

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF FIGURE SETTING
DEPARTMENT OF LABOR AND EMPLOYMENT**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF LABOR AND EMPLOYMENT

Department Overview

The Department is responsible for: running state and federal funded employment and training programs; managing the state's unemployment insurance program, enforcing labor laws, regulating the petroleum industry, inspecting boilers, carnival rides, and conveyances, and administering the workers' compensation program.

Executive Request

The Department request reflects a budget amendment requesting \$4.0 million related to training and technology automation initiatives for the Division of Unemployment Insurance and its role in a multi-state consortium tasked with redesigning unemployment insurance software.

Committees of Reference SMART Act Recommendations

The House Business, Labor, Economic, and Workforce Development Committee, or the Senate Business, Labor, and Technology Committee did not provide a recommendation on the Department's FY 2013-14 budget request.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$158,069,463	\$0	\$60,441,580	\$651,881	\$96,976,002	1,006.3
SB 13-093 (Supplemental)	10,240	0	3,332	0	6,908	0.0
HB 12-1272	47,198	0	47,198	0	0	0.0
TOTAL	\$158,126,901	\$0	\$60,492,110	\$651,881	\$96,982,910	1,006.3
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$158,126,901	\$0	\$60,492,110	\$651,881	\$96,982,910	1,006.3
BA-1 UI Automation Initiatives	3,838,746	0	3,838,746	0	0	12.0
NPI-1 Capitol Complex Building Upgrades	1,353	0	1,143	0	210	0.0
NPI-2 Employee Engagement Survey Adjustment	834	0	275	0	559	0.0
NPI-3 OIT Enterprise Management	19,462	0	9,925	0	9,537	0.0
NPI-4 DPA Fleet Budget Amendment	14,298	0	10,009	0	4,289	0.0
Centrally Appropriated Line Item Adjustments	2,467,084	0	1,234,088	0	1,232,996	0.0
JBC Staff Initiated Reduction	(1,294,991)	0	(160,780)	(1,141)	(1,133,070)	(7.1)
Statewide IT Common Policy Adjustments	(507,523)	0	(234,984)	0	(272,539)	0.0
Annualize Prior Year Legislation	(57,438)	0	(50,530)	0	(6,908)	0.0
TOTAL	\$162,608,726	\$0	\$65,140,002	\$650,740	\$96,817,984	1,011.2
Increase/(Decrease)	\$4,481,825	\$0	\$4,647,892	(\$1,141)	(\$164,926)	4.9
Percentage Change	2.8%	0.0%	7.7%	(0.2%)	(0.2%)	0.5%
FY 2013-14 Executive Request:	\$163,848,550	\$0	\$65,370,909	\$651,881	\$97,825,760	1,018.3
Request Above/(Below) Recommendation	\$1,239,824	\$0	\$230,907	\$1,141	\$1,007,776	7.1

Issue Descriptions

BA-1 UI Automation Initiatives: The Department requests \$4.0 million cash funds and 12.0 FTE related to Colorado's role in a multi-state consortium tasked with developing a new unemployment insurance software program. Of the \$4.0 million, \$2.9 will be reappropriated to the Governor's Office of Information Technology for programming costs, and \$1.1 million will support the requested 12.0 FTE in the Department of Labor and Employment.

NPI-1 Capitol Complex Building Upgrades: The request includes an increase of total funds for FY 2013-14 to fund the Department's share of building maintenance and upgrades in the State's Capitol Complex. *This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel and Administration.*

NPI-2 Employee Engagement Survey Adjustment: The request includes an increase of total funds for FY 2013-14 to fund the Department's share of a survey to gauge employees' attitudes towards their work, their work environment, overall satisfaction, and trends developing within the workforce. *This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel and Administration.*

NPI-3 OIT Enterprise Management: The request includes an increase of total funds for FY 2013-14 to fund the Department's share of an executive branch information technology asset management program and corresponding data system. *This request item will be addressed in a separate staff figure setting presentation for the Governor's Office of Information Technology.*

NPI-4 DPA Fleet Budget Amendment

The request includes an increase of \$14,298 total funds for FY 2013-14 to fund the Department's share of fleet management costs. *This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel and Administration.*

Centrally Appropriated Line Items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments. *This request item will be addressed in separate figure setting presentation for the Department of Personnel and Administration.*

JBC Staff Initiated Reduction: The staff recommendation includes various reductions to Department line items.

Statewide IT Common Policy Adjustments: The request includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments. *This request item will be addressed in a separate staff figure setting presentation for the Governor's Office of Information Technology.*

Annualize Prior Year Legislation: The request includes adjustments related to prior year legislation.

(1) Executive Director's Office

The Executive Director's Office provides common services to all divisions including employee Health, life and dental insurance, workers' compensation insurance, and employee shift differential. Support services are also located in the Executive Director's Office, and include the Office of Government, Policy and Public Relations, the Office of Human Resources, and the Budget and Controller's Offices.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$35,674,725	\$0	\$17,370,813	\$157,006	\$18,146,906	99.9
SB 13-093 (Supplemental)	10,240	0	3,332	0	6,908	0.0
TOTAL	\$35,684,965	\$0	\$17,374,145	\$157,006	\$18,153,814	99.9
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$35,684,965	\$0	\$17,374,145	\$157,006	\$18,153,814	99.9
NPI-1 Capitol Complex Building Upgrades	1,353	0	1,143	0	210	0.0
NPI-2 Employee Engagement Survey Adjustment	834	0	275	0	559	0.0
NPI-3 OIT Enterprise Management	19,462	0	9,925	0	9,537	0.0
NPI-4 BA DPA Fleet Budget Amendment	14,298	0	10,009	0	4,289	0.0
Centrally Appropriated Line Item Adjustments	2,585,721	0	1,352,725	0	1,232,996	0.0
Statewide IT Common Policy Adjustments	(507,523)	0	(234,984)	0	(272,539)	0.0
Annualize Prior Year Legislation	(10,240)	0	(3,332)	0	(6,908)	0.0
TOTAL	\$37,788,870	\$0	\$18,509,906	\$157,006	\$19,121,958	99.9
Increase/(Decrease)	\$2,103,905	\$0	\$1,135,761	\$0	\$968,144	0.0
Percentage Change	5.9%	0.0%	6.5%	0.0%	5.3%	0.0%
FY 2013-14 Executive Request:	\$37,564,060	\$0	\$18,410,390	\$157,006	\$18,996,664	99.9
Request Above/(Below) Recommendation	(\$224,810)	\$0	(\$99,516)	\$0	(\$125,294)	0.0

LINE ITEM DETAIL – EXECUTIVE DIRECTOR'S OFFICE

Personal Services

This line item funds the Executive Director, accounting, budget, purchasing, human resources, and general support staff utilized by the Department. The Executive Director's Office is bottom-line funded, a recommendation for an overall funding split is provided at the end of this Division.

