.0%	0.0%	9.0%	0.0%	9.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$862,553	\$0	\$704,480	\$0	\$158,073	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION

Senate Bill 18-167 created the Underground Damage Prevention Safety Commission as an independent agency within the Department of Labor and Employment. The Commission has rule making and enforcement authority regarding portions of the underground damage prevention law. This law requires a person, before conducting an excavation, to dial “811” to learn the location of underground facilities. The Commission is required to enter into a memorandum of understanding with the notification association to facilitate implementation and administration of the law. Effective January 1, 2021 all underground facility owners and operators are full members of the notification association.

STATUTORY AUTHORITY: Section 9-1.5-104.2, C.R.S.

REQUEST: The Department requests \$302,668 total funds including \$282,668 General Fund and 3.5 FTE.

RECOMMENDATION: The staff recommendation is reflected in the table below.

DIVISION OF OIL AND PUBLIC SAFETY, UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$128,602	\$108,602	\$20,000	\$0	\$0	1.5
TOTAL	\$128,602	\$108,602	\$20,000	\$0	\$0	1.5
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$128,602	\$108,602	\$20,000	\$0	\$0	1.5
Centrally appropriated line items	6,265	6,265	0	0	0	0.0
BA1 Rides and devices program staffing	0	0	0	0	0	0.0

DIVISION OF OIL AND PUBLIC SAFETY, UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$134,867	\$114,867	\$20,000	\$0	\$0	1.5
INCREASE/(DECREASE)	\$6,265	\$6,265	\$0	\$0	\$0	0.0
Percentage Change	4.9%	5.8%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$302,668	\$282,668	\$20,000	\$0	\$0	3.5
Request Above/(Below) Recommendation	\$167,801	\$167,801	\$0	\$0	\$0	2.0

(6) DIVISION OF WORKERS' COMPENSATION

This program works to ensure quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers, with minimal litigation.

DIVISION OF WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$22,614,485	\$0	\$22,614,485	\$0	\$0	111.0
TOTAL	\$22,614,485	\$0	\$22,614,485	\$0	\$0	111.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$22,614,485	\$0	\$22,614,485	\$0	\$0	111.0
Centrally appropriated line items	399,048	0	399,048	0	0	0.0
TOTAL	\$23,013,533	\$0	\$23,013,533	\$0	\$0	111.0
INCREASE/(DECREASE)	\$399,048	\$0	\$399,048	\$0	\$0	0.0
Percentage Change	1.8%	0.0%	1.8%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$23,013,533	\$0	\$23,013,533	\$0	\$0	111.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DECISION ITEMS - DIVISION OF WORKERS' COMPENSATION

The Executive Branch did not submit any decision items for this division.

(A) WORKERS COMPENSATION

This program works to ensure quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers, with minimal litigation. This subdivision enforces the State's workers' compensation rules and ensures that insurance carriers and self-insured employers are in compliance. The primary source of cash funds is the Workers' Compensation Cash Fund, which is funded by an employer paid surcharge on workers' compensation insurance premiums.

LINE ITEM DETAIL – (A) WORKERS' COMPENSATION**PERSONAL SERVICES**

This line item funds salaries of staff who oversee the administration of the Workers' Compensation laws in Colorado.

STATUTORY AUTHORITY: Pursuant Title 8, Articles 40 through 44 and 46 through 47, and Sections 8-14.5-101, *et seq.*, C.R.S.

REQUEST: The Department requests an appropriation of \$8,572,813 cash funds and 95.0 FTE.

RECOMMENDATION: **Staff recommends approval of the Department's request.** Details are provided in the table below.

DIVISION OF WORKERS' COMPENSATION, WORKERS' COMPENSATION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$8,149,172	\$0	\$8,149,172	\$0	\$0	95.0
TOTAL	\$8,149,172	\$0	\$8,149,172	\$0	\$0	95.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$8,149,172	\$0	\$8,149,172	\$0	\$0	95.0
Centrally appropriated line items	423,641	0	423,641	0	0	0.0
TOTAL	\$8,572,813	\$0	\$8,572,813	\$0	\$0	95.0
INCREASE/(DECREASE)	\$423,641	\$0	\$423,641	\$0	\$0	0.0
Percentage Change	5.2%	0.0%	5.2%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$8,572,813	\$0	\$8,572,813	\$0	\$0	95.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OPERATING EXPENSES

This line item funds the operating expenses for administration of the Workers' Compensation laws in Colorado.

STATUTORY AUTHORITY: Pursuant to Title 8, Articles 40 through 44 and 46 through 47, and Sections 8-14.5-101, *et seq.*, C.R.S.

REQUEST: The Department requests an appropriation of \$726,417 cash funds.

RECOMMENDATION: **Staff recommendation is provided in the table below and reflects the Committee's decision on common policy.** JBC staff requests permission to make adjustments as necessary to reflect Committee final action for this line item.

DIVISION OF WORKERS' COMPENSATION, WORKERS' COMPENSATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$659,145	\$0	\$659,145	\$0	\$0	0.0
TOTAL	\$659,145	\$0	\$659,145	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$659,145	\$0	\$659,145	\$0	\$0	0.0
Centrally appropriated line items	67,272	0	67,272	0	0	0.0
TOTAL	\$726,417	\$0	\$726,417	\$0	\$0	0.0
INCREASE/(DECREASE)	\$67,272	\$0	\$67,272	\$0	\$0	0.0
Percentage Change	10.2%	0.0%	10.2%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$726,417	\$0	\$726,417	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ADMINISTRATIVE LAW JUDGE SERVICES

This line item is used to purchase administrative law services from the Department of Personnel.

STATUTORY AUTHORITY: Pursuant to Section 24-31-101 (1) (a), C.R.S., and defined in Section 24-75-112 (1)(i), C.R.S.

REQUEST: The Department requests an appropriation of \$3,926,637 cash funds.

RECOMMENDATION: **Staff recommendation is provided in the table below and reflects the Committee’s decision on common policy.** JBC staff requests permission to make adjustments as necessary to reflect Committee final action for this line item.

DIVISION OF WORKERS' COMPENSATION, WORKERS' COMPENSATION, ADMINISTRATIVE LAW JUDGE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$4,089,852	\$0	\$4,089,852	\$0	\$0	0.0
TOTAL	\$4,089,852	\$0	\$4,089,852	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$4,089,852	\$0	\$4,089,852	\$0	\$0	0.0
Centrally appropriated line items	(163,215)	0	(163,215)	0	0	0.0
TOTAL	\$3,926,637	\$0	\$3,926,637	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$163,215)	\$0	(\$163,215)	\$0	\$0	0.0
Percentage Change	(4.0%)	0.0%	(4.0%)	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$3,926,637	\$0	\$3,926,637	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PHYSICIANS ACCREDITATION

This line item funds the physicians’ accreditation training program, which trains and accredits physicians to work on workers' compensation claims. Physicians seeking accreditation pay a fee, which is deposited into the Physician Accreditation Cash Fund. Currently accredited physicians also use the program to stay current on approved workers’ compensation policies and treatment plans. Pursuant to Section 8-42-101 (3.6) (l), C.R.S., these funds are continuously appropriated and are included for informational purposes only.

STATUTORY AUTHORITY: Pursuant to Section 8-42-101, C.R.S.

REQUEST: The Department requests an appropriation of \$120,000 cash funds, which represents a continuation of level funding.

RECOMMENDATION: **Staff recommends approval of the request for a continuation level of \$120,000 cash funds shown for informational purposes.**

UTILIZATION REVIEW

This line item funds Department reviews of an independent physician's treatment of workers' compensation claimants. Any party involved with a claim can request reviews. The program is continuously appropriated moneys from the Utilization Review Cash Fund, which is funded by fees paid by the requesting party pursuant to Section 8-43-501 (2) (a), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Section 8-43-501, C.R.S.

REQUEST: The Department requests an appropriation of \$35,000 cash funds, which represents a continuation of level funding.

RECOMMENDATION: **Staff recommends approval of the request for a continuation level of \$35,000 cash funds shown for informational purposes.**

IMMEDIATE PAYMENT

These funds are used to pay workers' compensation claims brought against bankrupt employers who were self-insured. The program is funded with an assessment imposed by the Department on each self-insured employer. This line item is continuously appropriated from the Immediate Payment Fund pursuant to Section 8-44-206 (3)(b)(I), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Section 8-44-206, C.R.S.

REQUEST: The Department requests an appropriation of \$1,000 cash funds, which represents a continuation of level funding.

RECOMMENDATION: **Staff recommends approval of the request for a continuation level of \$1,000 cash funds shown for informational purposes.**

(B) MAJOR MEDICAL INSURANCE AND SUBSEQUENT INJURY FUNDS

The Major Medical Insurance Fund and the Subsequent Injury Fund receive revenues from the workers' compensation premium surcharge to cover claimants with approved injuries, sustained before 1981 and 1994 respectively.

LINE ITEM DETAIL – (B) MAJOR MEDICAL INSURANCE AND SUBSEQUENT INJURY FUNDS

PERSONAL SERVICES

This line item provides funding to support personal services expenditures within the subdivision.

STATUTORY AUTHORITY: Pursuant to Sections 8-46-101 and 8-46-202, C.R.S.

REQUEST: The Department requests an appropriation of \$1,542,342 cash funds and 16.0 FTE.

RECOMMENDATION: **RECOMMENDATION: Staff recommends approval of the Department’s request.** Details are provided in the table below.

DIVISION OF WORKERS' COMPENSATION, MAJOR MEDICAL INSURANCE AND SUBSEQUENT INJURY FUNDS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$1,470,992	\$0	\$1,470,992	\$0	\$0	16.0
TOTAL	\$1,470,992	\$0	\$1,470,992	\$0	\$0	16.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,470,992	\$0	\$1,470,992	\$0	\$0	16.0
Centrally appropriated line items	71,350	0	71,350	0	0	0.0
TOTAL	\$1,542,342	\$0	\$1,542,342	\$0	\$0	16.0
INCREASE/(DECREASE)	\$71,350	\$0	\$71,350	\$0	\$0	0.0
Percentage Change	4.9%	0.0%	4.9%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$1,542,342	\$0	\$1,542,342	\$0	\$0	16.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OPERATING EXPENSES

This line item provides funding for operating expenses of the subdivision.

STATUTORY AUTHORITY: Pursuant to Sections 8-46-101 and 8-46-202, C.R.S.

REQUEST: The Department requests an appropriation of \$88,324 cash funds, which represents a continuation of level funding.

RECOMMENDATION: **Staff recommends approval of the request for a continuation level of \$88,324 cash funds.**

MAJOR MEDICAL BENEFITS

The Major Medical Insurance Fund (MMIF) was established in 1971 to provide unlimited benefits to industrial workers who had sustained catastrophic injuries. Claims are approved for individuals who sustained qualified injuries from 1971 to 1981. Expenses fluctuate each year depending on the specific medical treatments required by clients. Funds are continuously appropriated pursuant to Section 8-46-202 (1) (c), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Section 8-46-202, C.R.S.

REQUEST: The Department requests an appropriation of \$6,000,000 cash funds, which represents a continuation of level funding.

RECOMMENDATION: Staff recommends approval of the request for a continuation level of \$6,000,000 cash funds shown for informational purposes.

MAJOR MEDICAL LEGAL SERVICES

This line item is used to purchase legal services from the Department of Law for any of the following purposes: to defend a decision to deny a claimant's eligibility request or denial of certain medical benefits; to defend the program in the event that a doctor appeals the decision of removal from a case during utilization review. Funds are continuously appropriated pursuant to Section 8-46-202 (1) (c), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Sections 24-31-101 (1) (a), C.R.S., defined in Section 24-75-112 (1) (i), C.R.S., and 8-46-202, C.R.S.

REQUEST/RECOMMENDATION: Funding for this line item was consolidated in the Executive Director's Office in FY 2020-21. The Department does not request, and staff does not recommend an appropriation for this line item.

SUBSEQUENT INJURY BENEFITS

This line item is used to pay benefits to injured workers who have become permanently, totally disabled from more than one work-related injury. Funds are continuously appropriated pursuant to Section 8-46-101 (4)(b), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Section 8-46-101, C.R.S.

REQUEST: The Department requests an appropriation of \$2,000,000 cash funds, which represents a continuation of level funding.

RECOMMENDATION: Staff recommends approval of the request for a continuation level of \$2,000,000 cash funds shown for informational purposes.

SUBSEQUENT INJURY LEGAL SERVICES

This line item is used to purchase legal services from the Department of Law to process and settle claims related to the Subsequent Injury program. Legal Services paid from the Subsequent Injury Fund are continuously appropriated pursuant to Section 8-46-101 (4)(b), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to 24-31-101 (1)(a), C.R.S., and defined in Section 24-75-112 (1) (i), C.R.S., and Section 8-46-101, C.R.S.

REQUEST/RECOMMENDATION: Funding for this line item was consolidated in the Executive Director's Office in FY 2020-21. The Department does not request, and staff does not recommend an appropriation for this line item.

MEDICAL DISASTER

This line item is used to offset employee incurred medical, nursing, hospital, and drug expenses that are in excess of the allotted expenses pursuant to the "Workers' Compensation Act of Colorado." Employees must validate their entitlement to disability benefits under the Act, and the incurred expenses can be for recovery, to alleviate chronic pain, or to reduce a disability. The Medical Disaster Insurance Fund is continuously appropriated pursuant to Section 8-46-303 (2), C.R.S. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Section 8-46-303, C.R.S.

REQUEST: The Department requests an appropriation of \$1,000 cash funds, which represents a continuation level of funding.

RECOMMENDATION: **Staff recommends approval of the request for \$1,000 cash funds shown for informational purposes.**

(7) DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES

This division oversees vocational rehabilitation programs designed to enable individuals with any type of disability to participate in the work force. These programs include Vocational Rehabilitation Services, School-to-Work Alliance Program, Vocational Rehabilitation Mental Health Services, Independent Living Services, Business Enterprises Program for Individuals who are Blind, and the Business Enterprises Program. This division also includes funding for grants and technical assistance to independent living centers, which support individuals with disabilities living in the community.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$59,725,983	\$11,664,943	\$605,570	\$5,201,819	\$42,253,651	237.7
TOTAL	\$59,725,983	\$11,664,943	\$605,570	\$5,201,819	\$42,253,651	237.7
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$59,725,983	\$11,664,943	\$605,570	\$5,201,819	\$42,253,651	237.7
Centrally appropriated line items	890,446	231,971	0	48,680	609,795	0.0
DVR RF (I) True-up	16,801,827	0	0	3,791,982	13,009,845	0.0
BA2 Disability employment first	270,508	270,508	0	0	0	1.8
Community provider rate increase	192,356	192,356	0	0	0	0.0
R4 BEP Additional appropriation	271,000	0	271,000	0	0	0.0
TOTAL	\$78,152,120	\$12,359,778	\$876,570	\$9,042,481	\$55,873,291	239.5
INCREASE/(DECREASE)	\$18,426,137	\$694,835	\$271,000	\$3,840,662	\$13,619,640	1.8
Percentage Change	30.9%	6.0%	44.8%	73.8%	32.2%	0.8%
FY 2023-24 EXECUTIVE REQUEST	\$77,888,768	\$12,367,426	\$605,570	\$9,042,481	\$55,873,291	239.5
Request Above/(Below) Recommendation	(\$263,352)	\$7,648	(\$271,000)	\$0	\$0	0.0

DECISION ITEMS - DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES

→ R4 BUSINESS ENTERPRISE PROGRAM FOR PEOPLE WHO ARE BLIND [REQUIRES LEGISLATION]

REQUEST: The Department requests an (I) notation be added to the Business Enterprise Program – Program Operated Stands, Repair Costs, and Operator Benefits line item in the Long Bill due to fluctuating revenues in the related cash fund. Because (I) notations reflect informational amounts as determined in statute, this is being interpreted as a request for statutory authority for the Department to continuously appropriate the cash fund.

RECOMMENDATION: **Staff recommends the Committee increase appropriations to the Division from the Business Enterprise cash fund by \$271,000 annually on an ongoing basis.**

ANALYSIS: The Business Enterprise Program for People Who Are Blind (BEP) is a program within the Division of Vocational Rehabilitation providing opportunities for people who are blind to operate

and manage food, vending, and other business services in federal and state government office buildings and properties. BEP trains and places eligible legally blind entrepreneurs to manage operations in these buildings and in some privately owned facilities. The Business Enterprise Program line item pays for costs associated with the program that are not eligible for the federal match. This includes: costs associated with temporary state operation of vending facilities when a vendor leaves the program; equipment maintenance and repair during this interim period; and payments to operators to support their health insurance, IRA contributions, and vacation pay.

The Business Enterprise Fund consists of monies accruing to the Department from assessments against the net proceeds of each vending facility operator, any income from vending machines on federal or state property, and any federal moneys that may become available.

The Department is requesting added flexibility in expenditures for a number of reasons:

- Revenues from the operation of the vending stands and payments by the vendors support this program, and both expenses and revenues in this line item are highly unpredictable as they are dependent upon whether one or more operators abandon sites during the year;
- The Division is expecting to see increased costs to support operations due to inflation;
- Staff and Blind Vendors have reported concerns with finding equipment due to supply chain issues which has resulted in purchasing more expensive equipment; and
- Federal guidance was published in October 2022, which no longer allows BEP to use federal dollars as the funding source for purchases of items under \$1,000. This means the program will need to rely more on cash fund dollars to support these purchases.

The Division plans to use the added expenditure authority for:

- Supplies and initial stock for new locations previously purchased using federal funds;
- Staff salaries temporarily paid through other Division fund sources during COVID-19;
- New equipment to transition locations that saw building populations shift due to Covid-19; and
- Equipment to open new locations.

→ R5 COMMON POLICY PROVIDER RATE ADJUSTMENT

REQUEST: The Department requests an ongoing increase of \$192,356 General Fund, for a provider rate increase of 3.0 percent for Independent Living Centers (ILCs) in FY 2023-24 and ongoing. This decision item is linked to actions the Committee takes on the Community Provider Rate common policy.