Request and Recommendation: The Department requests an appropriation of \$7,592,508 total funds and 99.9 FTE. **Staff recommends the request, consistent with Committee policy.**

Health, Life, and Dental

This line item funds the Department's share of the state's group health, life and dental insurance plans for state employees. Health, life, and dental is appropriated to the Executive Director's Office then distributed as needed to the divisions. The Department requests an appropriation of \$6,806,678 total funds. **Staff recommends \$6,688,297, consistent with Committee policy.**

Short-term Disability

This line item funds the Department's share of the state's short-term disability program which is administered by the Department of Personnel and Administration (DPA). The Department requests an appropriation of \$105,529 total funds. **Staff recommends \$106,062, consistent with Committee policy.**

S.B. 04-257 Amortization Equalization Disbursement

This line item funds the costs associated with S.B. 04-257, which requires additional state contribution for employees in the Public Employees' Retirement System (PERA). The Department requests an appropriation of \$2,004,794 total funds. **Staff recommends \$2,009,515, consistent with Committee policy.**

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Senate Bill 06-235 created a mechanism to increase the state's PERA contribution rate beginning on January 1, 2008. The Department requests an appropriation of \$1,805,311 total funds. **Staff recommends \$1,841,146, consistent with Committee policy.**

Salary Survey

Pursuant to Section 24-50-104 (4) (c), C.R.S., DPA's total compensation report recommends salary adjustments each year, which are funded by this line item. The Department requests \$1,021,709 total funds for this purpose. **Staff recommends \$1,322,628, consistent with Committee policy.**

Merit Pay

Employee performance-based pay is centrally appropriated and funded by this line item pursuant to Section 24-50-104 (1) (c) (I), C.R.S. The Department requests \$773,319 total funds for this purpose. **Staff recommends \$773,319, consistent with Committee policy.**

Shift Differential

This line item funds the additional compensation paid to employees who work outside of regular business hours. The Department has custodial staff working after hours at the Unemployment Insurance Building located at 251 E. 12th Avenue in Denver.

Request and Recommendation: The Department has requested an appropriation of \$9,852 total funds, reflecting a decrease of \$4,608 for DPA's total compensation adjustment. **Staff recommends \$11,035, consistent with Committee policy.**

Workers' Compensation

This line item is used to pay the Department's share of the state's workers' compensation program administered by DPA. The Department requests an appropriation of \$451,537 total funds for this purpose. **Staff recommends \$451,537, consistent with Committee policy.**

Operating Expenses

The Department requests an appropriation of \$1,759,608 total funds, reflecting a continuation of the FY 2012-13 appropriation. **Staff recommends an appropriation of \$1,759,608 total funds.**

Legal Services

This line item is used to pay the Department of Law for the provision of legal services to all divisions. The Department has requested funding for 7,905 hours, a continuation of the FY 2012-13 appropriation. **Staff recommends an appropriation sufficient for 7,905 hours. The dollar amount is pending the Committee policy for FY 2013-14 legal hour rates.**

Purchase of Services from Computer Center

This line item is used to reimburse OIT for the Department's share of the state's computer system. The Department requests \$7,884,458 total funds, which includes an increase of \$218,771 for the OIT common policy adjustment.

➔ NPI-3 OIT Enterprise Management

The request includes an increase of \$19,462 total funds for FY 2013-14 to fund the Department's share of an executive branch information technology asset management program and corresponding data system. This request item will be addressed in a separate staff figure setting presentation for the Governor's Office of Information Technology. **Staff recommendation is pending the approval of a Committee policy for this line item.**

Multiuse Network Payments

This line item reimburses OIT for the Department's share of the statewide multi-use network. The Department is requesting an appropriation of \$316,833 total funds, which includes a decrease of \$428,196 for the OIT common policy adjustment. **Staff recommendation is pending the approval of a Committee policy for this line item.**

Management and Administration of OIT

This line item is used to pay OIT for the Department's share of costs for the management and administration of OIT. The Department requests an appropriation of \$193,227 total funds. **Staff recommendation is pending the approval of a Committee policy for this line item.**

Payment to Risk Management and Property Funds

This line item is used to reimburse DPA for the Department's share of the state's liability and property insurance. The Department requests an appropriation of \$46,868, reflecting an increase of \$17,118 for DPA's common policy adjustment, and NPI-2 Employee Engagement Survey Adjustment of \$834.

➔ NPI-2 Employee Engagement Survey Adjustment

The request includes an increase of \$834 total funds for FY 2013-14 to fund the Department's share of a survey to gauge employees' attitudes towards their work, their work environment,

overall satisfaction, and trends developing within the workforce. This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel and Administration. **Staff recommendation is pending the approval of a Committee policy for this line item.**

Vehicle Lease Payments

This line item provides funds for the annual payment to DPA for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles pursuant to Section 24-30-1117, C.R.S.

Request: The Department requests an appropriation of \$119,556 total funds.

➔ NPI – 4 DPA Fleet Adjustment BA

The request includes an increase of \$14,298 total funds for FY 2013-14 to fund the Department’s share of fleet management costs. This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel and Administration. This request includes the replacement of five vehicles as outlined in the table below:

Summary of the FY 2012-13 Vehicle Replacement Request						
Program	Vehicle Type	Model Year	May 2012 Mileage	Projected May 2014 Mileage	Maintenance Cost per Mile	Replacement Justification
Department Pool	SUV	2003	150,174	165,582	0.161	High mileage
Oil/Public Safety	Sedan	2007	117,247	159,847	0.072	Maintenance costs
Oil/Public Safety	Pickup	2005	127,862	161,438	0.066	High mileage
Oil/Public Safety	Pickup	2007	108,520	172,600	0.062	High mileage
Oil/Public Safety	Sedan	2001	134,815	155,599	0.122	Maintenance costs
Oil/Public Safety	Pickup	2006	133,782	171,462	0.045	High mileage
Workforce	Sedan	2005	94,258	111,226	0.072	Maintenance costs

Analysis of Replacement Request: The vehicles used by the Department will exceed 150,000 miles in FY 2013-14, which meets the mileage criteria used by DPA as the threshold for vehicle replacement due to high mileage.

Recommendation: Staff recommends the replacement of the seven vehicles as outlined in the table above, the dollar amount for this line item is pending the approval of a Committee policy for this line item.

Leased Space

The Department leases space across Colorado and is responsible for lease escalations. The Department requests a continuation level of funding of \$3,719,723 total funds. **Staff recommends the Committee approve an appropriation of \$3,719,723 total funds for this purpose.**

Capitol Complex Leased Space

Capitol complex space is maintained by DPA. The Department requests \$22,901 total funds for the leased space outlined in the following table:

Executive Director's Office - Capitol Complex Lease Space		
Location	Space	Purpose
Grand Junction	1,295	Workers' Compensation and Unemployment Insurance
North Campus - 62nd Avenue, Denver	4,364	Division of Oil and Public Safety - oil inspection labs

➔ NPI-1 Capitol Complex Building Upgrades

The request includes an increase of \$1,353 total funds for FY 2013-14 to fund the Department's share of building maintenance and upgrades in the State's Capitol Complex. This request item will be addressed in a separate staff figure setting presentation for the Department of Personnel and Administration. **Staff recommendation is pending the approval of a Committee policy for this line item.**

Communication Services Payment

This line item provides the funds for the Department's share of the state's public safety communications infrastructure, which is maintained by DPA. The Department did not include a request for communication services payments in the FY 2013-14 budget request. **Staff recommends no appropriation for this line item.**

COFRS Modernization

The appropriation includes a request of \$476,256 to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures. This amount is a continuation level of funding from FY 2012-13. **The dollar amount is pending the Committee action.**

Utilities

The state owns the building located at 251 E. 12th Avenue, which houses Unemployment Insurance Program staff. Since the property is state owned, the Department is responsible for the utilities and requests a continuation level of appropriation of \$260,309 total funds for this purpose. **Staff recommends an appropriation of \$260,309.**

Information Technology Asset Maintenance

The Department relies extensively on computers and databases to track constituents that pay fees and taxes to support its programs, as well as to track those who qualify for workers' compensation and unemployment insurance benefits. This line item is used to purchase Microsoft software for computers and databases. Continuation funding has been approved since FY 2007-08. The Department requests a continued appropriation of \$553,627 total funds for this purpose. **Staff recommends the 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 are intended to 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. The Department requests an appropriation of \$1,028,796 total funds, which includes an increase of \$279,142 for statewide indirect cost adjustments. **Staff recommends an appropriation of \$1,028,796 total funds, consistent with Committee policy.**

Bottom Line Funding Recommendation

The Executive Director's Office is funded by various federal sources for the centrally appropriated line items so it is difficult for the Department to project, a year in advance, the exact fund splits between cash funds and federal funds 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. **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. The State is responsible for collecting state premiums and surcharges charged on the first \$11,300 of wages, beginning January 2013.

The Unemployment Insurance Fraud Program (UI Fraud) was combined with the UI Programs line item in FY 2009-10 to enable both programs to receive the maximum amount of federal funds. UI Fraud staff notifies claimants of benefit overpayments, collect overpayments, audits employers, and investigates potential unemployment benefit fraud. The UI Fraud programs are funded from the Unemployment Revenue Fund, which receives revenue from interest collected on late taxes, overpayments that have not been repaid, and fees assessed on employers for late tax payments.

Unemployment Benefits

Pursuant to Section 8-77-104 (1), C.R.S., the payment of unemployment benefits is not subject to appropriation by the General Assembly, and is not included in the Long Bill. Additionally, Unemployment Trust Fund revenues and benefit payments are not subject to TABOR. **For FY 2013-14 the Department estimates it will pay \$591.6 million in benefits.**

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Unemployment Insurance					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	\$34,651,284	\$0	\$7,316,804	\$27,334,480	467.1
HB 12-1272	47,198	0	47,198	0	0.0
TOTAL	\$34,698,482	\$0	\$7,364,002	\$27,334,480	467.1
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$34,698,482	\$0	\$7,364,002	\$27,334,480	467.1
BA-1 UI Automation Initiatives	3,838,746	0	3,838,746	0	12.0
Annualize Prior Year Legislation	(47,198)	0	(47,198)	0	0.0
TOTAL	\$38,490,030	\$0	\$11,155,550	\$27,334,480	479.1
Increase/(Decrease)	\$3,791,548	\$0	\$3,791,548	\$0	12.0
Percentage Change	10.9%	0.0%	51.5%	0.0%	2.6%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$169,643	\$0	\$169,643	\$0	0.0

LINE ITEM DETAIL – DIVISION OF UNEMPLOYMENT INSURANCE

Program Costs

This line item funds the UI Programs personal services and operating expenses.

Request and Recommendation: The Department requests an appropriation of \$34,651,284 total funds (\$7,316,804 cash funds and \$27,334,480 federal funds) and 467.1 FTE. This request includes the annualization of \$47,198 cash funds associated with prior year legislation. **Staff recommends the request.**

Unemployment Insurance Automation Initiatives *new line item*



Request BA-1 – UI Automation Initiatives

Request: The Department requests \$4.0 million from the Employment and Training Technology cash fund and 12.0 FTE related to Colorado’s role in a multi-state consortium tasked with developing a new unemployment insurance software program. Of the \$4.0 million, \$2.9 million will be reappropriated to the Governor’s Office of Information Technology for programming costs, and \$1.1 million will support the requested 12.0 FTE in the Department of Labor and Employment. The Department has requested roll-forward spending authority associated with the moneys reappropriated to the Governor’s Office of Information Technology.

Recommendation: Staff recommends that the committee approve the addition of this new line item and an appropriation of \$3,838,746 cash funds and 12.0 FTE. The recommendation includes the following changes from the request:

- elimination of employee compensation items that are centrally appropriated;
- elimination of one-time office supply costs; and
- recommendation that the Department respond to the following RFI for FY 2013-14:

Department of Labor and Employment – The Department is requested to submit a report by November 1, 2013, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology's specific role in these projects.

Analysis:

Background:

Senate Bill 09-076 (Heath/Court) created the Employment and Training Technology Fund (Tech Fund), with the intent of transferring 20.0 percent of revenue collected from the Unemployment Insurance Surcharge to the Tech Fund. The anticipated transfer of approximately \$9.5 million per fiscal year never materialized due to the balance of the Unemployment Insurance Trust Fund. Pursuant to H.B. 11-1288, up to \$10 million will be credited to the Tech Fund annually if the balance of the UITF is above \$100 million, and these moneys are available for appropriations related to technology and automation initiatives.

Problem and Solution

The Unemployment Insurance Program is currently operating with a legacy mainframe system that was built in the 1980's. The current system is inefficient, promotes manual processes, requires gap systems each time legislation changes, and has limited support due to the age of the software. The Department request for an appropriation from the Tech Fund will support its role in an unemployment insurance technology consortium, WyCAN. The consortium is tasked with replacing all of the current software used by the UI Program and the following objectives:

- Modify or develop a core benefit or tax and benefit system design;
- Design additional core benefit or tax systems that are exportable to other states; and
- Implement technology to decrease improper payments and increase recovery.