RECOMMENDATION: **Staff recommends approval of this request consistent with the Committee common policy decision.** The adjustment requires an increase of \$192,356 General Fund on a base of \$6,788,235 General Fund for ILCs. Staff requests permission to incorporate any subsequent modifications to Community Provider Rate common policy in the appropriation for ILCs.

These funds are allocated to the nine nonprofit ILCs across the state that provide services and supports for individuals with disabilities. These services include, among others:

- Information and referral services;
- Independent living skills training;
- Peer counseling, including cross-disability peer counseling;

- Individual and systems advocacy; and
- Transition services or diversion from nursing homes and institutions to home- and community-based living;
- Transition services upon leaving secondary education.

ANALYSIS:

During budget balancing for FY 2020-21, General Fund appropriations to the Independent Living Centers were reduced by \$600,000. **The ILCs have requested this funding be restored to the line item in the amount of \$388,964 however, staff is not recommending additional appropriations at this time.**

Senate Bill 15-240, a JBC bill, added \$2.0 million General Fund for the centers in FY 2015-16 and required additional funding in FY 2016-17. Section 26-8.1-103, C.R.S., added by the bill, specifies that, on or before July 1, 2016, the state department was required to promulgate a rule for the block distribution of state moneys to independent living centers. As specified in statute, “the rule must include at least: (a) A base amount of not less than six hundred thousand dollars; and (b) Other factors agreed to by the independent living centers, which may include a per capita adjustment, a per county adjustment, or other adjustments.”

At the time the bill was adopted, there were ten independent living centers, so the statute effectively required minimum funding of \$6.0 million for the centers. On June 30, 2016, one of the ten centers closed. On July 1, 2016, based on provisions in S.B 16-093, the entire program was moved to the Department of Labor and Employment. Appropriations were not reduced in FY 2016-17 or subsequent years associated with the closure of the center. During budget balancing for FY 2020-21, the appropriation to ILCs was reduced by \$600,000 to match the number of active ILCs. This reduction was made with the knowledge that ILCs would be receiving increased federal funding from the CARES Act.

While staff recognizes this funding serves vulnerable populations, because the budget balancing reduction was made based on the number of active ILCs, staff is not recommending this amount be restored.

→ BA2 DISABILITY EMPLOYMENT FIRST

REQUEST: The Department requests an increase of \$312,653 in General Fund spending authority and 1.8 FTE in FY 2023-24 and \$289,491 in General Fund spending authority and 2.0 FTE in FY 2024-25 with roll forward authority for \$40,000 for contracted services in the Division of Vocational Rehabilitation and Independent Living Services to expand disability employment first philosophy, policy and practice across relevant state government agencies, work with the Employment First Advisory Partnership and communicate disability employment first philosophy to the public.

RECOMMENDATION: **Staff recommends approval of \$270,508 General Fund in FY 2023-24 and \$271,703 in FY 2024-25, with the requested roll forward authority on \$40,000 of the appropriation.**

EVIDENCE LEVEL: The Department indicated that this request item is theory-informed, and staff believes the evidence level is not applicable to this request. While there are aspects of Employment

First practices that are evidence-based or promising practices, this request does not fund those practices. Additionally, the measurable outcomes refer to state agencies employing more individuals with disabilities, and while this may be an outcome of this request, it is not the intended focus of the request.

ANALYSIS:

REQUEST

The Department's goal with this request is to build upon existing momentum around Employment First efforts in the state, and continue to work towards the increased expectation of employment for people with disabilities. At the end of the two years, it is the expectation that these positions, with support from the Division, Employment First Advisory Partnership (EFAP), and relevant agencies, will have built a roadmap for the state to move forward with Employment First efforts. These positions will explore new policies, funding mechanisms, structures, and communications that could expand Employment First. The request includes:

- 2.0 FTE in FY 2023-24 and FY 2024-25 who will work with state agencies in order to advise next steps for the State to continue forwards with Employment First, identifying where agencies can reduce barriers or positively affect outcomes for individuals with disabilities seeking employment;
- \$40,000 in FY 2023-24 with roll forward authority through FY 2024-25 for those FTE to contract with services and individuals for assistance with communications, change management, and strategic planning to support these efforts; and
- \$65,000 in FY 2023-24 and FY 2024-25 to fund the DB 101 website.

EMPLOYMENT FIRST

Employment First is a framework that centers the idea that everyone is capable of full participation in employment and community. It identifies employment as the preferred outcome for people with disabilities and encourages those supporting people with disabilities to promote employment as an outcome before looking at alternatives. The General Assembly has passed a number of bills that are relevant to the State's Employment First efforts:

- Senate Bill 16-077 established the Employment First Advisory Partnership (EFAP) and created a sub-committee of the federally required State Rehabilitation Council (SRC) in the Division of Vocational Rehabilitation;
- Senate Bill 18-145 implemented a number of EFAP recommendations on Supported Employment;
- In FY 2019-2020, the General Assembly appropriated \$3.8 million from the Intellectual and Developmental Disabilities Services Cash Fund for the Colorado Office of Employment First pilot program;
- In FY 2022-23, the General Assembly approved \$290,000 for 4.0 FTE to continue Employment First efforts in the Division; and
- Senate Bill 21-095 continued the EFAP indefinitely.

CURRENT PROGRAMS

COLORADO OFFICE OF EMPLOYMENT FIRST (COEF)

The COEF is housed at the University of Colorado. The Office provides training to vendors who provide supported employment services, customized employment services and benefits planning as well as contracted special projects work for state agencies. From 2019 to 2022, the COEF was funded with state cash funds matched with federal Vocational Rehabilitation (VR) grant funds. VR grant funds

were available for three years to invest in the COEF with the understanding that the Office would be self-sustaining after that period. Current funding streams for the Office consist of agreements with state agencies and small grants. The DB 101 site was initially developed for Colorado by the COEF with the VR grant funds. DB 101 allows individuals to determine available benefits at varying salary ranges, as well as has information on waiver programs.

EMPLOYMENT FIRST ADVISORY PARTNERSHIP (EFAP)

The Employment First Partnership was established in Senate Bill 16-077 to require five agency partners—the Department of Labor and Employment (CDLE), the Department of Health Care Policy and Financing (HCPF), the Department of Education (DOE), the Department of Higher Education (HED), and the Department of Human Services (DHS), to work together to identify employment and educational opportunities for persons with disabilities. The collaboration also includes representatives with disabilities seeking supported employment, representatives of families of people with disabilities, representatives of those advocating for people with intellectual disabilities as well as others focused on cross-disability interests.

DEPARTMENT OF PERSONNEL (DPA)

DPA is responsible for the hiring and support of state employees with disabilities. In FY 2022-23, DPA received funding for a request to ensure equity for people with disabilities. This was related to providing reasonable accommodations under the Americans with Disabilities Act and Colorado Anti-Discrimination Act to state employees with disabilities and members of the public with disabilities who interact with the state.

House Bill 22-1397 (Statewide Equity Office), codified in Section 24-50-146, et seq., C.R.S., establishes the Colorado Equity Office in the Department of Personnel. The Colorado Equity Office is directed “to provide best practices, resources, and guidance for state agencies in offering equitable services to the residence of Colorado, as well as providing an accepting and diverse environment for state employees.” The Office is required to ensure statewide consistency in the application of state and federal law, as well as state executive orders, universal policies, and partnership agreements. The Division expects there will be regular collaboration between these positions and the Equity Office, and the Equity Office will move forward with some of the policy work done by these positions to ensure disability remains an area of focus on Equity, Diversity, Inclusion, and Accessibility efforts.

DIVISION OF VOCATIONAL REHABILITATION (DVR)

While the Division is able to do some of this work, it is constrained by the federal VR grant which can be used solely to work with and for individuals with disabilities who are eligible for services and pursuing competitive integrated employment. This precludes individuals who are younger than 14, those who are institutionalized, or others who may not currently be actively seeking work. The Division states that given the constraints of the federal funding, it does not have the FTE or capacity to engage in the scope of cross-agency collaboration that this request is aiming to achieve.

PROBLEM

Stakeholders have stated that there continue to be many people with disabilities and agencies who are serving them that do not believe employment is an option for those with the most significant disabilities. The goal of Employment First and this request is to change the messaging and raise awareness of the ability of these individuals to integrate into the workforce rather than be dependent on State benefit programs. While the Division does currently outreach individuals with disabilities, it

is stated that this collaboration and partnership of State agencies could address some of the systemic barriers to pursuing competitive integrated employment.

PROPOSED PROGRAM

This request is for two positions focus on identifying barriers within the state's control that are impeding people with disabilities from obtaining gainful employment over two years. This request aims to identify employment barriers throughout the state, not just those for people with disabilities working for the state.

The proposal is to have each state agency go through a process to identify and remediate barriers in their programs. In doing so, each state agency can set up a process in their planning, rulemaking, and program development where it is asked "will this create or reduce barriers for people with disabilities to work?" In many cases the question may not be applicable, but the Division believes that it is relevant in many cases and not currently built into agency processes.

OUTCOMES

This request will ideally raise awareness with agencies that serve individuals with disabilities who are typically excluded from the labor force. This includes individuals who are incarcerated or institutionalized, or in community programs that do not support employment. Some examples that stakeholders have provided of what this might look like include:

- DHS runs the SNAP and TANF programs which have work requirements that are waived if someone has a disability. DHS could consistently inform individuals with disabilities that they will not lose benefits without employment, but there are employment options for people with disabilities. The existing structure is that a disability means a waiver from work requirements. DHS could disperse information about the Medicaid Buy-In and DVR to individuals receiving benefits.
- The Department of Corrections (DOC) could give everyone with a known disability being discharged a referral to DVR. This could be helpful for individuals who have been in prison trade and apprenticeship programs, and could help them transition into a workplace immediately. DOC could also ensure that community corrections programs allow entry for individuals who cannot work full time due to disability.
- The State, when setting up overall procurement rules for contractors could prioritize disability owned businesses or businesses that hire disability owned subcontractors.

RECOMMENDATION

Staff is recommending approval of the request. However, one point of potential concern is that though these positions would make recommendations and collaborate with agencies on this effort, there is no requirement that agencies implement recommended changes. Staff believes that there should be some documentation of and accountability for recommendations made to agencies which can be provided to the EFAP, DVR, DPA, or the JBC at the end of the two year initiative.

(A) VOCATIONAL REHABILITATION PROGRAMS

This Division oversees vocational rehabilitation programs designed to enable individuals with any type of disability to participate in the work force. These programs include Vocational Rehabilitation Services, School-to-Work Alliance Program, Vocational Rehabilitation Mental Health Services, Independent Living Services, Business Enterprises Program for Individuals who are Blind, and the Business Enterprises Program.

The federal government supports vocational rehabilitation programs based on a match of 21.3 percent non-federal to 78.7 percent federal funds. The General Fund provides a portion of the match. A portion is from other sources, including reappropriated funds from school districts, which provide matching funds to draw down federal vocational rehabilitation funding under the School to Work Alliance Program. Pursuant to Section 8-84-105 (1)(b.5), C.R.S., the Division has continuous spending authority for cash funds and reappropriated funds received from governmental and non-governmental sources to carry out the Division’s duties.

The State operates 27 vocational rehabilitation offices located throughout the state, which are staffed with state personnel. Federal regulations dictate the program’s structure: who may be served, allowable services, which groups receive priority of service, and who is qualified to provide services. Consistent with federal requirements, most service providers are masters-level rehabilitation counselors.

To be eligible services, individuals must meet certain criteria:

- Have a documented disability, such as a physical, mental, or learning disability;
- Due to the disability, have difficulty getting, doing, keeping, or advancing in a job;
- Must be able to work after the vocational rehabilitation program is complete; and
- Must need vocational rehabilitation services in order to go to work successfully.

Individuals with reasoning and perceptual disabilities typically comprise about 30 percent of clients and those with interpersonal/behavioral issues typically comprise an additional 30 percent of clients. The balance have a range of physical, sensory, and other disabilities.

LINE ITEM DETAIL - VOCATIONAL REHABILITATION PROGRAMS

PERSONAL SERVICES

This line item funds the personnel costs of programmatic and administrative staff including the vocational rehabilitation counselors responsible for the provision of client services.

STATUTORY AUTHORITY: Pursuant to Section 8-84-103, C.R.S.

REQUEST: The Department requests an appropriation of \$18,488,806 total funds, including \$3,999,300 General Fund, \$14,489,506 federal funds, and 223.7 FTE.

RECOMMENDATION: **Staff recommends approval of the Department’s request.** Details are provided in the table below. The General Fund amount in this line item includes an (M) notation, which requires an adjustment to General Fund if the federal match rate changes.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$17,872,857	\$3,800,289	\$0	\$0	\$14,072,568	223.7
TOTAL	\$17,872,857	\$3,800,289	\$0	\$0	\$14,072,568	223.7

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$17,872,857	\$3,800,289	\$0	\$0	\$14,072,568	223.7
Centrally appropriated line items	615,949	199,011	0	0	416,938	0.0
TOTAL	\$18,488,806	\$3,999,300	\$0	\$0	\$14,489,506	223.7
INCREASE/(DECREASE)	\$615,949	\$199,011	\$0	\$0	\$416,938	0.0
Percentage Change	3.4%	5.2%	0.0%	0.0%	3.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$18,488,806	\$3,999,300	\$0	\$0	\$14,489,506	223.7
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

OPERATING EXPENSES

This line item funds the operating expenses of the Vocational Rehabilitation program.

STATUTORY AUTHORITY: Pursuant to Title 8, Article 84, C.R.S.

REQUEST: The Department requests an appropriation of \$2,767,950 total funds (\$589,573 reappropriated funds and \$2,178,377 federal funds), which represents a continuation level of funding.

RECOMMENDATION: **Staff recommendation is provided in the table below and reflects the Committee’s decision on common policy.** JBC staff requests permission to make adjustments as necessary to reflect Committee final action for this line item.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$2,539,404	\$0	\$0	\$540,893	\$1,998,511	0.0
TOTAL	\$2,539,404	\$0	\$0	\$540,893	\$1,998,511	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$2,539,404	\$0	\$0	\$540,893	\$1,998,511	0.0
Centrally appropriated line items	228,546	0	0	48,680	179,866	0.0
TOTAL	\$2,767,950	\$0	\$0	\$589,573	\$2,178,377	0.0
INCREASE/(DECREASE)	\$228,546	\$0	\$0	\$48,680	\$179,866	0.0
Percentage Change	9.0%	0.0%	0.0%	9.0%	9.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$2,767,950	\$0	\$0	\$589,573	\$2,178,377	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ADMINISTRATIVE LAW JUDGE SERVICES

This line item is used to purchase administrative law services from the Department of Personnel.

STATUTORY AUTHORITY: Pursuant to Section 24-31-101 (1) (a), C.R.S., and defined in Section 24-75-112 (1)(i), C.R.S.

REQUEST: The Department requests an appropriation of \$40,270 total funds (\$10,932 General Fund and \$29,338 federal funds).

RECOMMENDATION: **Staff recommendation is provided in the table below and reflects the Committee’s decision on common policy.** JBC staff requests permission to make adjustments as necessary to reflect Committee final action for this line item.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, ADMINISTRATIVE LAW JUDGE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$41,943	\$11,386	\$0	\$0	\$30,557	0.0
TOTAL	\$41,943	\$11,386	\$0	\$0	\$30,557	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$41,943	\$11,386	\$0	\$0	\$30,557	0.0
Centrally appropriated line items	(1,673)	(454)	0	0	(1,219)	0.0
TOTAL	\$40,270	\$10,932	\$0	\$0	\$29,338	0.0
INCREASE/(DECREASE)	(\$1,673)	(\$454)	\$0	\$0	(\$1,219)	0.0
Percentage Change	(4.0%)	(4.0%)	0.0%	0.0%	(4.0%)	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$40,270	\$10,932	\$0	\$0	\$29,338	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

VOCATIONAL REHABILITATION SERVICES

This line item funds direct client services provided by the Vocational Rehabilitation Programs for individuals whose disability results in barriers to employment of independent living. These services provide individuals with the skills to obtain and maintain employment and live independently in the community. Services include:

- Vocational rehabilitation assessments, counseling and guidance;
- Vocational and academic training, personal and vocational adjustment training, job coaching, on-the-job training, job-seeking skills training;
- Placement services provided to assist an individual with a disability to find adequate and suitable employment in his/her chosen career;
- Supportive services including transportation, personal assistance services and services to family members may also be provided if necessary for the individual to utilize the services identified above; and
- Post-employment services may be provided to previously rehabilitated individuals to maintain or regain suitable employment.

STATUTORY AUTHORITY: Pursuant to Section 8-84-106, C.R.S.

REQUEST: The Department requests an appropriation of \$15,301,106 total funds (\$1,143,950 General Fund, \$3,821,251 reappropriated funds from school districts, and \$12,041,971 federal funds).

RECOMMENDATION: Staff recommends approval of the Department’s request. Details are provided in the table below. Funds received from the school districts are continuously appropriated via statute, so this line item includes informational amounts.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, VOC REHAB SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$15,301,106	\$1,143,950	\$0	\$2,115,185	\$12,041,971	0.0
TOTAL	\$15,301,106	\$1,143,950	\$0	\$2,115,185	\$12,041,971	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$15,301,106	\$1,143,950	\$0	\$2,115,185	\$12,041,971	0.0
DVR RF (I) True-up	1,706,066	0	0	1,706,066	0	0.0
TOTAL	\$17,007,172	\$1,143,950	\$0	\$3,821,251	\$12,041,971	0.0
INCREASE/(DECREASE)	\$1,706,066	\$0	\$0	\$1,706,066	\$0	0.0
Percentage Change	11.1%	0.0%	0.0%	80.7%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$17,007,172	\$1,143,950	\$0	\$3,821,251	\$12,041,971	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SCHOOL TO WORK ALLIANCE PROGRAM

This line item funds the School to Work Alliance Program (SWAP) Contracts. SWAP is a collaborative program between Vocational Rehabilitation and the Colorado Department of Education (CDE). Vocational Rehabilitation contracts with School Districts and Boards of Cooperative Education Services (BOCES) to provide services to youth with mild to moderate disabilities who are transitioning from school into the workforce. School districts participating in the program receive a 1:1 federal match for funds they provide for the program. These funds support direct services to eligible students within the school district. The balance of the federal 78.7 percent match pays for division staff support for the SWAP program and other DVR programs.