In addition to these objectives, the proposed system will provide the following:

- A self-service suite for all UI functions related to employers and claimants, including automated communications (text, email, web);
- Automated communication with other agencies (SIDES, E-Verify, IRS, SSA, Motor Vehicles, IRS); and
- Automated workflow and document management to eliminate manual processes.

Federal and State Resources

The WyCAN consortium was awarded \$58.0 million from the US Department of Labor to contract and develop an integrated benefit and tax system for unemployment insurance. These grant funds expire in December 2016. The vendor is scheduled to be under contract by April 2013. Until the contract has been finalized, it is unclear if this grant will be sufficient to finance

the entire project, or if additional state resources related to the contract will be required. Any subsequent request for funds will be made through the annual budget process.

The budget amendment for FY 2013-14 requests \$4.0 million cash funds in FY 2013-14 and \$1.1 million in FY 2014-15 to support the FTE, and OIT contract services related to this project. The requested addition of FTE will be needed only through the end of FY 2014-15. On-going support costs after successful implementation of the software will be paid with federal funds.

Timeline for Implementation

WyCAN Project Timeline	
Timeline	Deliverable
WyCAN Phase I (Procurement)	
June 2012	RFP Released
October 2012	Proposals due
April 2013	Contracting Complete
WyCAN Phase II (Build & Deploy)	
April 2013 to December 2015	Design, Build, and Test
February 2016	Deploy State #1
April 2016	Deploy State #2
June 2016	Deploy State #3
August 2016	Deploy State #4
Federal Grant Expiration	
December 2016	Implementation Complete

Governance Structure and Reporting

The WYCAN governance structure includes a multi-level team of voting members from each state involved in the project. Colorado will have representatives from the Office of Information Technology and the Department of Labor. Please refer to Appendix B to review the Governance Structure Chart.

The WyCAN consortium will be required to provide technical reports to the USDOL each quarter. In addition, WyCAN will be hiring an Independent Verification and Validation contractor to provide reports on a weekly basis, concurrently to all levels of administration.

3) Division of Employment and Training

(A) EMPLOYMENT AND TRAINING PROGRAMS

State and county run one-stop centers offer job search assistance, additional job training, classes to improve interview and resume skills to job seekers. Services are free to job seekers and employers, with the goal of matching qualified job seekers with employers. The majority of funding for state and county one-stop centers is federal funds.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$61,342,510	\$0	\$10,081,758	\$475,557	\$50,785,195	239.2
TOTAL	\$61,342,510	\$0	\$10,081,758	\$475,557	\$50,785,195	239.2
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$61,342,510	\$0	\$10,081,758	\$475,557	\$50,785,195	239.2
JBC Staff Initiated Reduction	(1,134,211)	0	0	(1,141)	(1,133,070)	0.0
TOTAL	\$60,208,299	\$0	\$10,081,758	\$474,416	\$49,652,125	239.2
Increase/(Decrease)	(\$1,134,211)	\$0	\$0	(\$1,141)	(\$1,133,070)	0.0
Percentage Change	(1.8%)	0.0%	0.0%	(0.2%)	(2.2%)	0.0%
FY 2013-14 Executive Request:	\$61,342,510	\$0	\$10,081,758	\$475,557	\$50,785,195	239.2
Request Above/(Below) Recommendation	\$1,134,211	\$0	\$0	\$1,141	\$1,133,070	(0.0)

LINE ITEM DETAIL– EMPLOYMENT AND TRAINING PROGRAMS

State Operations

This line item funds the thirty-four state run rural one-stop workforce centers contained in the Rural Consortium. Each one-stop center provides job search assistance, classes, and services for individuals with special needs. This line item funds personal services and operating expenses for all of the state run one-stop centers. Funding provided to counties that run their own one-stop centers is provided through One-Stop County Contracts line item.

Request: The Department requests an appropriation of \$13,816,930 total funds (\$9,262,895 cash funds, \$9,541 reappropriated funds, and \$4,544,494 federal funds) and 143.7 FTE for this line item.

➔ Staff Initiated Reduction

Recommendation: Staff recommends \$13,815,789 total funds (\$9,262,895 cash funds, \$8,400 reappropriated funds and \$4,544,494 federal funds) and 143.7 FTE. The recommendation includes a decrease of reappropriated funds which reflects a contract amount with Routt County of \$8,400 though FY 2013-14.

One-Stop County Contracts

There are nine county regions that run their own one-stop centers. These one-stop centers offer the same services as the state operated one-stop centers. Primary funding for these one-stop centers is federal Wagner Peyser and various Veterans Grants. An agreement was made between the State and counties when counties took over one-stop centers, that state employees in these centers could not be fired or forced out by counties, but once the position was vacant could be filled by a county employee.

Request and Recommendation: The Department requests an appropriation of \$9,164,335 federal funds. **Staff recommends the request.**

Trade Adjustment Act Assistance

Federal Trade Adjustment funds are used by the Department to assist workers who have lost their job as a result of foreign trade. Assistance includes extended UI benefits and supplemental salary payments.

Request: The Department requests a continuation level of appropriation from FY 2012-13 of \$3,288,070 federal funds.

➔ Staff Initiated Reduction

Recommendation: Staff recommends an appropriation of \$2.5 million federal funds. The recommendation aligns the appropriation with the four year spending average of federal funds for the associated program.

Workforce Investment Act

Federal Workforce Investment Act (WIA) funds are distributed to state and county run one-stop centers for services and programs that provide job training and job skills.

Request and Recommendation: The Department requests \$32,184,493 (\$807,540 cash funds, and \$31,376,953 federal funds) and 61.2 FTE. **Staff recommends the request.**

Workforce Development Council

Senate Bill 08-231 transferred the Workforce Development Council (Council) from the Department of Local Affairs to the Department. The Council contracts directly with county-operated one-stop centers to provide services for people with disabilities, and was created in order to meet the requirements of Title I of the federal *Workforce Investment Act of 1998*. The Council is responsible for designating local workforce investment areas, coordinating delivery of workforce development programs; and reviewing the allocation of federal Title I funds for adult employment and training activities and youth activities.

Request and Recommendation: The Department requests an appropriation of \$466,016 reappropriated funds and 4.0 FTE. **Staff recommends the request.**

Workforce Improvement Grants

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

Request: The Department requests an appropriation of \$400,000 federal funds.

➔ Staff Initiated Reduction

Recommendation: Staff recommends an appropriation of \$55,000 federal funds. Staff's recommendation will align the appropriation with actual expenditures for FY 2011-12, and estimated expenditures for FY 2012-13 through FY 2014-15. In FY 2012-13 this appropriation represents federal pass through funding to counties.