STATUTORY AUTHORITY: Pursuant to Section 8-84-106, C.R.S.

REQUEST: The Department requests an appropriation of \$25,419,022 total funds (\$4,259,294 reappropriated funds from school districts, and \$21,159,728 federal funds).

RECOMMENDATION: Staff recommends approval of the Department’s request. Details are provided in the table below. Funds received from the school districts are continuously appropriated via statute, so this is an informational line item.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, SCHOOL TO WORK ALLIANCE PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$10,323,261	\$0	\$0	\$2,173,378	\$8,149,883	0.0
TOTAL	\$10,323,261	\$0	\$0	\$2,173,378	\$8,149,883	0.0

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, SCHOOL TO WORK ALLIANCE PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$10,323,261	\$0	\$0	\$2,173,378	\$8,149,883	0.0
DVR RF (I) True-up	15,095,761	0	0	2,085,916	13,009,845	0.0
TOTAL	\$25,419,022	\$0	\$0	\$4,259,294	\$21,159,728	0.0
INCREASE/(DECREASE)						
	\$15,095,761	\$0	\$0	\$2,085,916	\$13,009,845	0.0
Percentage Change	146.2%	0.0%	0.0%	96.0%	159.6%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
	\$25,419,022	\$0	\$0	\$4,259,294	\$21,159,728	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

VOCATIONAL REHABILITATION MENTAL HEALTH SERVICES

This line item funds the provision of mental health services to eligible individuals who are receiving vocational rehabilitation services. The Vocational Rehabilitation Program contracts with mental health providers for these services.

STATUTORY AUTHORITY: Pursuant to Section 8-84-106, C.R.S.

REQUEST: The Department requests an appropriation of \$1,748,180 total funds (\$372,363 reappropriated funds and \$1,375,817 federal funds), which represents a continuation of level funding.

RECOMMENDATION: **Staff recommends the request for a continuation level of \$1,748,180 total funds.**

BUSINESS ENTERPRISE PROGRAM FOR PEOPLE WHO ARE BLIND

The Business Enterprise Program assists blind or visually-impaired individuals in operation of vending and food service businesses. The Program is the result of the federal Randolph-Sheppard Vending Facility program, which gives priority to blind and visually impaired individuals who wish to operate and manage food and vending services in federal and state government office buildings and facilities. The Program utilizes funding from this line item to support site development, initial merchandise and supply inventory, purchasing equipment, and providing technical support to vendors.

STATUTORY AUTHORITY: Pursuant to Sections 8-84-201, C.R.S., et seq.

REQUEST: The Department requests an appropriation of \$1,609,410 total funds (\$338,935 cash funds and \$1,270,475 federal funds) and 6.0 FTE.

RECOMMENDATION: **Staff recommends approval of the request for \$1,609,410 total funds.**

BUSINESS ENTERPRISE PROGRAM – PROGRAM OPERATED STANDS, REPAIR COSTS, AND OPERATOR BENEFITS

This line item pays for costs associated with the Business Enterprise Program that are not eligible for the federal match. This includes: costs associated with temporary state operation of vending facilities when a vendor leaves the program; equipment maintenance and repair during this interim period; and payments to operators to support their health insurance, IRA contributions, and vacation pay (operators are not state employees). Revenues from the operation of the vending stands and payments by the vendors support this program. Expenses and revenues in this line item are highly unpredictable, as they are dependent upon whether one or more operators abandon sites during the year.

STATUTORY AUTHORITY: Pursuant to Sections 8-84-201, C.R.S., *et seq.*

REQUEST: The Department requests an appropriation of \$229,000 cash funds, with an (I) notation, indicating a request for continuous appropriation.

RECOMMENDATION: Staff recommendation is detailed in the table below.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, BUSINESS ENTERPRISES PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$229,000	\$0	\$229,000	\$0	\$0	0.0
TOTAL	\$229,000	\$0	\$229,000	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$229,000	\$0	\$229,000	\$0	\$0	0.0
R4 BEP Additional appropriation	271,000	0	271,000	0	0	0.0
TOTAL	\$500,000	\$0	\$500,000	\$0	\$0	0.0
INCREASE/(DECREASE)	\$271,000	\$0	\$271,000	\$0	\$0	0.0
Percentage Change	118.3%	0.0%	118.3%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$229,000	\$0	\$229,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$271,000)	\$0	(\$271,000)	\$0	\$0	0.0

FEDERAL SOCIAL SECURITY REIMBURSEMENT

This line item funds the purchase of services outlined in a consumer's individualized plan for employment including training and assistive technology. The federal funds in this line item represent incentive payments from the federal Supplemental Security Income Program (SSI Program) when vocational rehabilitation programs successfully remove people from the SSI Program.

STATUTORY AUTHORITY: Pursuant to Section 8-84-107, C.R.S.

REQUEST: The Department requests a continuation level of \$2,400,000 federal funds.

RECOMMENDATION: Staff recommends a continuation level of \$2,400,000 federal funds.

OLDER BLIND GRANTS

This line item provides independent living services to persons age 55 or older who are blind or visually impaired. Most of the individuals served through these grants have become blind older in life, and are

provided assistance in learning new strategies for accomplishing daily tasks and participating in community and family activities. The appropriation is included in the Long Bill for informational purposes.

STATUTORY AUTHORITY: Pursuant to Section 26-8.1-108, C.R.S.

REQUEST: The Department requests a continuation level of appropriation of \$362,000 federal funds.

***RECOMMENDATION:* Staff recommends approval of the Department’s request for \$362,000 federal funds shown for informational purposes.**

EMPLOYMENT FIRST INITIATIVES

Employment First is a nationally recognized model for achieving increased, successful employment outcomes for people with disabilities. This line item provides support for Employment First initiatives including an Office of Employment First contracted to the university center of excellence in developmental disabilities at the University of Colorado, vocational rehabilitation staff charged with specific Employment First responsibilities, and several customized employment pilot programs.

STATUTORY AUTHORITY: Pursuant to Section 8-84-106, C.R.S.

REQUEST: The Department requests an appropriation of \$585,607 total funds, including \$358,245 General Fund.

***RECOMMENDATION:* Staff recommendation is provided in the table below.**

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, VOCATIONAL REHABILITATION PROGRAMS, EMPLOYMENT FIRST INITIATIVES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$290,744	\$63,382	\$0	\$0	\$227,362	4.0
TOTAL	\$290,744	\$63,382	\$0	\$0	\$227,362	4.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$290,744	\$63,382	\$0	\$0	\$227,362	4.0
BA2 Disability employment first	270,508	270,508	0	0	0	1.8
Centrally appropriated line items	16,707	16,707	0	0	0	0.0
TOTAL	\$577,959	\$350,597	\$0	\$0	\$227,362	5.8
INCREASE/(DECREASE)	\$287,215	\$287,215	\$0	\$0	\$0	1.8
Percentage Change	98.8%	453.1%	0.0%	0.0%	0.0%	45.0%
FY 2023-24 EXECUTIVE REQUEST	\$585,607	\$358,245	\$0	\$0	\$227,362	5.8
Request Above/(Below) Recommendation	\$7,648	\$7,648	\$0	\$0	\$0	0.0

(B) OFFICE OF INDEPENDENT LIVING SERVICES

Independent Living Centers (ILC) are consumer-controlled, community-based, nonresidential, agencies that provide an array of independent living services to people of any age with any disability.

LINE ITEM DETAIL - OFFICE OF INDEPENDENT LIVING SERVICES

PROGRAM COSTS

This line item funds the personnel and operating costs associated with state support for the provision of independent living services by the nine Independent Living Centers.

STATUTORY AUTHORITY: Pursuant to Section 8-85-103 (1), C.R.S.

REQUEST: The Department requests an appropriation of \$250,760 General Fund and 4.0 FTE.

RECOMMENDATION: **Staff recommends approval of the Department’s request.** Details are provided in the table below.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, OFFICE OF INDEPENDENT LIVING SERVICES, PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$234,053	\$234,053	\$0	\$0	\$0	4.0
TOTAL	\$234,053	\$234,053	\$0	\$0	\$0	4.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$234,053	\$234,053	\$0	\$0	\$0	4.0
Centrally appropriated line items	16,707	16,707	0	0	0	0.0
TOTAL	\$250,760	\$250,760	\$0	\$0	\$0	4.0
INCREASE/(DECREASE)	\$16,707	\$16,707	\$0	\$0	\$0	0.0
Percentage Change	7.1%	7.1%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$250,760	\$250,760	\$0	\$0	\$0	4.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

INDEPENDENT LIVING SERVICES

This line item provides funding for independent living services provided by the nine independent living centers. These services include:

- Information and referral services;
- Independent living skills training;
- Peer counseling, including cross-disability peer counseling;
- Individual and systems advocacy; and
- Transition services or diversion from nursing homes and institutions to home- and community-based living;
- Transition services upon leaving secondary education; and
- Any other services and assistance as defined by federal regulations.

STATUTORY AUTHORITY: Pursuant to Section 8-85-103 (2) (a), C.R.S.

REQUEST: The Department requests an appropriation of \$6,980,591 total funds, including \$6,604,239 General Fund. The request includes the 3.0 percent community provider rate adjustment consistent with Committee common policy.

RECOMMENDATION: **Staff recommends approval of the Department’s request.** Details are provided in the table below.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES, OFFICE OF INDEPENDENT LIVING SERVICES, INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$6,788,235	\$6,411,883	\$37,635	\$0	\$338,717	0.0
TOTAL	\$6,788,235	\$6,411,883	\$37,635	\$0	\$338,717	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$6,788,235	\$6,411,883	\$37,635	\$0	\$338,717	0.0
Community provider rate increase	192,356	192,356	0	0	0	0.0
TOTAL	\$6,980,591	\$6,604,239	\$37,635	\$0	\$338,717	0.0
INCREASE/(DECREASE)	\$192,356	\$192,356	\$0	\$0	\$0	0.0
Percentage Change	2.8%	3.0%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$6,980,591	\$6,604,239	\$37,635	\$0	\$338,717	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(8) DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE

The Division of Family and Medical Leave Insurance (FAMLI) provides paid family and medical leave insurance benefits to eligible employees. FAMLI's funding will be entirely cash funded from the collection of premium revenues beginning in January 2023. After the program has been collecting premium payments from employers and employees for one year, employees can begin receiving paid family and medical leave benefits in January 2024.

DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
HB 22-1329 (Long Bill)	\$1,111,286	\$0	\$1,111,286	\$0	\$0	6.0
SB 23-121 (Supplemental)	0	0	0	0	0	0.0
TOTAL	\$1,111,286	\$0	\$1,111,286	\$0	\$0	6.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,111,286	\$0	\$1,111,286	\$0	\$0	6.0
FAMLI (I) True-up	38,757,707	0	38,757,707	0	0	346.0
Centrally appropriated line items	26,756	0	26,756	0	0	0.0
Annualize prior year legislation	(1,530,000)	0	(1,530,000)	0	0	0.0
TOTAL	\$38,365,749	\$0	\$38,365,749	\$0	\$0	352.0
INCREASE/(DECREASE)	\$37,254,463	\$0	\$37,254,463	\$0	\$0	346.0
Percentage Change	3,352.4%	0.0%	3,352.4%	0.0%	0.0%	5,766.7%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$3,060,000	\$0	\$3,060,000	\$0	\$0	0.0

DECISION ITEMS - DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE

The Executive Branch did not submit any decision items for this division.

CHANGES TO FAMLI PREPAY

Paid Family and Medical Leave Insurance (FAMLI) was approved by voters in November 2020 through citizen-initiated Proposition 118. The program was created as an enterprise and its revenue does not count toward the state's revenue limit under TABOR. It requires employers and employees in Colorado to pay a payroll premium of 0.90 percent, with a minimum of half paid by the employer, beginning January 1, 2023, in order to finance paid family and medical leave insurance benefits. Beginning January 1, 2024, eligible employees may receive up to 12 weeks of paid family and medical leave insurance benefits.

FY 2022-23 LONG BILL AND HOUSE BILL 22-1133

In November 2021, all agency budget requests included a common policy line item for Family and Medical Leave Insurance to cover the estimated six months of premiums from January 2023 through

June 2023. The FY 2022-23 Long Bill was passed with these estimated amounts included as part of the common policy compensation decision.

After the passage of the Long Bill, the General Assembly approved H.B. 22-1133 (Family and Medical Leave Insurance Fund). This legislation transferred \$57.0 million from the Revenue Loss Restoration Cash Fund to the FAMLI Fund to prepay state employer premium accounts. The prepay was utilized in order to ensure the Department could meet the implementation deadlines in statute. It created a one-time transfer in FY 2021-22, that was estimated to reduce centrally appropriated costs for agencies by the same amount over approximately six years. The advance payment of the State's share of premiums resulted in a reduction in state expenditures of \$4.9 million in FY 2022-23 (half-year impact) and an estimated \$9.8 million in FY 2023-24, with ongoing reductions until the \$57.0 million prepayment, plus interest earnings, is drawn down. Based on expected interest earnings, assumption of the prepay covering just the employer portion of the premiums, and holding premium payments constant, the prepayment was estimated to fund about six years of premium payments.

PREMIUM COVERAGE IN FY 2022-23

The Executive Branch announced that for FY 2022-23, the state as an employer would cover the entirety of the premium rather than just the employer portion. This doubles the estimated cost of the prepay from \$4.9 million to \$9.8 million in FY 2022-23. In consultation with the Office of Legislative Legal Services, staff believes the prepay is able to be used for this purpose because:

- In H.B. 22-1133, the transfer is described as an advance payment of premiums for state employee coverage that the State is required to pay.
- In Section 8-13-507 C.R.S., the premium an employer must pay for FAMLI is defined as nine-tenths of one percent of wages per employee. While statute dictates that the employer must cover half of the premium and may cover the entire premium, the premium itself is the amount that is owed by the employer and is defined as 0.90 percent of employee wages.
- In Section 24-50-609 C.R.S., it states that the Director of DPA shall determine the State contribution for group benefit plans.
- The money in the FAMLI fund is continuously appropriated to the Division, so once the \$57.0 million was transferred into the fund, as long as it is used for the payment of state premiums, that money can be used at the discretion of the DPA director.

In the fall, the Committee discussed reducing the applicability of the pre-pay to just the General Fund portion of the FAMLI premiums owed by the State. Both CDLE and DPA responded that they would not be able to implement such a change until at least January of 2024. **In consultation with the JBC analyst for total compensation, staff is not recommending pursuing this change due to complications with calculating the actual costs to agencies for compensation in a timely manner.**

POTENTIAL CONCERNS

- From a budgeting perspective, having a prepay that is limited by an amount rather than time will cause problems in future budgeting processes. This is because while DPA can provide estimates of when the prepay will run out, budgeting staff will not know when the prepay runs out until actuals have been calculated which may be after the budget has been set for the next fiscal year.
- Currently, it appears that the decision for the State as an employer to cover the entirety of the FAMLI premium lies with DPA. Because the prepay can be used for one hundred percent of the

required premium, as long as the prepay is in effect, the General Assembly currently does not have legislative oversight of when this occurs.

POTENTIAL LEGISLATION

The Committee has a number of options to address these potential concerns with the FAMLI prepay. These changes will be determined by the type of oversight the Committee is wanting to have on the prepay, how long the Committee wants the prepay to last, and whether the Committee would like to apply the prepay to the entirety of the State FAMLI premiums in future years.

Staff recommendation is to:

- Limit use of the prepay through FY 2023-24. This would involve DPA providing an updated estimate of the costs of FAMLI premiums in FY 2022-23 and FY 2023-24 given the Executive Branch's decision, and transferring the part of the prepay that will not be used back to the Revenue Loss Restoration Cash Fund. Because these funds originated from ARPA and were transferred unto the FAMLI Fund for the specified use of prepaid premiums, there should not be a TABOR revenue impact of the transfer. A rough updated estimate of the premium costs to the State in FY 2022-23 and FY 2023-24 is \$19.6 million. Hypothetically, the prepay could be reduced to \$20.0 million with \$37.0 million being restored to the Revenue Loss Restoration Fund.
- Add language that dictates that the decision to cover the entirety of the State FAMLI premiums rather than just the employer portion is subject to the General Assembly. This will allow for legislative oversight as long as the prepay is in effect, and when the prepay ends, the FAMLI line item will go through the usual decision-making process as part of the annual budget for total compensation.

If the Committee agrees with any of these potential changes, staff requests permission to work with the Departments of Labor and Employment and Personnel as well as the Office of Legislative Legal Services to begin drafting legislation.

LINE ITEM DETAIL - DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE

PROGRAM COSTS

This line item funds the FAMLI Programs personal services, operating expenses, IT staff, and operating costs not housed in the Executive Director's Office from the FAMLI Fund. Pursuant to Section 8-13.3-518 (1), C.R.S., these funds are continuously appropriated and are included for informational purposes only.

STATUTORY AUTHORITY: Pursuant to Section 8-13.3-516 (1), C.R.S.

REQUEST: The Department requests an appropriation of \$38,365,749 cash funds and 352.0 FTE.

RECOMMENDATION: **Staff recommends approval of the Department's request.** Details are provided in the table below.

DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE, PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
HB 22-1329 (Long Bill)	\$1,111,286	\$0	\$1,111,286	\$0	\$0	6.0
SB 23-121 (Supplemental)	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$1,111,286	\$0	\$1,111,286	\$0	\$0	6.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,111,286	\$0	\$1,111,286	\$0	\$0	6.0
FAMLI (I) True-up	38,757,707	0	38,757,707	0	0	346.0
Centrally appropriated line items	26,756	0	26,756	0	0	0.0
Annualize prior year legislation	(1,530,000)	0	(1,530,000)	0	0	0.0
TOTAL	\$38,365,749	\$0	\$38,365,749	\$0	\$0	352.0
INCREASE/(DECREASE)	\$37,254,463	\$0	\$37,254,463	\$0	\$0	346.0
Percentage Change	3,352.4%	0.0%	3,352.4%	0.0%	0.0%	5,766.7%
FY 2023-24 EXECUTIVE REQUEST	\$41,425,749	\$0	\$41,425,749	\$0	\$0	352.0
Request Above/(Below) Recommendation	\$3,060,000	\$0	\$3,060,000	\$0	\$0	0.0

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation.

Staff recommends **continuing** the following footnotes:

N Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 15.0 percent of the total appropriation among the following line items in this section: Personal Services, Operating Expenses, Vocational Rehabilitation Services, School to Work Alliance Program, and Vocational Rehabilitation Mental Health Services.

COMMENT: This footnote provides the Department authority to transfer up to 15.0 percent of total appropriations among certain line items related to vocational rehabilitation.

N Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs, Vocational Rehabilitation Services -- Amounts in this line item are calculated based on the assumed federal match rate of 78.7 percent federal funds to 21.3 percent nonfederal funds and are assumed to be demonstrated on a federal fiscal year basis.

COMMENT: This footnote expresses legislative intent. The Department has consistently indicated that it complies with the required federal match rates for this program, however this footnote provides flexibility in the use of the federal funds so the Department may “overspend” the state share during the state fiscal year while ensuring match rate compliance during the federal fiscal year.

N Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs, Vocational Rehabilitation Services; and Office of Independent Living Services, Independent Living Services -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., if authorized by an independent living center based on a cooperative agreement between the independent living center and the Division of Vocational Rehabilitation, the Department may transfer General Fund from the Independent Living Services line item to the Vocational Rehabilitation Services line item, in an amount agreed upon between the two entities, for the purpose of drawing down federal funds for the provision of vocational rehabilitation services.

COMMENT: This footnote the Department authority to transfer funding between line items based on agreements between independent living centers and the Department, in order to ensure the Department meets the federal match rate.

REQUESTS FOR INFORMATION

Staff recommends **CONTINUING AND MODIFYING** the following request for information:

1 Colorado Department of Labor and Employment, Division of Unemployment Insurance - The Division is requested to identify key performance indicators for the state's unemployment insurance programs that indicates how promptly and effectively the Division is responding to the needs of unemployed Coloradans. **The Division will report on:**

- **The total number of existing claims;**
- **The claims processing backlog;**
- **The mean and median processing times for UI claims;**
- **The number of FTEs in the division broken down by team on a monthly basis;**
- **The percentage of claims flagging as fraudulent; and**
- **The percentage of claims investigated and found to be fraudulent.**

~~This report should build on the Daily Dashboard developed by the Division and may include federal performance indicators that the Department believes are most relevant (e.g., UI claimant volume, payments, duration, and first-time payment timeliness) and measures such call volumes and response times, call center staffing, fraud holds, fraud releases, average time until fraud release, and, if available, data on the volume of fraudulent payments made and recovered.~~ The Department is encouraged to identify the report elements it believes would be most relevant and helpful for internal and external stakeholders and to work with the Governor's Office, JBC staff, and other interested parties to develop report components. The Department is requested to provide the report to the Joint Budget Committee ~~and include the report on its website~~ on a quarterly basis **in conjunction with the scheduled quarterly economic forecasts.**

COMMENT: This report provides useful information on the Unemployment Insurance Division and how it has handled the drastic increase of UI claims. While the number of claims has slowed, the Department is still trying to account for the increase in federal funds and programming that have not yet ended. Staff is recommending report delivery on a quarterly basis.

Staff recommends **CONTINUING** the following request for information:

2 Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide a report by November 1 of each fiscal year on the number of individuals receiving vocational rehabilitation services, including: a break-down by category of the number of individuals receiving services and the number for whom a determination is pending; the average cost by category of services; the most recent actual fiscal year and projected current fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account. The Department is also requested to provide data on vocational rehabilitation employment outcomes, including Employment First outcomes.

COMMENT: This report provides useful information on program impacts. Staff has added a request for actual year data, which has been useful, as well as a request for Employment First data, since it is helpful to continue to understand the program's impact.

- 3 Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Office of Independent Living Services -- The Department is requested to submit to the Joint Budget Committee, by November 1 of each year, its annual report on independent living services and outcomes. As part of this report, the Department is requested to include data on the distribution of state funds to independent living centers and the numbers of clients served.

COMMENT: This report provides useful information on program impacts.

- 4 Department of Labor and Employment, Division of Workers' Compensation, Workers' Compensation -- The Department is requested to submit to the Joint Budget Committee, by November 1 of each year, an update on the number of workers' compensation claims for the past five years.

COMMENT: This report provides useful information on the workers' compensation insurance market.

INDIRECT COST ASSESSMENTS

DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of Labor and Employment indirect cost assessment methodology is calculated based on actual employee work hours, and the associated cash or federal funds to which the work hours are associated.

- The *Indirect Cost Pool* is comprised of personal services and operating expense line items in the Executive Director's Office, and the statewide indirect cost assessment. The estimated indirect cost pool for FY 2023-24 is about \$58.0 million split between 60.0% federal and 30.0 percent cash funds.
- The *Indirect Cost Rate* is calculated based on staff's work time in each division. Staff members log their work activities by minutes, and each work activity is assigned a specific code associated with the funding source of the work activity (cash or federal funds). These funds are appropriated directly to the line items that make up the indirect cost pool based on the total time charged to a specific fund. Actual assessment is based on monthly reports of work time during the budget fiscal year. The Department has an extension on the existing provisional rate of 18.53% and has submitted a proposal for a new rate. The new rate has not been approved and is under review.

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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DEPARTMENT OF LABOR AND EMPLOYMENT
Joe Barela, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office provides administrative and technical support for department divisions and programs including accounting, budgeting, and human resources functions.

Personal Services	<u>10,533,608</u>	<u>10,706,162</u>	<u>10,769,545</u>	<u>11,218,259</u>	<u>11,115,378</u> *
FTE	110.7	110.7	111.7	111.7	111.2
General Fund	32,802	33,937	33,786	47,792	14,012
Cash Funds	3,680,299	4,461,630	5,572,378	5,859,543	5,790,442
Reappropriated Funds	229,709	199,412	720,633	720,633	720,633
Federal Funds	6,590,798	6,011,183	4,442,748	4,590,291	4,590,291
Health, Life, and Dental	<u>2,537,686</u>	<u>3,341,888</u>	<u>17,250,695</u>	<u>26,329,381</u>	<u>26,215,701</u> *
General Fund	587,822	969,089	1,013,465	2,145,957	2,097,484
Cash Funds	1,949,864	2,335,296	7,043,312	12,909,830	12,844,623
Reappropriated Funds	0	37,503	93,442	42,960	42,960
Federal Funds	0	0	9,100,476	11,230,634	11,230,634
Short-term Disability	<u>22,584</u>	<u>31,828</u>	<u>151,717</u>	<u>191,946</u>	<u>191,460</u> *
General Fund	8,328	8,627	8,494	14,382	13,967
Cash Funds	14,256	22,585	58,533	89,884	89,813
Reappropriated Funds	0	616	1,167	858	858
Federal Funds	0	0	83,523	86,822	86,822

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
S.B. 04-257 Amortization Equalization Disbursement	<u>657,125</u>	<u>1,040,507</u>	<u>4,788,588</u>	<u>6,429,575</u>	<u>6,414,402</u> *
General Fund	245,854	271,324	277,567	471,059	458,114
Cash Funds	411,271	757,502	1,870,861	3,011,060	3,008,832
Reappropriated Funds	0	11,681	36,354	28,684	28,684
Federal Funds	0	0	2,603,806	2,918,772	2,918,772
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>657,102</u>	<u>1,040,507</u>	<u>4,788,588</u>	<u>6,429,575</u>	<u>6,414,402</u> *
General Fund	245,854	271,324	277,567	471,059	458,114
Cash Funds	411,248	757,502	1,870,861	3,011,060	3,008,832
Reappropriated Funds	0	11,681	36,354	28,684	28,684
Federal Funds	0	0	2,603,806	2,918,772	2,918,772
Salary Survey	<u>0</u>	<u>1,283,167</u>	<u>4,456,591</u>	<u>7,489,205</u>	<u>7,489,205</u>
General Fund	0	181,449	464,230	608,150	608,150
Cash Funds	0	1,081,734	2,254,663	3,373,266	3,373,266
Reappropriated Funds	0	19,984	23,897	30,877	30,877
Federal Funds	0	0	1,713,801	3,476,912	3,476,912
PERA Direct Distribution	<u>0</u>	<u>1,980,255</u>	<u>2,058,182</u>	<u>351,777</u>	<u>351,787</u>
General Fund	0	133,746	0	25,182	25,182
Cash Funds	0	706,520	853,594	164,061	164,071
Reappropriated Funds	0	18,073	16,587	1,582	1,582
Federal Funds	0	1,121,916	1,188,001	160,952	160,952

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Shift Differential	<u>0</u>	<u>0</u>	<u>15,066</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	15,066	0	0
Temporary Employees Related to Authorized Leave	<u>0</u>	<u>0</u>	<u>371,656</u>	<u>371,656</u>	<u>371,656</u>
General Fund	0	0	13,654	13,654	13,654
Cash Funds	0	0	97,950	97,950	97,950
Federal Funds	0	0	260,052	260,052	260,052
Workers' Compensation	<u>465,404</u>	<u>464,560</u>	<u>588,134</u>	<u>541,111</u>	<u>541,111</u>
General Fund	18,440	16,506	27,376	25,187	25,187
Cash Funds	141,819	128,929	179,162	164,837	164,837
Reappropriated Funds	0	0	1,418	1,305	1,305
Federal Funds	305,145	319,125	380,178	349,782	349,782
Operating Expenses	<u>2,107,896</u>	<u>1,709,055</u>	<u>1,895,558</u>	<u>2,066,158</u>	<u>2,066,158</u> *
General Fund	17,065	2,329	17,065	18,601	18,601
Cash Funds	736,921	637,202	810,505	883,450	883,450
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,353,910	1,069,524	1,067,988	1,164,107	1,164,107
Legal Services	<u>971,691</u>	<u>1,247,704</u>	<u>1,024,649</u>	<u>1,763,727</u>	<u>1,763,727</u> *
General Fund	5,629	164,458	219,735	338,019	338,019
Cash Funds	401,434	593,275	455,354	731,235	731,235
Reappropriated Funds	0	0	0	0	0
Federal Funds	564,628	489,971	349,560	694,473	694,473

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Payment to Risk Management and Property Funds	<u>133,076</u>	<u>235,477</u>	<u>354,924</u>	<u>305,456</u>	<u>305,456</u>
General Fund	6,603	8,651	19,035	16,382	16,382
Cash Funds	31,339	62,060	110,255	94,888	94,888
Reappropriated Funds	0	0	1,341	1,154	1,154
Federal Funds	95,134	164,766	224,293	193,032	193,032
Vehicle Lease Payments	<u>173,627</u>	<u>189,062</u>	<u>209,850</u>	<u>226,724</u>	<u>226,724</u> *
General Fund	11,015	8,881	16,103	17,398	17,398
Cash Funds	101,748	115,793	123,937	133,901	133,901
Reappropriated Funds	0	0	208	225	225
Federal Funds	60,864	64,388	69,602	75,200	75,200
Leased Space	<u>6,086,028</u>	<u>5,455,824</u>	<u>7,241,200</u>	<u>7,734,547</u>	<u>7,734,547</u>
General Fund	432,972	375,190	481,974	556,918	556,918
Cash Funds	2,590,047	2,185,042	2,998,239	3,416,642	3,416,642
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,063,009	2,895,592	3,760,987	3,760,987	3,760,987
Capitol Complex Leased Space	<u>37,916</u>	<u>42,555</u>	<u>40,488</u>	<u>52,703</u>	<u>52,703</u> *
General Fund	5,125	5,125	4,943	6,434	6,434
Cash Funds	23,930	28,569	27,729	36,095	36,095
Reappropriated Funds	0	0	(24)	0	(24)
Federal Funds	8,861	8,861	7,840	10,174	10,198
Payments to OIT	<u>13,715,764</u>	<u>12,437,852</u>	<u>18,991,901</u>	<u>30,233,764</u>	<u>28,371,202</u> *
General Fund	3,209,632	2,963,005	4,508,324	7,183,880	6,728,856
Cash Funds	6,319,981	5,703,719	8,577,857	13,646,489	12,821,747
Reappropriated Funds	156,485	33,074	169,695	270,066	253,489
Federal Funds	4,029,666	3,738,054	5,736,025	9,133,329	8,567,110

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
IT Accessibility	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,481,855</u>	<u>3,481,855</u> *
FTE	0.0	0.0	0.0	1.0	1.0
General Fund	0	0	0	850,617	850,617
Cash Funds	0	0	0	1,541,765	1,541,765
Reappropriated Funds	0	0	0	30,989	30,989
Federal Funds	0	0	0	1,058,484	1,058,484
CORE Operations	<u>510,397</u>	<u>400,564</u>	<u>430,413</u>	<u>347,129</u>	<u>347,129</u> *
General Fund	0	0	2,604	2,100	2,100
Cash Funds	163,732	108,791	121,074	97,647	97,647
Reappropriated Funds	0	0	339	273	273
Federal Funds	346,665	291,773	306,396	247,109	247,109
Utilities	<u>205,388</u>	<u>202,396</u>	<u>260,309</u>	<u>260,309</u>	<u>260,309</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	205,388	202,396	260,309	260,309	260,309
Information Technology Asset Maintenance	<u>153,953</u>	<u>165,336</u>	<u>218,626</u>	<u>218,626</u>	<u>218,626</u>
General Fund	0	0	0	0	0
Cash Funds	60,093	50,260	69,243	69,243	69,243
Reappropriated Funds	0	0	0	0	0
Federal Funds	93,860	115,076	149,383	149,383	149,383

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Statewide Indirect Cost Assessment	<u>513,438</u>	<u>695,261</u>	<u>1,125,851</u>	<u>1,125,851</u>	<u>1,125,851</u>
General Fund	0	0	0	0	0
Cash Funds	193,860	300,386	699,788	699,788	699,788
Reappropriated Funds	0	0	8,111	8,087	8,111
Federal Funds	319,578	394,875	417,952	417,976	417,952
COE Common Policy	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,971</u>	<u>22,971</u> *
General Fund	0	0	0	1,895	1,895
Cash Funds	0	0	0	8,623	8,623
Reappropriated Funds	0	0	0	111	111
Federal Funds	0	0	0	12,342	12,342
Appropriation to the Immigration Legal Defense Fund	<u>0</u>	<u>0</u>	<u>348,653 0.1</u>	<u>348,653 0.1</u>	<u>348,653 0.1</u>
General Fund	0	0	348,653	348,653	348,653
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Apprenticeship Agency	<u>0</u>	<u>302,695</u>	<u>752,085</u>	<u>785,498</u>	<u>785,498</u>
FTE	0.0	3.1	8.0	8.0	8.0
General Fund	0	302,695	752,085	785,498	785,498
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Office of New Americans	<u>0</u>	<u>0</u>	<u>1,295,783</u>	<u>201,631</u>	<u>201,631</u>
FTE	0.0	0.0	3.2	1.4	1.4
General Fund	0	0	1,295,783	201,631	201,631

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Office of Future Work	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.9	0.0	0.0
General Fund	0	0	2,000,000	0	0
Paid Family and Medical Leave Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Wage Replacement Program Study	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Immigration Legal Defense Fund	<u>0</u>	<u>46,875</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	46,875	0	0	0
TOTAL - (1) Executive Director's Office	39,482,683	43,019,530	81,429,052	108,528,087	106,418,142
FTE	<u>110.7</u>	<u>113.8</u>	<u>123.9</u>	<u>122.2</u>	<u>121.7</u>
General Fund	4,827,141	5,763,211	11,782,443	14,150,448	13,586,866
Cash Funds	17,231,842	20,036,795	33,795,295	50,041,257	49,077,690
Reappropriated Funds	386,194	332,024	1,109,522	1,166,488	1,149,911
Federal Funds	17,037,506	16,887,500	34,741,792	43,169,894	42,603,675

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(2) DIVISION OF UNEMPLOYMENT INSURANCE

skills to live independently in the community.

Program Costs	<u>100,571,705</u>	<u>96,756,015</u>	<u>73,046,105</u>	<u>76,579,285</u>	<u>76,527,050</u> *
FTE	484.1	484.4	484.7	496.7	496.7
General Fund	0	5,741	0	0	0
Cash Funds	12,689,947	12,861,864	13,168,203	15,880,778	15,828,543
Reappropriated Funds	0	0	0	0	0
Federal Funds	87,881,758	83,888,410	59,877,902	60,698,507	60,698,507
Employment and Training Technology Initiatives	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

TOTAL - (2) Division of Unemployment Insurance	100,571,705	96,756,015	73,046,105	76,579,285	76,527,050
FTE	<u>484.1</u>	<u>484.4</u>	<u>484.7</u>	<u>496.7</u>	<u>496.7</u>
General Fund	0	5,741	0	0	0
Cash Funds	12,689,947	12,861,864	13,168,203	15,880,778	15,828,543
Reappropriated Funds	0	0	0	0	0
Federal Funds	87,881,758	83,888,410	59,877,902	60,698,507	60,698,507

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(3) DIVISION OF EMPLOYMENT AND TRAINING

The Division of Employment and Training administers the Workforce Development Centers, the Workforce Development Council, and various workforce development programs.