(B) LABOR MARKET INFORMATION

The Labor Market Information (LMI) section provides information on employment trends across the state, and 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.

LINE ITEM DETAIL – LABOR MARKET INFORMATION

Program Costs

This line item provides funding for the personal services and operating expenses associated with the Labor Market Information sub-division.

Request and Recommendation: The Department requests an appropriation of \$2,022,666 total funds (\$11,323 cash funds and \$2,011,343 federal funds) and 30.3 FTE for this purpose. **Staff recommends the Department’s request.**

4) Division of Labor

The Division of Labor ensures employer compliance with Colorado's labor laws, and facilitates resolution and mediation of labor disputes. Pursuant to H.B. 06S-1017 employers are required to maintain records of employee identification and the Department is authorized to conduct random audits of employer records, and investigate complaints. The Division is cash funded from the Employment Support Fund and the Employment Verification Cash Fund.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Labor				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	\$1,171,056	\$0	\$1,171,056	15.0
TOTAL	\$1,171,056	\$0	\$1,171,056	15.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,171,056	\$0	\$1,171,056	15.0
TOTAL	\$1,171,056	\$0	\$1,171,056	15.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – DIVISION OF LABOR

Program Costs

This line item funds the UI Programs personal services and operating expenses for the division.

Request and Recommendation: The Department requests a continuation level of funding of \$1,171,056 cash funds and 15.0 FTE. **Staff recommends the request.**

5) Division of Oil and Public Safety

The Division of Oil and Public Safety is responsible for the following programs: inspection and clean-up of petroleum storage, inspecting and certifying all boilers, inspecting and certifying elevators and other mechanical conveyances, inspection of amusement rides, and issuing explosive permits. The program is funded by various fee sources including: a surcharge fee per tank truckload of fuel, fees charged for inspection and review services, and EPA grants.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Oil and Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
TOTAL	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
TOTAL	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – DIVISION OF OIL AND PUBLIC SAFETY

Personal Services

Division staff inspects boilers, conveyances, petroleum and explosive storage units, amusement park and carnival rides. Division staff also oversees the cleanup of petroleum leaks and spills, and inspects and calibrates fuel dispensers.

Request and Recommendation: The Department requests an appropriation of \$4,652,538 total funds (\$4,068,820 cash funds, \$19,318 reappropriated funds, and \$564,400 federal funds) and 67.0 FTE for this purpose. **Staff recommends the request.**

Operating Expenses

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

Request and Recommendation: The Department requests \$705,680 total funds for this line item, of which \$560,659 is cash funds and \$145,021 is federal funds. This request is a continuing level of funding. **Staff recommends the request of \$705,680 total funds.**

6) Division of Workers' Compensation

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Workers' Compensation				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	\$19,871,670	\$0	\$19,871,670	118.1
TOTAL	\$19,871,670	\$0	\$19,871,670	118.1
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$19,871,670	\$0	\$19,871,670	118.1
Centrally Appropriated Line Item Adjustments	(118,637)	0	(118,637)	0.0
JBC Staff Initiated Reduction	(160,780)	0	(160,780)	(7.1)
TOTAL	\$19,592,253	\$0	\$19,592,253	111.0
Increase/(Decrease)	(\$279,417)	\$0	(\$279,417)	(7.1)
Percentage Change	(1.4%)	0.0%	(1.4%)	(6.0%)
FY 2013-14 Executive Request:	\$19,753,033	\$0	\$19,753,033	118.1
Request Above/(Below) Recommendation	\$160,780	\$0	\$160,780	7.1

(A) WORKERS' COMPENSATION

This program works to assure 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 – WORKERS' COMPENSATION

Personal Services

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

Request: The Department requests a continuation level of funding of \$6,862,640 cash funds and 102.1 FTE.

➔ Staff Initiated Reduction

Recommendation: Staff recommends \$6,862,640 cash funds and 95.0 FTE. This recommendation reflects actual use of FTE related to the spending authority for this line item. For FY 2011-12 the Department reverted 15.0 FTE. The Department has indicated specific plans to fill specific vacancies which staff took into account when making this recommendation.

Operating Expenses

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

Request: The Department requests a continuation level of funding of \$680,780 cash funds.

→ Staff Initiated Reduction

Recommendation: Staff recommends an appropriation of \$520,000 to align the appropriation with the average expenditures from the last four fiscal years for this line item.

Administrative Law Judge Services

This line item is used to purchase administrative law services from DPA, and services appropriated in this line item are only used for resolution of workers' compensation issues.

Request and Recommendation: The Department is requesting an appropriation of \$2,670,702 cash funds for this purpose. **Staff recommendation for this line item is pending Committee policy for administrative law judge services for FY 2013-14.**

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. The program is also used by currently accredited physicians to stay current on approved workers' compensation policies and treatment plans. Pursuant to Section 8-42-101 (3.6) (II) (1), C.R.S. these funds are continuously appropriated.

Request and Recommendation: The request is for a continuation appropriation of \$120,000 cash funds. **Staff recommends an appropriation of \$120,000 cash funds from the Physicians Accreditation Cash Fund.**

Utilization Review

This line item funds Department reviews of an independent physician's treatment of workers' compensation claims. Reviews can be requested by any party involved with a claim. 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.

Request and Recommendation: The request is for a continuation appropriation of \$35,000 cash funds. **Staff recommends the request.**

Immediate Payment

These funds are used to quickly pay workers' compensation claims brought against bankrupt employers who were self-insured. This line item is continuously appropriated from the Immediate Payment Fund pursuant to Section 8-44-206 (3) (b) (I), C.R.S. Revenue for the fund is from fees assessed on self-insured employers.

Request and Recommendation: The request is for a continuation appropriation level of \$1,000 cash funds. **Staff recommends an appropriation of \$1,000 cash funds.**

(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. The Major Medical Insurance and Subsequent Injury funds are paying approximately 440 active claims.

LINE ITEM DETAIL – MAJOR MEDICAL INSURANCE AND SUBSEQUENT INJURY FUND

Personal Services

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

Request and Recommendation: The Department requests a continuation level of funding of \$1,258,824 cash funds, and 16.0 FTE. **Staff recommends the request.**

Operating Expenses

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

Request and Recommendation: The Department requests a continuation of the FY 2012-13 appropriation of \$88,324 cash funds for the operating expenses. **Staff recommends the request.**

Major Medical Benefits

The 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 (II) (c), C.R.S.

Request and Recommendation: The Department is requesting a continuing appropriation of \$6,000,000 cash funds. **Staff recommends an appropriation of \$6,000,000 cash funds from the Major Medical Insurance Fund.**

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 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.