State Operations and Program Costs	<u>7,532,773</u>	<u>7,666,358</u>	<u>10,024,010</u>	<u>7,482,597</u>	<u>7,504,459</u>
FTE	109.2	110.1	112.4	110.0	110.5
General Fund	24,869	94,582	3,101,055	106,902	128,764
Cash Funds	2,810,807	3,097,319	3,399,763	3,816,269	3,816,269
Reappropriated Funds	0	0	0	0	0
Federal Funds	4,697,097	4,474,457	3,523,192	3,559,426	3,559,426
 One-Stop Workforce Center Contracts	 <u>17,883,194</u>	 <u>20,125,592</u>	 <u>20,844,306</u>	 <u>20,929,564</u>	 <u>20,929,564</u>
FTE	35.0	36.0	36.0	36.0	36.0
General Fund	0	0	0	0	0
Cash Funds	9,580,486	9,790,715	9,897,639	9,897,639	9,897,639
Reappropriated Funds	0	0	0	0	0
Federal Funds	8,302,708	10,334,877	10,946,667	11,031,925	11,031,925
 Trade Adjustment Act Assistance	 <u>1,835,990</u>	 <u>1,905,389</u>	 <u>2,000,000</u>	 <u>2,000,000</u>	 <u>2,000,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,835,990	1,905,389	2,000,000	2,000,000	2,000,000

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Workforce Innovation and Opportunity Act	<u>28,058,474</u>	<u>34,283,584</u>	<u>26,534,005</u>	<u>26,655,260</u>	<u>26,655,260</u>
FTE	51.2	51.2	51.2	51.2	51.2
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	28,058,474	34,283,584	26,534,005	26,655,260	26,655,260
Workforce Development Council	<u>1,162,767</u>	<u>37,048,485</u>	<u>1,553,075</u>	<u>1,432,612</u>	<u>1,432,612</u>
FTE	7.5	7.8	12.5	12.5	12.5
General Fund	523,653	596,343	1,005,752	856,933	856,933
Cash Funds	0	36,021,534	20,632	25,091	25,091
Reappropriated Funds	220,788	137,660	526,691	550,588	550,588
Federal Funds	418,326	292,948	0	0	0
Workforce Improvement Grants	<u>799,977</u>	<u>519,973</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	799,977	519,973	1,000,000	1,000,000	1,000,000
Veterans Service to Career Program	<u>369,950</u>	<u>450,459</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	369,950	450,459	500,000	500,000	500,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Hospitality Education Grant Program	<u>401,947</u>	<u>401,947</u>	<u>414,105</u>	<u>416,193</u>	<u>416,193</u>
FTE	0.5	0.5	0.5	0.5	0.5
General Fund	401,947	401,947	414,105	416,193	416,193
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Employment Support and Job Retention Services					
Program Cash Fund	<u>358,163</u> 0.5	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
General Fund	0	0	250,000	250,000	250,000
Cash Funds	358,163	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Employment Support and Job Retention Services					
Program	<u>0</u>	<u>279,148</u>	<u>250,000</u>	<u>252,088</u>	<u>252,088</u>
FTE	0.0	0.5	0.0	0.5	0.0
General Fund	0	0	0	2,088	2,088
Cash Funds	0	279,148	0	0	0
Reappropriated Funds	0	0	250,000	250,000	250,000
Federal Funds	0	0	0	0	0
Just Transition Office	<u>316,704</u>	<u>355,526</u>	<u>377,724</u>	<u>393,332</u>	<u>393,332</u>
FTE	3.5	6.5	3.5	3.5	3.5
General Fund	158,352	366,625	377,724	377,724	377,724
Cash Funds	158,352	(11,099)	0	15,608	15,608
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Just Transition Plan Implementation/ Coal Transition					
Community Assistance	<u>0</u>	<u>2,001,714</u>	<u>5,555,000</u>	<u>2,555,000</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	2,001,714	5,555,000	2,555,000	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Coal Transition Worker Assistance	<u>0</u>	<u>0</u>	<u>12,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	12,000,000	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CWDC Reskilling, Upskilling and Next-skilling					
Workers Program	<u>0</u>	<u>5,710,831</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	5,710,831	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CWDC WorkForce Innovation Act - ARPA Money	<u>0</u>	<u>3,436,182</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	3,436,182	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Appropriation to the Skilled Worker Outreach and Key Training Program Fund					
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Innovative Industry Workforce Development					
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Skilled Worker Outreach, Recruitment and Training Program					
FTE	<u>2,574,479</u>	<u>409,496</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	0
Reappropriated Funds	208,392	0	0	0	0
Federal Funds	2,366,087	409,496	0	0	0
	0	0	0	0	0
TOTAL - (3) Division of Employment and Training					
FTE	61,294,418	114,594,683	81,302,225	63,866,646	61,333,508
General Fund	<u>207.4</u>	<u>212.6</u>	<u>216.1</u>	<u>214.2</u>	<u>214.2</u>
Cash Funds	1,108,821	1,459,497	5,148,636	2,009,840	2,031,702
Reappropriated Funds	13,486,150	60,776,802	31,373,034	16,809,607	14,254,607
Federal Funds	2,586,875	547,156	776,691	800,588	800,588
	44,112,572	51,811,228	44,003,864	44,246,611	44,246,611

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(4) DIVISION OF LABOR STANDARDS AND STATISTICS

of all-union provisions, and investigates and mediates allegations of unfair labor practices. This division also collects, analyses, and reports Colorado employment, wage, and other labor statistics data.

(A) Labor Standards

Labor Program Costs	3,285,952	3,952,904	6,094,277	6,359,105	6,362,814 *
FTE	41.5	51.1	64.8	68.5	68.5
General Fund	552,908	940,831	2,803,741	2,749,508	2,749,508
Cash Funds	2,733,044	3,012,073	3,290,536	3,609,597	3,613,306
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Whistleblower Protection for Public Health

Emergency	206,193	187,593	0	0	0
FTE	2.5	2.5	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	206,193	187,593	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

SUBTOTAL - (A) Labor Standards	3,492,145	4,140,497	6,094,277	6,359,105	6,362,814
FTE	44.0	53.6	64.8	68.5	68.5
General Fund	552,908	940,831	2,803,741	2,749,508	2,749,508
Cash Funds	2,939,237	3,199,666	3,290,536	3,609,597	3,613,306
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(B) Labor Statistics					
Labor Market Information Program Costs	<u>2,740,889</u>	<u>2,801,312</u>	<u>3,420,154</u>	<u>3,491,912</u>	<u>3,491,912</u>
FTE	30.3	30.3	30.3	30.3	30.3
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,740,889	2,801,312	3,420,154	3,491,912	3,491,912
SUBTOTAL - (B) Labor Statistics	2,740,889	2,801,312	3,420,154	3,491,912	3,491,912
FTE	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,740,889	2,801,312	3,420,154	3,491,912	3,491,912
TOTAL - (4) Division of Labor Standards and Statistics	6,233,034	6,941,809	9,514,431	9,851,017	9,854,726
FTE	<u>74.3</u>	<u>83.9</u>	<u>95.1</u>	<u>98.8</u>	<u>98.8</u>
General Fund	552,908	940,831	2,803,741	2,749,508	2,749,508
Cash Funds	2,939,237	3,199,666	3,290,536	3,609,597	3,613,306
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,740,889	2,801,312	3,420,154	3,491,912	3,491,912

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(5) DIVISION OF OIL AND PUBLIC SAFETY					
sement of cleanup costs to qualifying storage tank owners/operators.					
Personal Services	<u>5,932,681</u>	<u>6,154,041</u>	<u>5,721,749</u>	<u>6,024,987</u>	<u>6,184,184</u>
FTE	68.0	68.0	68.0	68.0	70.0
General Fund	0	0	0	0	159,197
Cash Funds	4,984,556	4,995,189	5,138,031	5,441,269	5,441,269
Reappropriated Funds	7,284	19,318	19,318	19,318	19,318
Federal Funds	940,841	1,139,534	564,400	564,400	564,400
Operating Expenses	<u>465,171</u>	<u>580,478</u>	<u>791,333</u>	<u>862,553</u>	<u>862,553</u> *
General Fund	0	0	0	0	0
Cash Funds	434,576	491,221	646,312	704,480	704,480
Reappropriated Funds	0	0	0	0	0
Federal Funds	30,595	89,257	145,021	158,073	158,073
Underground Damage Prevention Safety					
Commission	<u>105,080</u>	<u>105,080</u>	<u>128,602</u>	<u>302,668</u>	<u>134,867</u> *
FTE	1.5	1.5	1.5	3.5	1.5
General Fund	105,080	105,080	108,602	282,668	114,867
Cash Funds	0	0	20,000	20,000	20,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (5) Division of Oil and Public Safety	6,502,932	6,839,599	6,641,684	7,190,208	7,181,604
FTE	<u>69.5</u>	<u>69.5</u>	<u>69.5</u>	<u>71.5</u>	<u>71.5</u>
General Fund	105,080	105,080	108,602	282,668	274,064
Cash Funds	5,419,132	5,486,410	5,804,343	6,165,749	6,165,749
Reappropriated Funds	7,284	19,318	19,318	19,318	19,318
Federal Funds	971,436	1,228,791	709,421	722,473	722,473

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(6) DIVISION OF WORKERS' COMPENSATION

(r injury at more than one employer) Insurance Programs.

(A) Workers' Compensation

Personal Services	<u>7,744,488</u>	<u>7,614,148</u>	<u>8,149,172</u>	<u>8,572,813</u>	<u>8,572,813</u>
FTE	95.0	95.0	95.0	95.0	95.0
General Fund	0	0	0	0	0
Cash Funds	7,744,488	7,614,148	8,149,172	8,572,813	8,572,813
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>641,969</u>	<u>624,890</u>	<u>659,145</u>	<u>726,417</u>	<u>726,417</u> *
General Fund	0	0	0	0	0
Cash Funds	641,969	624,890	659,145	726,417	726,417
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Administrative Law Judge Services	<u>4,061,922</u>	<u>3,582,166</u>	<u>4,089,852</u>	<u>3,926,637</u>	<u>3,926,637</u>
General Fund	0	0	0	0	0
Cash Funds	4,061,922	3,582,166	4,089,852	3,926,637	3,926,637
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Physicians Accreditation	<u>92,623</u>	<u>160,613</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
General Fund	0	0	0	0	0
Cash Funds	92,623	160,613	120,000	120,000	120,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Utilization Review	<u>5,063</u>	<u>0</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
General Fund	0	0	0	0	0
Cash Funds	5,063	0	35,000	35,000	35,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Immediate Payment	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	1,000	1,000	1,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Workers' Compensation	12,546,065	11,981,817	13,054,169	13,381,867	13,381,867
<i>FTE</i>	<u>95.0</u>	<u>95.0</u>	<u>95.0</u>	<u>95.0</u>	<u>95.0</u>
General Fund	0	0	0	0	0
Cash Funds	12,546,065	11,981,817	13,054,169	13,381,867	13,381,867
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(B) Major Medical Insurance and Subsequent Injury Funds

Personal Services	<u>1,377,419</u>	<u>1,343,462</u>	<u>1,470,992</u>	<u>1,542,342</u>	<u>1,542,342</u>
FTE	16.0	16.0	16.0	16.0	16.0
General Fund	0	0	0	0	0
Cash Funds	1,377,419	1,343,462	1,470,992	1,542,342	1,542,342
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Operating Expenses	<u>82,576</u>	<u>67,244</u>	<u>88,324</u>	<u>88,324</u>	<u>88,324</u>
General Fund	0	0	0	0	0
Cash Funds	82,576	67,244	88,324	88,324	88,324
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Major Medical Benefits	<u>2,530,503</u>	<u>1,851,377</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	2,530,503	1,851,377	6,000,000	6,000,000	6,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Subsequent Injury Benefits	<u>910,394</u>	<u>890,098</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	910,394	890,098	2,000,000	2,000,000	2,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Medical Disaster	<u>0</u>	<u>144</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	144	1,000	1,000	1,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Major Medical Legal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Subsequent Injury Legal Services	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Major Medical Insurance and Subsequent Injury Funds	4,900,892	4,152,325	9,560,316	9,631,666	9,631,666
<i>FTE</i>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>
General Fund	0	0	0	0	0
Cash Funds	4,900,892	4,152,325	9,560,316	9,631,666	9,631,666
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (6) Division of Workers' Compensation	17,446,957	16,134,142	22,614,485	23,013,533	23,013,533
<i>FTE</i>	<u>111.0</u>	<u>111.0</u>	<u>111.0</u>	<u>111.0</u>	<u>111.0</u>
General Fund	0	0	0	0	0
Cash Funds	17,446,957	16,134,142	22,614,485	23,013,533	23,013,533
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(7) DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES

skills to live independently in the community.

(A) Vocational Rehabilitation Programs

Personal Services	<u>18,549,644</u>	<u>17,896,849</u>	<u>17,872,857</u>	<u>18,488,806</u>	<u>18,488,806</u>
FTE	223.7	223.7	223.7	223.7	223.7
General Fund	3,694,051	3,694,074	3,800,289	3,999,300	3,999,300
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	14,855,593	14,202,775	14,072,568	14,489,506	14,489,506
Operating Expenses	<u>1,680,528</u>	<u>2,001,471</u>	<u>2,539,404</u>	<u>2,767,950</u>	<u>2,767,950</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	376,899	538,867	540,893	589,573	589,573
Federal Funds	1,303,629	1,462,604	1,998,511	2,178,377	2,178,377
Administrative Law Judge Services	<u>36,737</u>	<u>36,737</u>	<u>41,943</u>	<u>40,270</u>	<u>40,270</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	9,973	9,973	11,386	10,932	10,932
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	26,764	26,764	30,557	29,338	29,338

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Voc Rehab Services	<u>11,733,028</u>	<u>17,395,506</u>	<u>15,301,106</u>	<u>17,007,172</u>	<u>17,007,172</u>
General Fund	1,143,739	1,143,950	1,143,950	1,143,950	1,143,950
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,163,518	2,864,019	2,115,185	3,821,251	3,821,251
Federal Funds	9,425,771	13,387,537	12,041,971	12,041,971	12,041,971
School to Work Alliance Program	<u>11,276,860</u>	<u>16,251,353</u>	<u>10,323,261</u>	<u>25,419,022</u>	<u>25,419,022</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,867,711	3,673,871	2,173,378	4,259,294	4,259,294
Federal Funds	9,409,149	12,577,482	8,149,883	21,159,728	21,159,728
Voc Rehab Mental Health Services	<u>1,676,978</u>	<u>1,508,251</u>	<u>1,748,180</u>	<u>1,748,180</u>	<u>1,748,180</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	357,196	329,296	372,363	372,363	372,363
Federal Funds	1,319,782	1,178,955	1,375,817	1,375,817	1,375,817
Business Enterprises Program for People Who Are Blind	<u>294,925</u>	<u>422,622</u>	<u>1,595,200</u>	<u>1,609,410</u>	<u>1,609,410</u>
FTE	6.0	6.0	6.0	6.0	6.0
General Fund	0	0	0	0	0
Cash Funds	62,851	90,129	338,935	338,935	338,935
Reappropriated Funds	0	0	0	0	0
Federal Funds	232,074	332,493	1,256,265	1,270,475	1,270,475

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Business Enterprises Program	<u>(13,045)</u>	<u>53,028</u>	<u>229,000</u>	<u>229,000</u>	<u>500,000</u> *
General Fund	0	0	0	0	0
Cash Funds	(13,045)	53,028	229,000	229,000	500,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Federal Social Security Reimbursements	<u>5,131,939</u>	<u>1,895,350</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	5,131,939	1,895,350	2,400,000	2,400,000	2,400,000
Older Blind Grants	<u>492,420</u>	<u>416,823</u>	<u>362,000</u>	<u>362,000</u>	<u>362,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	492,420	416,823	362,000	362,000	362,000
Employment First Initiatives	<u>1,974,751</u>	<u>2,044,377</u>	<u>290,744</u>	<u>585,607</u>	<u>577,959</u> *
FTE	4.0	4.0	4.0	5.8	5.8
General Fund	420,581	379,458	63,382	358,245	350,597
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,554,170	1,664,919	227,362	227,362	227,362

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (A) Vocational Rehabilitation					
Programs	52,834,765	59,922,367	52,703,695	70,657,417	70,920,769
<i>FTE</i>	<u>233.7</u>	<u>233.7</u>	<u>233.7</u>	<u>235.5</u>	<u>235.5</u>
General Fund	5,268,344	5,227,455	5,019,007	5,512,427	5,504,779
Cash Funds	49,806	143,157	567,935	567,935	838,935
Reappropriated Funds	3,765,324	7,406,053	5,201,819	9,042,481	9,042,481
Federal Funds	43,751,291	47,145,702	41,914,934	55,534,574	55,534,574

(B) Office of Independent Living Services

Program Costs	<u>227,567</u>	<u>344,407</u>	<u>234,053</u>	<u>250,760</u>	<u>250,760</u>
<i>FTE</i>	4.0	4.0	4.0	4.0	4.0
General Fund	227,567	227,703	234,053	250,760	250,760
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	116,704	0	0	0
Independent Living Services	<u>6,453,907</u>	<u>6,425,191</u>	<u>6,788,235</u>	<u>6,980,591</u>	<u>6,980,591</u> *
General Fund	6,132,729	6,167,381	6,411,883	6,604,239	6,604,239
Cash Funds	0	0	37,635	37,635	37,635
Reappropriated Funds	0	0	0	0	0
Federal Funds	321,178	257,810	338,717	338,717	338,717

SUBTOTAL - (B) Office of Independent Living					
Services	6,681,474	6,769,598	7,022,288	7,231,351	7,231,351
<i>FTE</i>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
General Fund	6,360,296	6,395,084	6,645,936	6,854,999	6,854,999
Cash Funds	0	0	37,635	37,635	37,635
Reappropriated Funds	0	0	0	0	0
Federal Funds	321,178	374,514	338,717	338,717	338,717

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
TOTAL - (7) Division of Vocational Rehabilitation and Independent Living Services	59,516,239	66,691,965	59,725,983	77,888,768	78,152,120
<i>FTE</i>	<u>237.7</u>	<u>237.7</u>	<u>237.7</u>	<u>239.5</u>	<u>239.5</u>
General Fund	11,628,640	11,622,539	11,664,943	12,367,426	12,359,778
Cash Funds	49,806	143,157	605,570	605,570	876,570
Reappropriated Funds	3,765,324	7,406,053	5,201,819	9,042,481	9,042,481
Federal Funds	44,072,469	47,520,216	42,253,651	55,873,291	55,873,291

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE					
Program Costs	0	951,038	1,111,286	41,425,749	38,365,749
FTE	0.0	6.0	6.0	352.0	352.0
General Fund	0	0	0	0	0
Cash Funds	0	951,038	1,111,286	41,425,749	38,365,749
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Program Costs	<u>64,991</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.5	0.0	0.0	0.0	0.0
Cash Funds	64,991	0	0	0	0
TOTAL - Division of Family and Medical Leave Insurance					
FTE	<u>0.5</u>	<u>6.0</u>	<u>6.0</u>	<u>352.0</u>	<u>352.0</u>
General Fund	0	0	0	0	0
Cash Funds	64,991	951,038	1,111,286	41,425,749	38,365,749
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - Department of Labor and Employment					
FTE	<u>1,295.2</u>	<u>1,318.9</u>	<u>1,344.0</u>	<u>1,705.9</u>	<u>1,705.4</u>
General Fund	18,222,590	19,896,899	31,508,365	31,559,890	31,001,918
Cash Funds	69,328,062	119,589,874	111,762,752	157,551,840	151,195,747
Reappropriated Funds	6,745,677	8,304,551	7,107,350	11,028,875	11,012,298
Federal Funds	196,816,630	204,137,457	185,006,784	208,202,688	207,636,469

APPENDIX B PROPOSED SOLUTION TO ESF

The Department has submitted the following proposed solution regarding the federal compliance issues with the Employment Support and Tech Funds, beginning on the next page.

The problem: CDLE is out of compliance with USDOL regarding employer premiums transferred to ESF and Tech Fund being included in experience rating calculations.

Addressing the problem:

- The present method basically takes 0.185% of taxable wages (0.145% for ESF + Benefit Recovery Fund; 0.04% for Tech Fund) and shifts those contributions into ESF and Tech Fund as allowed by statute.
- Employer contributions that go towards ESF and Tech Fund need to be programmatically separated from contributions that go towards the UI trust fund (UITF)**
- Solution(s) need to be revenue neutral**
 - Overall employer premium rates can not increase
 - Anticipated revenue towards ESF and Tech Fund can not change (vs. current method), as much as is feasible
- Solution(s) need to impact employers equally**, as much as is feasible

Thinking through potential solutions and what does not work:

1. **We cannot simply take 0.185% and subtract that from each rate along the rate schedule.** This approach will disproportionately impact employers with a higher percent of excess and a lower rate (example below using the deficit schedule).
 - Lowest rate on deficit schedule = 0.75%; highest rate = 10.39%.
 - If we take 0.185% of 0.75% (leaving 0.565% remaining), that means that about a quarter of contributions paid by the best rated employers will go towards ESF and Tech and those premiums will not count towards experience rating calculations (ex: employer taxable wages in 2022 = \$17,000; $0.185\% * \$17,000 = \31.45 of contributions towards ESF and Tech Fund; $0.565\% * \$17,000 =$

\$96.05 towards UITF; total contributions = \$127.50, of which ESF/Tech makes up 24.7%).

- If we take 0.185% of 10.39% (leaving 10.205% remaining), that means that about two percent of contributions paid by the worst rated employers will go towards ESF and Tech and those premiums will not count towards experience rating calculations (ex: employer taxable wages in 2022 = \$17,000; $0.185\% * \$17,000 = \31.45 of contributions towards ESF and Tech Fund; $10.205\% * \$17,000 = \$1,734.85$ towards UITF; total contributions = \$1766.30, of which ESF/Tech makes up 1.8%)

2. **We cannot simply add 0.185% to each rate along the rate schedule** (this would be referred as an “additional surcharge”) as that will increase overall employer premium rates (example below using lowest rate employer on the deficit schedule)

- If we add 0.185% to 0.75%, then the new overall premium rate will be 0.935%. Total contributions from taxable wages of \$17,000 would now be \$158.95, an increase of \$31.45, or 24.7%.

Proposed solution: annually adjust employer rates to account for the need to a) separate ESF and Tech Fund contributions programmatically (in the form of a “surcharge”), b) impact employers equally, and c) maintain anticipated revenue towards ESF and Tech Fund (vs. current method). **Total rates will not change;** however, CDLE will split the total rate into two categories: 1) a rate dedicated to revenue that goes into the UITF and 2) a **single** rate dedicated to revenue that goes into the ESF and Tech Funds. Those two separate rates will combine to equal the total rates currently allowed by statute.

How does the solution work?

- Based on an annual detailed analysis of the distribution of taxable wages by percent of excess ranges, a fixed proportion is assigned to each rate along the rate schedule that will be in effect the following year (i.e. analysis conducted in the fall of 2022 is related to the deficit rate schedule in effect for 2023). This fixed proportion will be dedicated to an ESF/Tech “surcharge” combined rate which will feed into the contributions that go into those funds (**note: this requires moving away from the current method of 0.185% of taxable wages**). These proportions will change each year depending on the rate schedule in effect, the newest data available at the time used to conduct the detailed analysis (note: the data will come from output that is produced during the annual experience rate runs in late August and mid-October), and the need to maintain anticipated ESF and Tech Fund revenue vs. the current method, as much as feasible. This approach will also ensure that employers are impacted equally, as much as feasible.
- Using data available from the late August 2022 preliminary experience rate run, an estimated proportion of 12.02% was determined as being appropriate to meeting the required criteria for a viable solution that would be applicable to employer rates in 2023 (**note: this will change with the final run in October and is simply an early snapshot**). However, due to the need to round rates and keep at the rate, as expressed as a number, at four decimal places, the actual proportions will vary slightly by percent of excess (six decimal places would be ideal, but unrealistic due to programming and other limitations).
- For employers with the lowest rate on the deficit schedule (0.0075, or 0.75%), it was determined that the combined ESF/Tech “surcharge” rate would be 0.0009, or 0.09%, while the “base rate” (contributions that go towards the UITF) would be 0.0066, or 0.66%. Those two rates (ESF/Tech “surcharge” rate and “base rate”) combine to equal the total rate of 0.0075, or 0.75%. For these employers with the lowest rate on the deficit schedule, 12.00% of their total rate in 2023 would be dedicated to the ESF/Tech “surcharge” and those contributions would not be counted towards their experience rating calculations.

For employers with the highest rate on the deficit schedule (0.1039, or 10.39%), it was determined that the combined ESF/Tech “surcharge” rate would be 0.0124, or 1.24%, while the “base rate” (contributions that go towards the UITF) would be 0.0915, or 9.15%. Those two rates (ESF/Tech “surcharge” rate and “base rate”) combine to equal the total rate of 0.1039, or 10.39%. For these employers with the highest rate on the deficit schedule, 11.93% of their total rate in 2023 would be dedicated to the ESF/Tech “surcharge” and those contributions would not be counted towards their experience rating calculations. Note that the worst-rated employers do have a slightly lower share of their total rate dedicated to the ESF/Tech “surcharge” than the best-rated employers. This is due to the inability to bring rates out to six decimal places, which would completely remove these types of inequalities.

Below are the **proposed preliminary 2023 rates** for each percent of excess along the deficit schedule, as well as for new non-construction accounts, reinstated accounts, and new construction accounts. **These are not final.**

Percent of Excess	Base Rate (goes to UITF)	Combined ESF and Tech Surcharge Rate	Total Rate	ESF and Tech Surcharge Rate Share of Total Rate
+20 Or More	0.0066	0.0009	0.0075	12.00%
+18 To +19	0.0073	0.0009	0.0082	10.98%
+16 To +17	0.0074	0.0010	0.0084	11.90%
+14 To +15	0.0081	0.0010	0.0091	10.99%
+12 To +13	0.0089	0.0012	0.0101	11.88%
+10 To +11	0.0104	0.0014	0.0118	11.86%
+8 To +9	0.0132	0.0018	0.0150	12.00%
+6 To +7	0.0164	0.0022	0.0186	11.83%
+4 To +5	0.0197	0.0026	0.0223	11.66%
+2 To +3	0.0276	0.0037	0.0313	11.82%

+0 To +1	0.0388	0.0053	0.0441	12.02%
-0 To -1	0.0500	0.0068	0.0568	11.97%
-2 To -3	0.0534	0.0072	0.0606	11.88%
-4 To -5	0.0567	0.0077	0.0644	11.96%
-6 To -7	0.0601	0.0081	0.0682	11.88%
-8 To -9	0.0634	0.0086	0.0720	11.94%
-10 To -11	0.0667	0.0091	0.0758	12.01%
-12 To -13	0.0701	0.0095	0.0796	11.93%
-14 To -15	0.0734	0.0100	0.0834	11.99%
-16 To -17	0.0768	0.0104	0.0872	11.93%
-18 To -19	0.0801	0.0109	0.0910	11.98%
-20 To -21	0.0835	0.0113	0.0948	11.92%
-22 To -23	0.0868	0.0118	0.0986	11.97%
-24 To -25	0.0901	0.0122	0.1023	11.93%
MORE than -25	0.0915	0.0124	0.1039	11.93%
New Rate	0.0150	0.0020	0.0170	11.76%
Reinstated	0.0238	0.0032	0.0270	11.85%
236 - Construction	0.0132	0.0018	0.0150	12.00%
237 - Construction	0.0601	0.0081	0.0682	11.88%
238 - Construction	0.0164	0.0022	0.0186	11.83%

APPENDIX C UNEMPLOYMENT INSURANCE RFI

The Department has submitted the RFI's on the Unemployment Insurance program on a quarterly basis. Beginning on the next page, there is the RFI submitted in September as well as the one included with the Department's hearing packet focused on fraud.



Background on Unemployment Insurance:

Unemployment Insurance (UI) is a joint state-federal partnership governed by state law within boundaries established by federal law. UI is not an entitlement program, but is a time limited eligibility-based partial wage replacement benefit. The point of unemployment insurance is to replace income for people who have lost their jobs and keep them attached to the labor market. It's meant to be a support for the broader economy in times of economic downturn, too, and keep consumer spending going. Initial eligibility is based on whether you have sufficient covered wages within the last 18 months and whether the circumstances of your separation from employment were through no fault of your own. Every week, the claimant must certify that they are maintaining ongoing eligibility by performing work search activities, remain able and available to work, and are not earning more money or working more hours than is allowed under state law while still collecting benefits.

UI Benefits are funded entirely by the employer community, with employers paying in premiums based on each employee's wages and their premium rates. Premium rates are determined by a combination of the health of the UI trust fund, the employer's experience rating, and the taxable wage base as set by the legislature.

UI Changes as a Result of Covid-19 Pandemic:

Starting with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the federal government established three new massive benefit programs during the pandemic, each with tight implementation timelines:

- Pandemic Unemployment Assistance (PUA) provided up to 79 weeks of benefits to those that are typically not eligible for state UI benefits, including gig workers and independent contractors.
- Pandemic Emergency Unemployment Compensation (PEUC) provided an extension of up to 54 weeks of benefits for those who exhausted their state unemployment eligibility.
- Federal Pandemic Unemployment Compensation (FPUC) added an additional \$300 to \$600 a week to all UI claimants on both state and federal programs.

In addition to these programs, Mixed Earners Unemployment Compensation, State Extended Benefits, and Lost Wages Assistance were all additional programs that needed to be established but for a shorter period of time. Colorado was one of the early states in deploying all of these programs.

As a result of these programs and other factors, in the first two months of the pandemic, weekly claims volumes jumped from 2,000 claims a week, to an average of 50,000 weekly claims, with some weeks seeing over 100,000 claims. This volume equates to about 10 years worth of issues being generated for the division to work through in a matter of a few months.

Emergence of Identity Theft Fraud:

The parameters governing PUA and FPUC specifically, along with aging UI infrastructure and states being overwhelmed by the sheer volume of claims combined with an urgency to quickly process payment all created a massive vulnerability within state UI systems nationwide. Beginning in May of 2020, states began to battle a significant rise in unemployment fraud, identity theft, phishing attacks, and other scams targeting unemployment claimants, starting primarily in PUA systems. While these attempts impacted all states to some degree, Colorado's higher weekly benefit amount of \$618 made the State an especially lucrative target.



Fighting Fraud:

While the full system was not ready to deploy at the start of the pandemic, CDLE's greatest asset in our fight against fraud was being able to build the PUA program within our modernized UI system, MYUI+. With suspicious activity increasing in our PUA system in June of 2020, CDLE quickly deployed an initial set of anti-fraud measures, which set holds on thousands of likely fraudulent claims. Over the course of the next few months, we continued to develop and deploy new measures as new schemes were found. In January of 2021, CDLE made the difficult decision to deploy the full functionality of MYUI+, which required the migration of all state UI and PEUC claims into the new, modernized system. While this created a new challenge for our ongoing claimant population, it allowed us to deploy all of our anti-fraud measures across all claims automatically, not just PUA claims, as weekly analysis showed suspicious activity in our legacy system that required manual staff intervention to place holds on those claims.

Moving from reactive to preventative, in January of 2021, CDLE also deployed ID.me verification requirements across all claims to stop even the most savvy of criminal actors.

It is clear to us that this new version of UI fraud will never go away, moving now to the use of fictitious employers in addition to the other schemes occurring during the pandemic. During the pandemic, we quickly pieced together our fraud approach to "stop the bleeding." Today, CDLE is preparing to deploy a new comprehensive, integrated, and modernized fraud detection and prevention solution into our system, which is set to go live in early 2023. Though it will help us to better adapt to new and improved criminal elements, it will also be geared towards ensuring legitimate claimants are better able to move through our system and get timely benefit payments. Criminal investigations from the pandemic are ongoing, with many being referred to local and federal officials for prosecution.

Overview of Colorado's UI Pandemic Payouts:

Since March of 2020, CDLE paid out \$11.7682 billion in benefits to more than 1.3 million claimants impacted by the pandemic (compared to \$779 million in 2018 and 2019 combined). These payments provided a critical lifeline to Coloradans while battling the COVID-19 pandemic. These amounts were broken out as \$3.566 billion in regular state benefits, \$1.5972 billion in Pandemic Unemployment Assistance, \$4.6808 billion in Federal Pandemic Unemployment Compensation, \$1.4933 billion in Pandemic Unemployment Compensation, \$41.6 million in State Extended Benefits, and \$389.2 million in Lost Wages Assistance.

CDLE has also stopped payment on 2.1 million suspected fraudulent claims filed during the pandemic by criminal actors.

State of UI Today and Lessons Learned from the Pandemic:

Since the expiration of federal programs on September 6, 2021, CDLE has dedicated a significant amount of resources to resolving various backlogs created by pandemic related issues. We are continuing to work down processing times for new claims, which were also impacted by backlogged issues. We continue to deploy new technologies to assist with current issues and futureproof the UI program, such as Robotic Process Automation (RPA). We've made significant progress in the technology realm, however, the State is required to adhere to antiquated federal laws and regulations that make it challenging to be as responsive to the needs of Colorado as we would like.