Request and Recommendation: The Department requests a continuing level appropriation for 100 legal service hours. **Staff recommends the request of 100 hours of legal services; the**

appropriation amount is **pending** Committee policy for FY 2013-14 legal services hourly rate.

Subsequent Injury Benefits

Subsequent Injury Benefits are designed to compensate employers for hiring an individual who has an existing partial disability. The employer is only liable for compensation claims that occur during the individual's time of employment, subsequent to the original injury. The injury must have been sustained before 1993 for traumatic injuries and before 1994 for occupational diseases. Benefits paid from the Subsequent Injury Fund are continuously appropriated pursuant to Section 8-46-101 (4) (a), C.R.S.

Request and Recommendation: The FY 2012-13 budget request is for a continuation level of funding of \$2,000,000 cash funds. **Staff recommends an appropriation of \$2,000,000 cash funds from the Subsequent Injury Fund.**

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.

Request and Recommendation: The request is for a continuation level of funding for 350 legal service hours. **Staff recommends 350 legal service hours; the appropriation amount is pending the Committee policy for FY 2013-14 legal services hourly rate.**

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. Money from the Medical Disaster Insurance Fund is continuously appropriated pursuant to Section 8-46-304 (2), C.R.S.

Request and Recommendation: The request is for a continuation level appropriation of \$1,000 cash funds, **staff recommends an appropriation of \$1,000 cash funds.**

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends that the following footnotes be **added**:

- X Department of Labor and Employment, Division of Unemployment Insurance, Unemployment Insurance Automation Initiatives – Any funds appropriated to this line item not expended prior to July 1, 2014, are further appropriated to the Department in FY 2014-15 for the same purposes.

Comment: This footnote will allow the Department to roll forward fund obligated to contracts, if the contract term spans from FY 2013-14 to FY 2014-15.

REQUESTS FOR INFORMATION

Staff recommends that the following RFI be **added**:

Department of Labor and Employment – The Department is requested to submit a report by November 1, 2013, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology's specific role in these projects.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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<p>DEPARTMENT OF LABOR AND EMPLOYMENT Ellen Golombek, Executive Director</p>

(1) EXECUTIVE DIRECTOR'S OFFICE

Primary Functions: Performing departmental administrative functions, including accounting, budgeting, data processing and personnel management; adjudicating disputes related to unemployment insurance, labor standards, and workers' compensation.

Personal Services	<u>7,331,177</u>	<u>6,981,821</u>	<u>7,592,508</u>	<u>7,592,508</u>	<u>7,592,508</u>
FTE	91.7	91.7	99.9	99.9	99.9
Cash Funds	3,274,970	3,035,391	4,448,857	4,444,664	4,444,664
Reappropriated Funds	200,076	108,721	157,006	157,006	157,006
Federal Funds	3,856,131	3,837,709	2,986,645	2,990,838	2,990,838
Health, Life, and Dental	<u>5,342,993</u>	<u>5,799,564</u>	<u>6,749,767</u>	<u>6,806,678</u>	<u>6,688,297</u>
Cash Funds	2,337,284	2,278,695	2,755,851	3,065,062	3,020,480
Reappropriated Funds	190,231	0	0	0	0
Federal Funds	2,815,478	3,520,869	3,993,916	3,741,616	3,667,817
Short-term Disability	<u>79,048</u>	<u>77,289</u>	<u>103,330</u>	<u>105,529</u>	<u>106,062</u>
Cash Funds	34,158	40,444	42,322	49,206	49,445
Reappropriated Funds	3,045	0	0	0	0
Federal Funds	41,845	36,845	61,008	56,323	56,617
S.B. 04-257 Amortization Equalization					
Disbursement	<u>1,156,587</u>	<u>1,187,695</u>	<u>1,883,988</u>	<u>2,004,794</u>	<u>2,009,515</u>
Cash Funds	529,350	552,789	765,137	937,352	936,813
Reappropriated Funds	48,785	0	0	0	0
Federal Funds	578,452	634,906	1,118,851	1,067,442	1,072,702

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>841,254</u>	<u>946,604</u>	<u>1,619,052</u>	<u>1,805,311</u>	<u>1,841,146</u>
Cash Funds	350,958	407,587	657,540	841,648	845,734
Reappropriated Funds	35,421	0	0	0	0
Federal Funds	454,875	539,017	961,512	963,663	995,412
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,021,709</u>	<u>1,322,628</u>
Cash Funds	0	0	0	500,281	640,593
Federal Funds	0	0	0	521,428	682,035
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>773,319</u>	<u>773,319</u>
Cash Funds	0	0	0	336,691	336,691
Federal Funds	0	0	0	436,628	436,628
Shift Differential	<u>11,084</u>	<u>9,734</u>	<u>14,460</u>	<u>9,852</u>	<u>11,035</u>
Cash Funds	4,867	0	0	0	0
Reappropriated Funds	395	0	0	0	0
Federal Funds	5,822	9,734	14,460	9,852	11,035
Workers' Compensation	<u>586,172</u>	<u>446,693</u>	<u>543,147</u>	<u>451,537</u>	<u>451,537</u>
Cash Funds	178,731	128,731	180,806	127,249	127,249
Reappropriated Funds	18,376	0	0	0	0
Federal Funds	389,065	317,962	362,341	324,288	324,288
Operating Expenses	<u>1,737,499</u>	<u>1,592,289</u>	<u>1,759,608</u>	<u>1,759,608</u>	<u>1,759,608</u>
Cash Funds	686,747	593,057	1,254,666	760,376	760,376
Reappropriated Funds	57,388	0	0	0	0
Federal Funds	993,364	999,232	504,942	999,232	999,232

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Legal Services	<u>569,193</u>	<u>594,886</u>	<u>610,661</u>	<u>610,661</u>	<u>610,661</u>
Cash Funds	147,852	159,331	271,545	162,572	162,572
Reappropriated Funds	92,007	0	0	0	0
Federal Funds	329,334	435,555	339,116	448,089	448,089
Purchase of Services from Computer Center	<u>5,822,847</u>	<u>6,323,857</u>	<u>7,665,687</u>	<u>7,884,458</u>	<u>7,884,458</u> *
Cash Funds	3,135,290	2,897,958	3,608,705	4,021,073	4,021,073
Reappropriated Funds	259,092	0	0	0	0
Federal Funds	2,428,465	3,425,899	4,056,982	3,863,385	3,863,385
Multiuse Network Payments	<u>698,637</u>	<u>909,030</u>	<u>745,029</u>	<u>316,833</u>	<u>316,833</u>
Cash Funds	498,081	437,504	350,730	150,121	150,121
Reappropriated Funds	9,041	0	0	0	0
Federal Funds	191,515	471,526	394,299	166,712	166,712
Management and Administration of OIT	<u>427,635</u>	<u>433,604</u>	<u>471,863</u>	<u>193,227</u>	<u>193,227</u>
Cash Funds	63,914	208,581	222,146	92,749	92,749
Reappropriated Funds	20,358	0	0	0	0
Federal Funds	343,363	225,023	249,717	100,478	100,478
Payment to Risk Management and Property Funds	<u>25,326</u>	<u>53,317</u>	<u>39,156</u>	<u>46,868</u>	<u>46,868</u> *
Cash Funds	4,695	15,190	18,595	15,256	15,256
Reappropriated Funds	2,971	0	0	0	0
Federal Funds	17,660	38,127	20,561	31,612	31,612
Vehicle Lease Payments	<u>108,366</u>	<u>98,370</u>	<u>105,258</u>	<u>119,556</u>	<u>119,556</u> *
Cash Funds	42,092	66,419	68,680	84,205	84,205
Reappropriated Funds	30,053	0	0	0	0
Federal Funds	36,221	31,951	36,578	35,351	35,351

*This line item includes a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Leased Space	<u>3,257,226</u>	<u>3,440,703</u>	<u>3,719,723</u>	<u>3,719,723</u>	<u>3,719,723</u>
Cash Funds	1,429,345	1,608,095	1,946,617	2,096,169	2,096,169
Reappropriated Funds	172,121	0	0	0	0
Federal Funds	1,655,760	1,832,608	1,773,106	1,623,554	1,623,554
Capitol Complex Leased Space	<u>31,812</u>	<u>29,169</u>	<u>21,882</u>	<u>22,901</u>	<u>22,901</u> *
Cash Funds	3,533	24,639	18,579	19,347	19,347
Reappropriated Funds	21,106	0	0	0	0
Federal Funds	7,173	4,530	3,303	3,554	3,554
Communication Services Payments	<u>1,108</u>	<u>1,183</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	351	262	0	0	0
Reappropriated Funds	35	0	0	0	0
Federal Funds	722	921	0	0	0
COFRS Modernization	<u>0</u>	<u>0</u>	<u>476,256</u>	<u>476,256</u>	<u>476,256</u>
Cash Funds	0	0	185,370	185,370	185,370
Federal Funds	0	0	290,886	290,886	290,886
Utilities	<u>260,308</u>	<u>256,775</u>	<u>260,309</u>	<u>260,309</u>	<u>260,309</u>
Federal Funds	260,308	256,775	260,309	260,309	260,309
Information Technology Asset Maintenance	<u>553,573</u>	<u>541,228</u>	<u>553,627</u>	<u>553,627</u>	<u>553,627</u>
Cash Funds	159,082	142,882	196,009	175,343	175,343
Reappropriated Funds	16,260	0	0	0	0
Federal Funds	378,231	398,346	357,618	378,284	378,284

*This line item includes a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Statewide Indirect Cost Assessment	<u>499,121</u>	<u>432,233</u>	<u>749,654</u>	<u>1,028,796</u>	<u>1,028,796</u>
Cash Funds	499,121	172,606	381,990	345,656	345,656
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	259,627	367,664	683,140	683,140
TOTAL - (1) Executive Director's Office	29,340,966	30,156,044	35,684,965	37,564,060	37,788,870
<i>FTE</i>	<u>91.7</u>	<u>91.7</u>	<u>99.9</u>	<u>99.9</u>	<u>99.9</u>
Cash Funds	13,380,421	12,770,161	17,374,145	18,410,390	18,509,906
Reappropriated Funds	1,176,761	108,721	157,006	157,006	157,006
Federal Funds	14,783,784	17,277,162	18,153,814	18,996,664	19,121,958

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(2) DIVISION OF UNEMPLOYMENT INSURANCE

Primary Function: Provide supplemental income benefits to individuals who have lost their job through no fault of their own; and identifying, investigating and prosecuting individuals who attempt to receive unemployment benefits to which they are not entitled.

Program Costs	<u>40,449,066</u>	<u>39,662,255</u>	<u>34,698,482</u>	<u>34,651,284</u>	<u>34,651,284</u>
FTE	501.5	542.4	467.1	467.1	467.1
Cash Funds	7,180,355	7,179,709	7,364,002	7,316,804	7,316,804
Federal Funds	33,268,711	32,482,546	27,334,480	27,334,480	27,334,480
Employment and Training Technology Initiatives	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,008,389</u>	<u>3,838,746</u> *
FTE	0.0	0.0	0.0	12.0	12.0
Cash Funds	0	0	0	4,008,389	3,838,746
Internet Self-Service	<u>162,948</u>	<u>115,054</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.4	2.4	0.0	0.0	0.0
Cash Funds	162,948	115,054	0	0	0

TOTAL - (2) Division of Unemployment Insurance	40,612,014	39,777,309	34,698,482	38,659,673	38,490,030
FTE	<u>503.9</u>	<u>544.8</u>	<u>467.1</u>	<u>479.1</u>	<u>479.1</u>
Cash Funds	7,343,303	7,294,763	7,364,002	11,325,193	11,155,550
Federal Funds	33,268,711	32,482,546	27,334,480	27,334,480	27,334,480

*This line item includes a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(3) DIVISION OF EMPLOYMENT AND TRAINING

The Division of Employment and Training administers two programs: Employment and Training Programs, and Labor Market Information.

(A) Employment and Training Programs

The services offered to job seekers by the Employment and Training Programs include job search assistance, additional job training, and classes to improve interview and resume skills. All services are free of charge. These services are offered through one-stop centers which can be run by either the state or county. Services are also offered to employers seeking qualified candidates. Funding for these programs consists of cash funds, primarily from the Employment Support Fund and federal funds primarily from the Workforce Investment Act and Trade Adjustment Act.

State Operations	<u>14,254,659</u>	<u>13,632,715</u>	<u>13,816,930</u>	<u>13,816,930</u>	<u>13,815,789</u>
FTE	136.7	143.7	143.7	143.7	143.7
Cash Funds	9,180,109	9,113,772	9,262,895	9,262,895	9,262,895
Reappropriated Funds	6,652	0	9,541	9,541	8,400
Federal Funds	5,067,898	4,518,943	4,544,494	4,544,494	4,544,494
One-Stop County Contracts	<u>9,769,463</u>	<u>10,090,326</u>	<u>9,164,335</u>	<u>9,164,335</u>	<u>9,164,335</u>
Federal Funds	9,769,463	10,090,326	9,164,335	9,164,335	9,164,335
Trade Adjustment Act Assistance	<u>3,040,716</u>	<u>2,087,822</u>	<u>3,288,070</u>	<u>3,288,070</u>	<u>2,500,000</u>
Federal Funds	3,040,716	2,087,822	3,288,070	3,288,070	2,500,000
Workforce Investment Act	<u>39,702,423</u>	<u>34,273,390</u>	<u>32,184,493</u>	<u>32,184,493</u>	<u>32,184,493</u>
FTE	47.8	67.1	61.2	61.2	61.2
Cash Funds	725,000	807,540	807,540	807,540	807,540
Reappropriated Funds	0	0	0	0	0
Federal Funds	38,977,423	33,465,850	31,376,953	31,376,953	31,376,953