UI Metrics Report

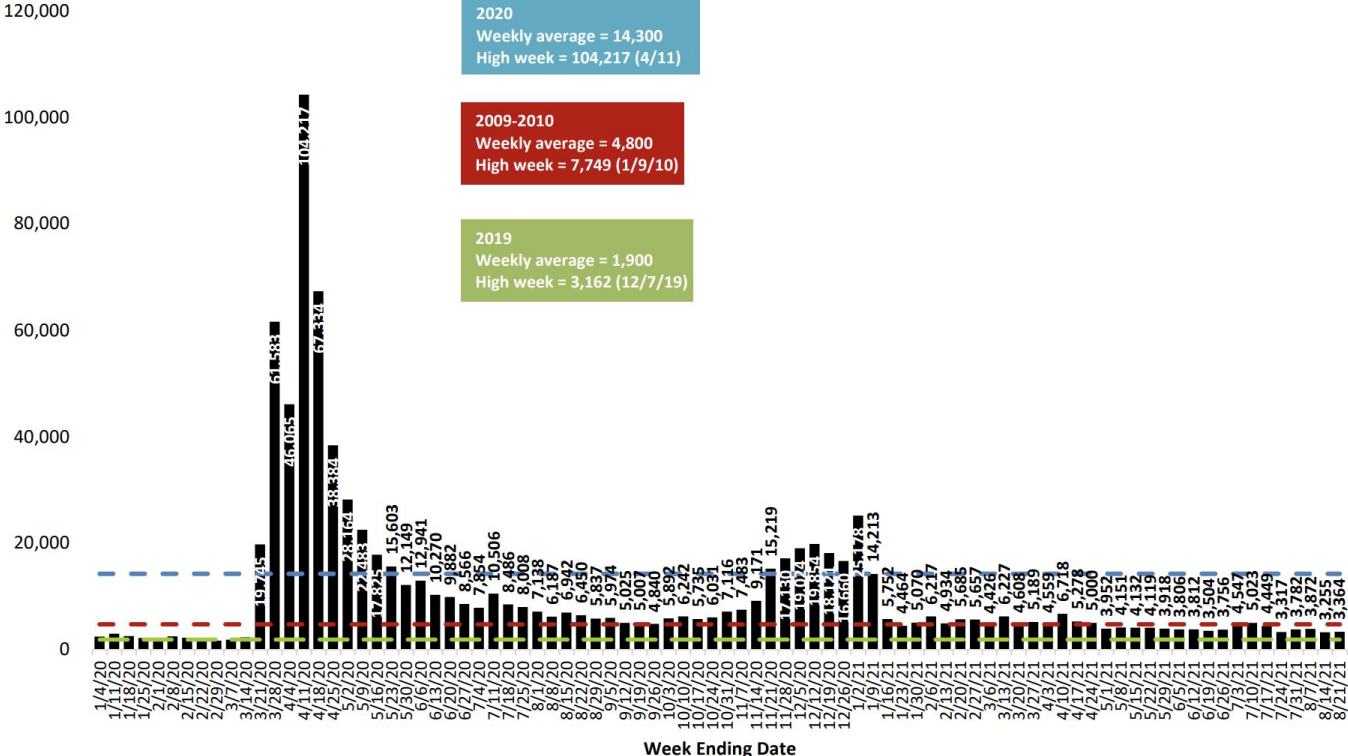
September 1, 2021



COLORADO
Department of
Labor and Employment

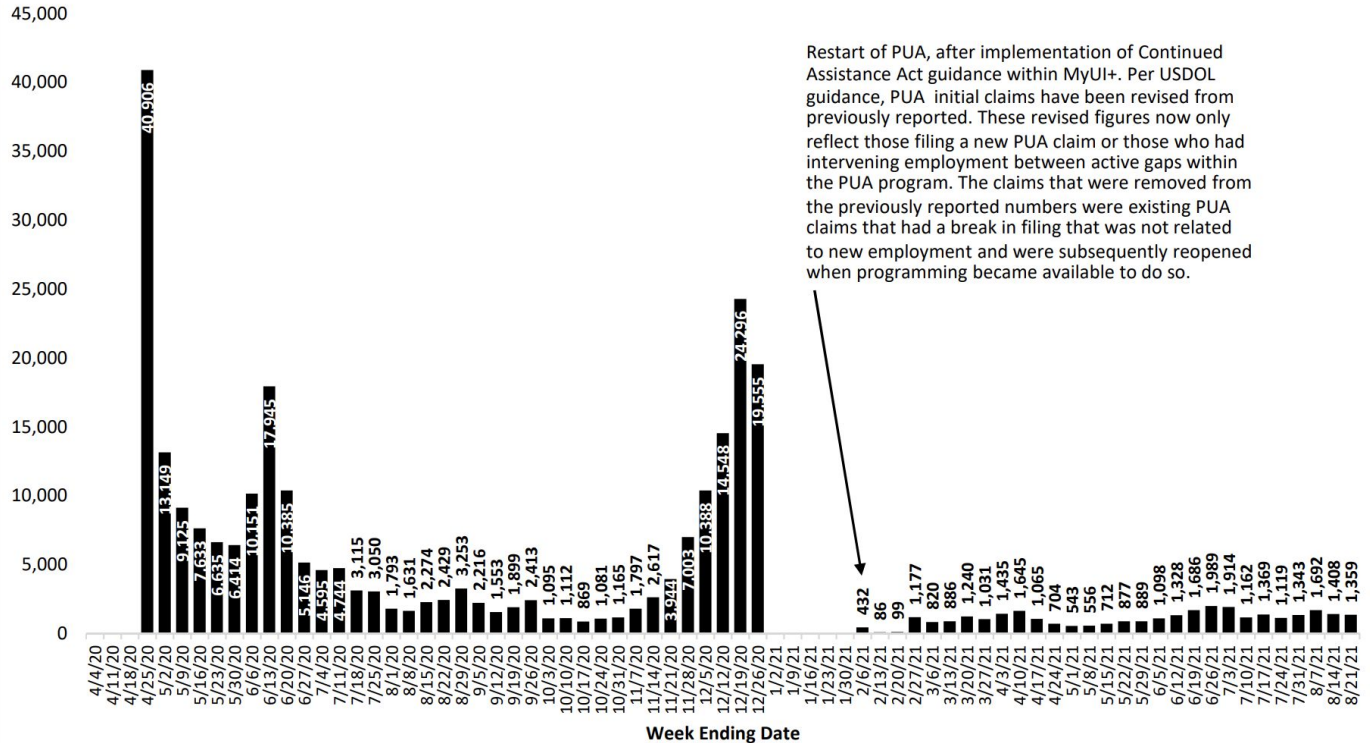


Colorado Regular Unemployment Insurance Initial Claims



Source: Colorado Department of Labor and Employment; Employment and Training Administration
***Initial claim:** a claim filed to establish or reestablish benefit eligibility. Initial claims are typically considered a reliable leading indicator of economic activity.
****Regular UI claims only** reflected in this chart, does not include initial claims which stemmed from extended benefit programs during the Great Recession. Also excludes UCFE (federal) and UCX (ex-servicemember) claims.
 Claims totals for weeks ending 01/16/21 to 05/08/21 have been revised from previously reported in an attempt to adjust for fraudulent activity within regular UI during those weeks.

Colorado Pandemic Unemployment Assistance (PUA) Initial Claims

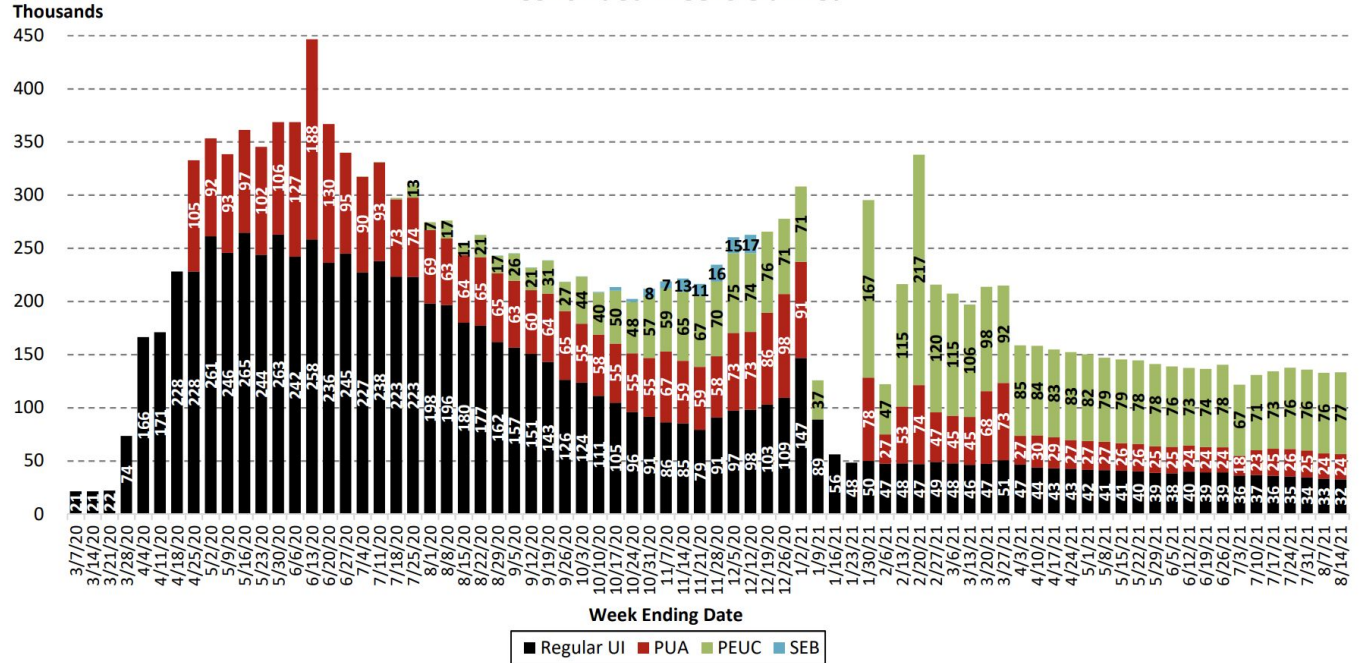


Source: Colorado Department of Labor and Employment; Employment and Training Administration

***Initial claim:** a claim filed to establish or reestablish benefit eligibility. Initial claims are considered a reliable leading indicator of economic activity.

****Pandemic Unemployment Assistance (PUA) claims only reflected in this chart;** program started in Colorado week ending April 25, 2020. PUA, which was established through the CARES Act, ended on 12/26/20, but extended through mid-March 2021 via the Continued Assistance Act, and extended again via the American Rescue Plan through September 4th. Initial claims for PUA showed up as zero for several weeks following 12/26/20, as the Department underwent UI modernization efforts as well as the implementation of Continued Assistance Act programming. More information on the various program rollouts tied to the Continued Assistance Act can be viewed here: <https://cdle.colorado.gov/press-releases/press-release-state-labor-department-begins-rollout-of-continued-assistance-act>. Claims totals for weeks ending 01/16/21 to 05/08/21 have been revised from previously reported in an attempt to adjust for fraudulent activity within PUA during those weeks.

Colorado Regular UI, Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and State Extended Benefits (SEB) Continued Weeks Claimed



Source: Colorado Department of Labor and Employment; Employment and Training Administration

*Continued weeks claimed: a claim filed to request payment for a given week after eligibility has been established. Weeks claimed provide information as to current labor market conditions.

**Regular UI, Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and State Extended Benefits (SEB) claims reflected in this chart.

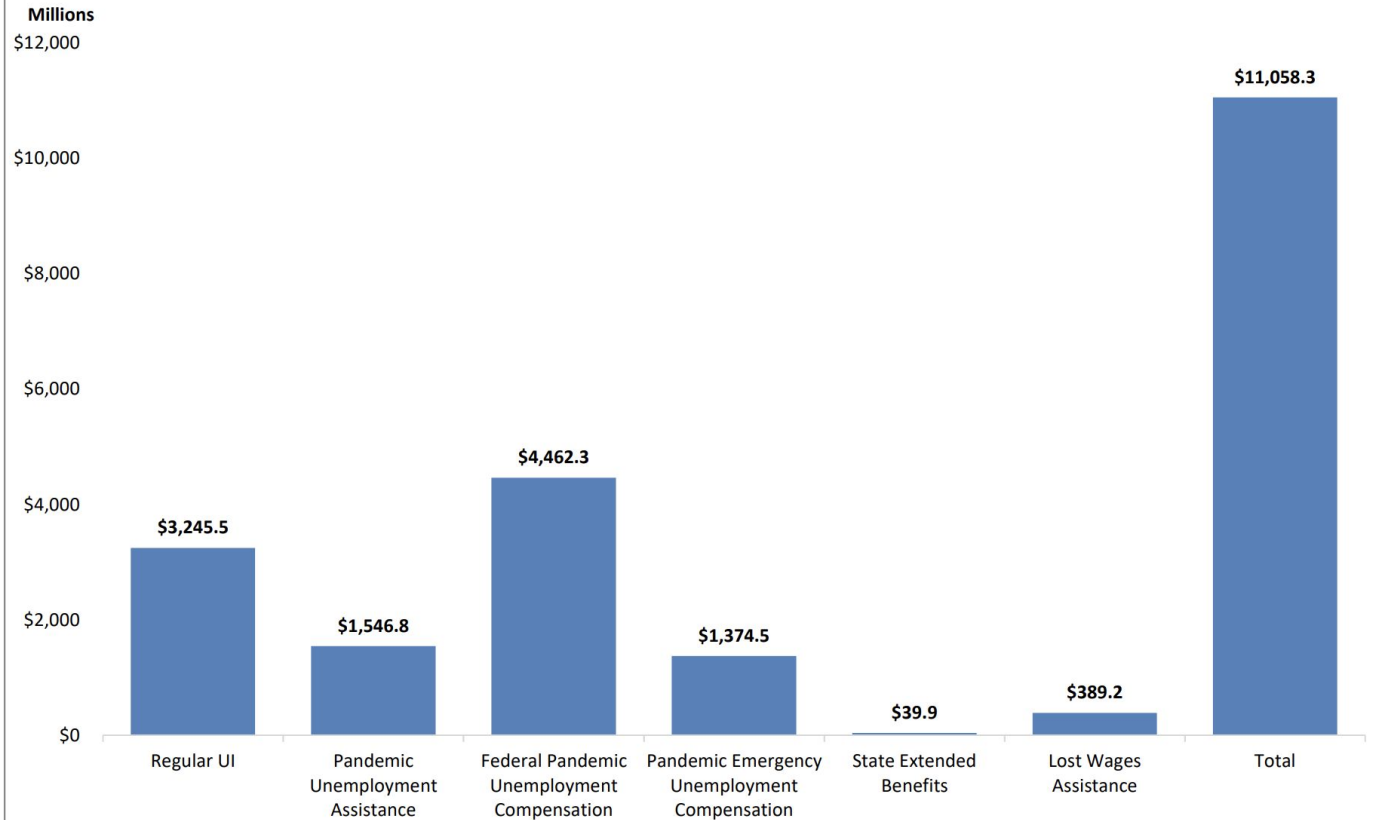
PUA program started in Colorado week ending April 25, 2020. PEUC program became active in Colorado in early July and extends unemployment benefits by an additional 13 weeks through the CARES Act, and another 11 weeks through the Continued Assistance Act. SEB program became active in Colorado in mid-August and extends unemployment benefits by an additional 13 weeks. SEB triggered off at the end of November due to the IUR falling below 5%. However, continued claims data for the SEB program will still show up after November due to backdating and other reasons.

***Weekly average of regular UI continued weeks claimed in 2019 was 18,600; during the Great Recession (2009-10) the weekly average was 67,600.

****Weekly average of last federal extension program (Emergency Unemployment Compensation 2008) from 2009-11 was 51,900.

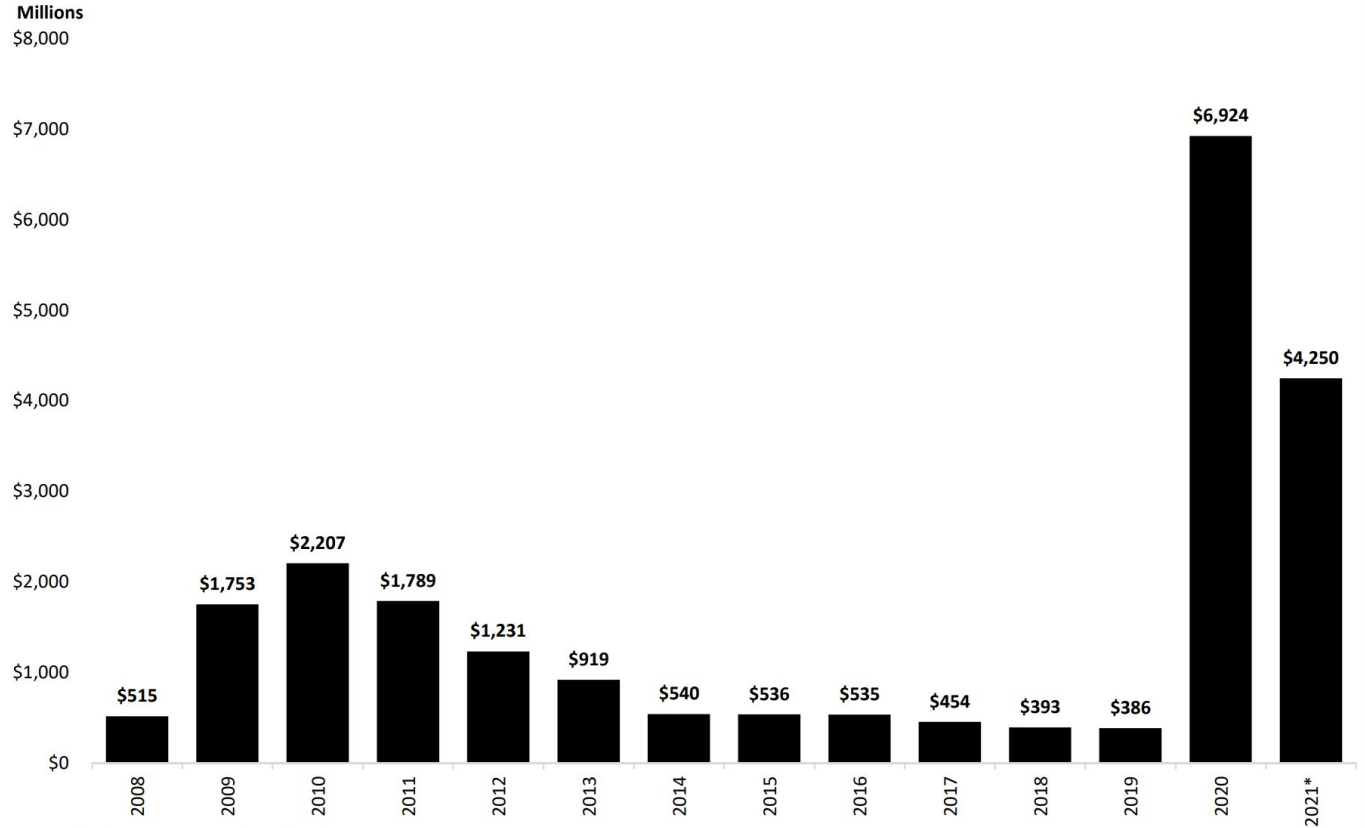
*****Claims totals for regular UI and PUA for weeks ending 01/16/21 to 05/08/21 have been revised from previously reported in an attempt to adjust for fraudulent activity within those programs during those weeks.

Total Colorado Unemployment Insurance Amounts Paid Since March 29, 2020, by Select Benefit Programs



Source: Colorado Department of Labor and Employment
*Rolling totals from March 29, 2020 through August 21, 2021.

Annual Colorado Unemployment Insurance Benefit Amounts Paid (Combined Amounts for All Active** UI Programs by Year)



Source: Colorado Department of Labor and Employment

*2021 totals through August 21, 2021.

**Every year includes regular UI, UCFL (federal) and UCX (ex-servicemember) benefit amounts. Additionally, totals from 2008 - 2019 include Emergency Unemployment Compensation (EUC) and State Extended Benefits (SEB), when applicable; while totals from 2020-21 also reflect the following programs, when applicable: PUA, PEUC, SEB, FPUC, and LWA.

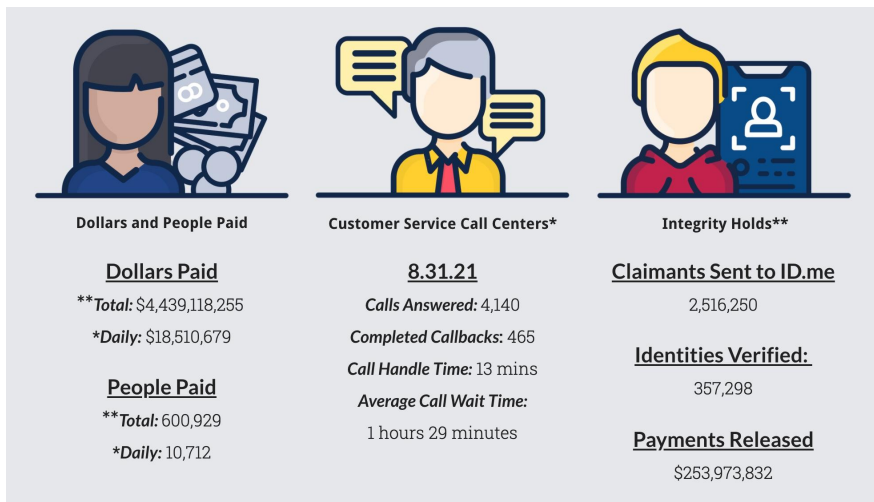
Unemployment Rate

June 2021	July 2021	July 2020
6.20%	6.10%	7.40%
Pandemic peak unemployment rate was 12.1% in April 2020		
Pre-Pandemic historic low unemployment rate was 2.9% in February in 2020		

Number of individuals Receiving Payment

June 2021	July 2021	July 2020
196,413	184,479	418,809
Pandemic peak of Coloradans receiving UI payment was 418,809 in July 2020		

UI Customer Service



Data is reflective of the launch of MyUI+ in January 2021 through August 31, 2021.

\$585.9 Million

Confirmed Fraudulent
Payments Prevented

\$26.1 Million

Confirmed Fraudulent
Payments Lost

Data is reflective of the start of the pandemic
through August 24, 2021.

Virtual Assistant

Week of: 8/15/2021 – 8/21/2021

Virtual Assistant Launched in July 2020

SESSIONS	
Total Sessions Since Launch	6,170,215
Total Sessions This Week	46,685
% Change from Previous Week	-6.46%
CALLBACKS SCHEDULED	
Total Callbacks Scheduled Since Launch	319,157
Total Callbacks Scheduled This Week	3,702
% Change from Previous Week	85.94%
% of Contacts Resulting in Successful Deflection	92.07%
% of Contacts that Scheduled a Callback	7.93%
Total Callbacks Completed Since Launch	295,045
Weekly No-Shows and Cancellations	451
Virtual Agent Success Rate	89.67%

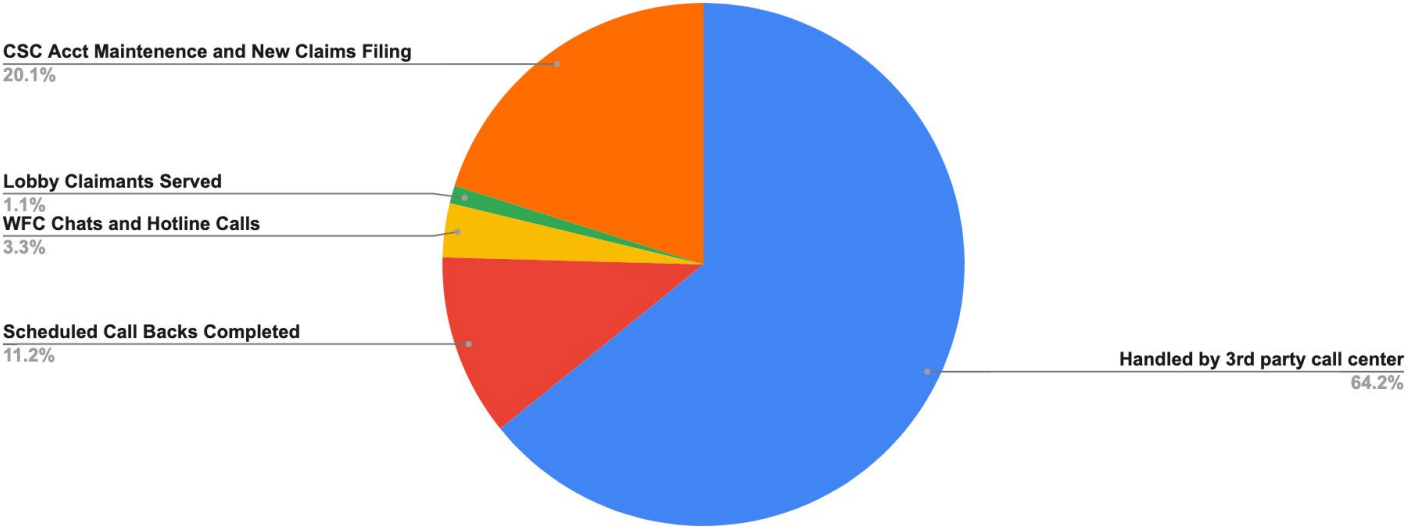
Most prominent Keywords:

Claim Issues • Pending Issues
• Overpayment • Claim Status •
Unemployment •
Unemployment Claim •
Payment Information • My
Account • I Need Help •
Unemployment Benefits •
Fraud • Account Locked •
Appeal • Backpage • Back Pay

Customer Service Interactions

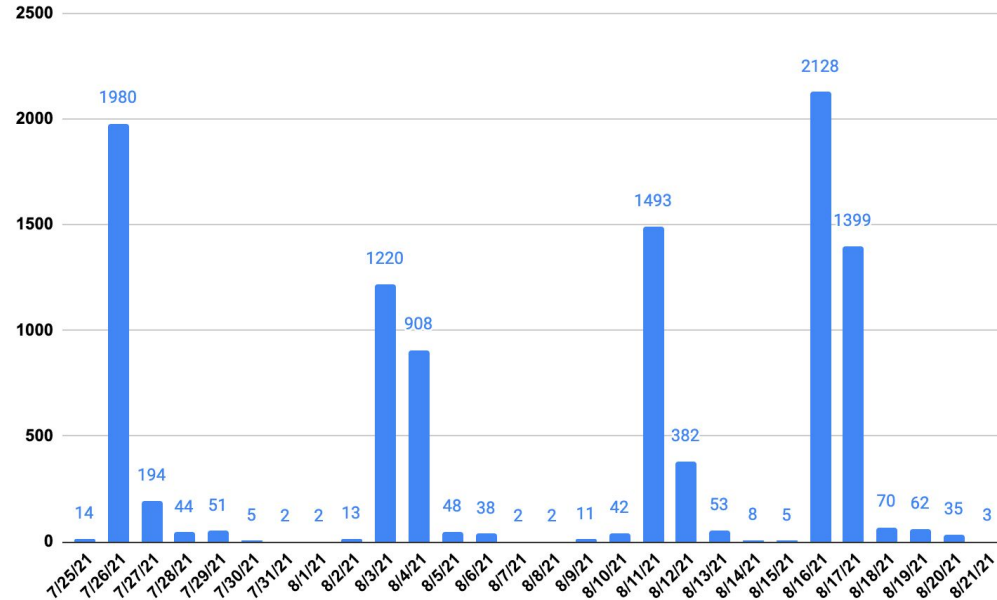
Total customer contacts for the month of August = 101,264

Direct Customer Contact: August 2021



Customer Service Interactions

Daily Callbacks Scheduled



Budget

\$111,442,440

UI Base Grant Total

\$73,254,597

Pandemic Assistance
Grant Total

Unemployment Insurance Highlights for the month of August

- CDLE deployed Multi Factor Authentication for claimants. This requires claimants to enter a 6 digit code generated to their by text, smartphone app or email, every time they attempt to login to the system. This is in response to a significant uptick in legitimate claims being hijacked by fraudsters.
- Throughout the pandemic, CDLE shifted its process to allow payment prior to adjudication of separation. This resulted in a decrease in the amount of time between filing the initial claim and the first payment. As of August 8th, we began holding payment pending adjudication.
- CDLE deployed the final CAA/ARPA program on August 8th. Mixed Earner Unemployment Compensation provides an additional \$100 per week to eligible claimants who show at least \$5000 in net earnings through self employed income. The department estimates that a very small percentage of the claimant population is actually eligible for this program due to the guidelines pass through the federal legislation. This program would not have been possible had we not launched our modernized system.
- CDLE will be presenting to the Joint Technology Committee on September 9th to provide an update on the UI modernization effort.

End of Federal Benefits

- At this time, pending further congressional action, all federal benefit programs will end as of week ending September 4th. This means the final week eligible for these programs to be applied will be week ending Sept 4th, any approved backweeks that fall before that date can still have payments applied to those programs after they end. This includes:
 - FPUC \$300 per week in additional benefits to all programs.
 - All PUA claims (Self employed and independent contractors)
 - All PEUC claimants (long term unemployed).
- Only claims with balances remaining on their initial state UI claims will be able to continue collecting.
- At this point, CDLE estimates that around 110,000 out of 145,000 claimants will lose benefits during this period.

Definitions Page

CDLE's full Glossary of Commonly Used Terms is available [here](#).

- **3rd Party Call Center** — Calls answered by Conversion Calls, CDLE's call center vendor.
- **Claimants Sent to ID.me** — This number includes all emails sent to claimants with program integrity holds since the implementation of ID.me in January 2021, the number of emails sent to continuing claimants who hadn't yet completed ID.me as of March 2021, and all new claims (both STUI and PUA) filed since April 2021.
- **Confirmed Fraudulent Payments Lost** — The amount of payments that have been confirmed to be fraudulent.
- **Confirmed Fraudulent Payments Prevented** — The amount of payments that have been confirmed to be
- **CSC Acct Maintenance** — Calls made to CDLE's own Customer Service Center for help with general claim account maintenance and/or help filing new claims.

Definitions Page (cont.)

CDLE's full Glossary of Commonly Used Terms is available [here](#).

- **Dollars Paid** — The dollar amount that has been paid to claimants since the launch of MyUI+ in January 2021.
- **ID.me** — ID.me is CDLE's trusted and federally-certified technology partner for secure identity verification. All claimants need to verify their identities with ID.me before benefits can be paid.
- **Identities Verified** — The number of claimants who have successfully verified their identities via ID.me.
- **Lobby Claimants Served** — The number of claimants who visited the lobby at the Unemployment Insurance office located at 251 E 12th Avenue in Denver for in-person assistance.
- **MyUI+** — MyUI+ is the online application CDLE launched in January 2021 for users to file and manage their unemployment claims.
- **People Paid** — The number of people who have received at least one unemployment benefit payment since the launch of MyUI+ in January 2021.

Definitions Page (cont.)

CDLE's full Glossary of Commonly Used Terms is available [here](#).

- **PEUC** — The federal Pandemic Emergency Unemployment Compensation (PEUC) program was established by the CARES Act in 2020 to provide an additional 13 weeks of regular state unemployment benefits for those who exhaust the 26 weeks of standard unemployment benefits. The Continuing Assistance Act provided for up to an additional 11 weeks of PEUC eligibility, for a total of 24 weeks. These additional 11 weeks can only be paid out for benefit weeks after 12/27/20. The American Rescue Plan further extended the program through September 6, 2021. These additional weeks can only be paid out for benefit weeks after 3/13/21.
- **Payments Released** — The dollar amount that has been paid to claimants after they have confirmed their identity via ID.me.

Definitions Page (cont.)

CDLE's full Glossary of Commonly Used Terms is available [here](#).

- **PUA** — The federal Pandemic Unemployment Assistance (PUA) program was established by the CARES Act in 2020 to provide 39 weeks of unemployment benefits to self-employed individuals, gig workers, and other independent contractors. The Continuing Assistance Act provided for up to an additional 11 weeks of PUA eligibility, for a total of 50 weeks. These additional 11 weeks can only be paid out for benefit weeks after 12/27/20. The American Rescue Plan further extended the program through September 6, 2021. These additional weeks can only be paid out for benefit weeks after 3/13/21.
- **STUI** — Colorado provides up to 26 weeks of standard unemployment benefits. This is the first and main program you will be on when you file for unemployment. For those who exhaust those benefits, you may be eligible to receive federally extended benefits as part of the Pandemic Emergency Unemployment Compensation (PEUC) program.

Definitions Page (cont.)

CDLE's full Glossary of Commonly Used Terms is available [here](#).

- **SQSP** — The State Quality Service Plan is the Unemployment Insurance Division's primary grant document that is shared with USDOL to demonstrate how we are administering Unemployment Insurance benefits in accordance with federal requirements.
- **Unemployment Rate** — The official state unemployment rate is based on a survey of households and does not only cover those receiving unemployment insurance benefits.
- **Virtual Assistant Launch** — CDLE launched the Virtual Assistant (VA) feature on its website in July of 2020. The VA allows claimants to type in commonly asked questions into a chat box to get help. If the VA cannot address a specific question, the claimant can use it to schedule a callback.
- **WFC Chats and Hotline Calls** — Online chats and calls made specifically to our hotline setup for our workforce centers. These calls/chats are initiated by a workforce center agent when a claimant seeks in-person assistance at a local workforce center.

APPENDIX D
CHANGES TO WAGE AND HOUR ENFORCEMENT
UNDER COLORADO S.B. 22-161

The Department has developed and is dispersing a fact sheet on the changes made by Senate Bill 22-161, the fact sheet begins on the next page.



FACT SHEET:

Changes to Wage and Hour Enforcement under Colorado Senate Bill 22-161 (“[SB161](#)”)

1. Increased penalties for non-payment of wages: If the Division or a court finds that an employer unlawfully failed to pay wages, it is liable for **three times the wages due** (the wages due plus a 200% penalty), or if greater, the wages due plus \$1,000. **If the violation is found “willful,”** the liability rises to **four times the wages due** (the wages due plus a 300% penalty), or if greater, the wages due plus \$3,000).

Was the Violation Willful?	Amount of Wages Unpaid?	Amounts Due to the Claimant:		Total Due If Division Offers to Reduce Penalties ½ (for paying 14 days after order)
		Just Penalties (apart from wages due)	Total Due to Claimant (wages due + penalties)	
No →	≤ \$500 →	\$1,000	wages owed + \$1000	wages owed + \$500
	≥ \$500 →	2x the wages owed	3x the wages owed	2x the wages owed
Yes →	≤ \$1000 →	\$3,000	wages owed + \$3000	wages owed + \$1500
	≥ \$1000 →	3x the wages owed	4x the wages owed	2.5x the wages owed

The Division also has increased authority to fine parties who fail to provide information or evidence the Division requests in its investigative efforts.

- 2. If employers don’t pay all wages, penalties, and fines ordered by the Division within 60 days:**
- a. **the penalties and fines due rise by 50%**, except with a minimum \$3,000 increase in penalties;
 - b. **the Division may file a certified copy** of any of its orders as a court judgment — claimants no longer file them on their own, the Division will do so for them upon request — and a court-filed certified copy then “has the effect of and may be executed as a judgment of the court”; and
 - c. **the Division may, to execute payment, freeze and seize assets** of the employer, including any funds in any form or account, any property (real, personal, or intangible), any funds or other assets the employer is owed by anyone, and any funds or other assets the employer has anyone’s custody or control.

3. Advance written notice of any deduction from wages for unreturned money or property is now required, within 10 days of the employee’s separation from their job. The notice by the employer must specify: the amount of money or specific property the employee failed to pay or return; any replacement value of the property; and to the extent known, when the money or property was provided to the employee, and when they should have returned or repaid it. If the employee returns the money or property within 14 days of the notice, then any deduction for that money or property must be paid to the employee within 14 days of the return. (C.R.S. 8-4-105(1)(e), which also still has pre-SB161 restrictions on when a deduction is permissible.)

4. Any attorney fees and costs of an employee’s wage claim may be recovered from an employer that the Division finds unlawfully failed to pay wages of at least \$5,000 (for fees) or of any amount (for costs).

- 5. Employee may file the following new types of claims:**
- a. **group wage and hour complaints**, on behalf of not just the filer, but others “similarly situated” as to the claim(s) filed; and
 - b. **retaliation for exercising any rights related to wages or hours** (in court or with the Division), with remedies including **reinstatement and awards of lost wages**.

For more information:

- See the Division’s more detailed **published guidance on wage enforcement: [INFO #2](#)**.
- Then, with any **follow-up questions**, email cdle_labor_standards@state.co.us, or call 303-318-8441.

APPENDIX E
LETTERS FROM AMUSEMENT PARK OPERATORS



November 30, 2022

Governor Jared Polis
Lauren Larson, Director of the Office of State Planning and Budgeting

Dear Governor Polis and Ms. Larson,

We have been a registered owner/operator with the Colorado Division of Oil and Public Safety Amusements Division since 2010. At that time, there were only a handful of registered operators. We were fortunate to have been involved in the early stages when an emphasis was put into the program by means of funding for a FTE.

Our experience with the State program and the persons leading the effort has been very positive and educational. I am impressed with the amount of support and outreach the State has been able to provide given the rate of growth. However, I feel that the growth rate has now exceeded their ability to accomplish their goals of oversight and education.

I am in support of additional funding to allow for the addition of dedicated resources to provide more oversight of critical safety components through increased education and training for operators.

I would welcome further conversation regarding this matter as well as my experiences with the State Amusement Program.

I can be reached on my cell: 970.379.9704 or email listed below.

Respectfully,

Nancy Heard
GM, Glenwood Caverns Adventure Park
Nheard@glenwoodcaverns.com





715 S. 7th St
Grand Junction, CO
970 361 3630
Siloadventure@gmail.com

11/30/2022

Dear Governor Polis and Lauren Larson,

I am writing this letter in support for added funding for The Amusement Program. We have been in business for nearly 9 years and in that time, I have seen a drop in the frequency of visits of state inspectors. When we were initially open, they would come by at least annually for inspections, but in the last couple of years they have not visited nearly as often.

Having them visit was useful as it helped us identify potential problems that many of the private inspectors miss.

Warm regards,

Your Name Joe White
Owner

Get Air at the Silo

Governor Polis and Lauren Larson,

I write in support of additional funding for the Division of Oil and Gas to support inspections and effective regulation of amusement rides and devices used in various venues throughout the State of Colorado. I have worked with Scott Narreau and his team over the last several years to help implement the inspection and regulation program for indoor trampoline parks, the number of trampoline parks in Colorado has more than doubled since this program was developed. As a member of ASTM 24.61 (standards for patron driven amusement rides and devices), we have had the opportunity to write standards that create safer environments for our patrons specific to our attractions. Scott and his team have taken the time to understand these standards through educational programs and testing to create regulation that is effective in protecting the patrons that visit our facilities. In my role as board member for the International Association of Trampoline Parks (trade group association), I have been involved in presenting and helping develop regulation/legislative programs with different states including Colorado, California, Arizona, Utah, Tennessee, Maryland, and Illinois. Colorado has developed the program that we encourage all other states to adopt across the country due to how effective the program has been. We are seeing other family entertainment venues such as indoor slide parks and ninja warrior parks already operating or coming to Colorado. The Division of Oil and Gas requires additional funding to keep up with the demand for these parks if they are going to continue effective regulation which is so important for the patrons that visit our facilities. In 2019 more than 100 million customers went through our parks across the country, we expect with the expected growth in the family entertainment sector, this number will increase dramatically over the next 1-3 years. This is an important service provide by the State of Colorado to help protect our customers, in order to remain effective, more resources are needed and there is no better use for money in our state than protecting kids of all ages that frequent our parks.

Sincerely,

Ed Reed
Adventure Park Contractors
Past Board Chairman IATP
Member ASTM 2970 task Group
Vice Chair ASTM 24.61
ed@adventureparkcontractors.com
303-931-6656