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
Workforce Development Council	<u>280,360</u>	<u>428,831</u>	<u>466,016</u>	<u>466,016</u>	<u>466,016</u>
FTE	1.9	3.8	4.0	4.0	4.0
Reappropriated Funds	0	0	466,016	466,016	466,016
Federal Funds	280,360	428,831	0	0	0
Workforce Improvement Grants	<u>55,000</u>	<u>52,031</u>	<u>400,000</u>	<u>400,000</u>	<u>55,000</u>
Cash Funds	0	0	0	0	0
Federal Funds	55,000	52,031	400,000	400,000	55,000

SUBTOTAL - (A) Employment and Training Programs	67,102,621	60,565,115	59,319,844	59,319,844	58,185,633
FTE	<u>186.4</u>	<u>214.6</u>	<u>208.9</u>	<u>208.9</u>	<u>208.9</u>
Cash Funds	9,905,109	9,921,312	10,070,435	10,070,435	10,070,435
Reappropriated Funds	6,652	0	475,557	475,557	474,416
Federal Funds	57,190,860	50,643,803	48,773,852	48,773,852	47,640,782

(B) Labor Market Information

Labor Market Information (LMI) provides information on long-term employment trends across the state, monthly unemployment numbers, and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado. Federal funds make up 99.4 percent of LMI's funding, and the remaining 0.6 percent are cash funds from the sale of publications.

Program Costs	<u>1,440,279</u>	<u>2,110,689</u>	<u>2,022,666</u>	<u>2,022,666</u>	<u>2,022,666</u>
FTE	22.4	21.7	30.3	30.3	30.3
Cash Funds	0	0	11,323	11,323	11,323
Federal Funds	1,440,279	2,110,689	2,011,343	2,011,343	2,011,343
SUBTOTAL - (B) Labor Market Information	1,440,279	2,110,689	2,022,666	2,022,666	2,022,666
FTE	<u>22.4</u>	<u>21.7</u>	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>
Cash Funds	0	0	11,323	11,323	11,323
Federal Funds	1,440,279	2,110,689	2,011,343	2,011,343	2,011,343

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
TOTAL - (3) Division of Employment and Training	68,542,900	62,675,804	61,342,510	61,342,510	60,208,299
<i>FTE</i>	<u>208.8</u>	<u>236.3</u>	<u>239.2</u>	<u>239.2</u>	<u>239.2</u>
Cash Funds	9,905,109	9,921,312	10,081,758	10,081,758	10,081,758
Reappropriated Funds	6,652	0	475,557	475,557	474,416
Federal Funds	58,631,139	52,754,492	50,785,195	50,785,195	49,652,125

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(4) DIVISION OF LABOR

Primary Functions: Gathering and disseminating labor market and economic trend information.

Program Costs	<u>1,161,478</u>	<u>1,143,712</u>	<u>1,171,056</u>	<u>1,171,056</u>	<u>1,171,056</u>
FTE	14.1	13.1	15.0	15.0	15.0
Cash Funds	1,161,478	1,143,712	1,171,056	1,171,056	1,171,056
TOTAL - (4) Division of Labor	1,161,478	1,143,712	1,171,056	1,171,056	1,171,056
FTE	<u>14.1</u>	<u>13.1</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
Cash Funds	1,161,478	1,143,712	1,171,056	1,171,056	1,171,056

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
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(5) DIVISION OF OIL AND PUBLIC SAFETY

Primary Functions: Inspecting and calibrating petroleum measuring devices; evaluating clean-up actions at locations where petroleum releases have been discovered and administering the associated reimbursement program; inspecting and testing the quality of fuel products; issuing explosive permits to qualified individuals, conducting annual inspections of all boilers and pressure vessels in commercial and multi-unit residential buildings, licensing of conveyances, conveyance inspectors, mechanics and contractors; registers and inspects amusement park rides, carnivals and other rides.

Personal Services	<u>4,597,811</u>	<u>4,695,393</u>	<u>4,652,538</u>	<u>4,652,538</u>	<u>4,652,538</u>
FTE	63.6	65.3	67.0	67.0	67.0
Cash Funds	3,671,912	3,831,335	4,068,820	4,068,820	4,068,820
Reappropriated Funds	14,572	19,488	19,318	19,318	19,318
Federal Funds	911,327	844,570	564,400	564,400	564,400
Operating Expenses	<u>478,593</u>	<u>605,960</u>	<u>705,680</u>	<u>705,680</u>	<u>705,680</u>
Cash Funds	401,053	462,821	560,659	560,659	560,659
Federal Funds	77,540	143,139	145,021	145,021	145,021
Indirect Cost Assessment	<u>895,838</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	895,838	0	0	0	0

TOTAL - (5) Division of Oil and Public Safety	5,972,242	5,301,353	5,358,218	5,358,218	5,358,218
FTE	<u>63.6</u>	<u>65.3</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>
Cash Funds	4,968,803	4,294,156	4,629,479	4,629,479	4,629,479
Reappropriated Funds	14,572	19,488	19,318	19,318	19,318
Federal Funds	988,867	987,709	709,421	709,421	709,421

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(6) DIVISION OF WORKERS' COMPENSATION

The Division of Workers' Compensation is comprised of five major units that provide: claimant customer service, dispute resolution of frequently contested issues, medical cost containment, workers' compensation employer services, and special fund management.

(A) Workers' Compensation

Personal Services	<u>6,672,437</u>	<u>6,728,141</u>	<u>6,862,640</u>	<u>6,862,640</u>	<u>6,862,640</u>
FTE	86.9	86.7	102.1	102.1	95.0
Cash Funds	6,672,437	6,728,141	6,862,640	6,862,640	6,862,640
Operating Expenses	<u>513,929</u>	<u>513,929</u>	<u>680,780</u>	<u>680,780</u>	<u>520,000</u>
Cash Funds	513,929	513,929	680,780	680,780	520,000
Administrative Law Judge Services	<u>2,550,825</u>	<u>2,582,398</u>	<u>2,789,339</u>	<u>2,670,702</u>	<u>2,670,702</u>
Cash Funds	2,550,825	2,582,398	2,789,339	2,670,702	2,670,702
Physicians Accreditation	<u>115,553</u>	<u>100,651</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Cash Funds	115,553	100,651	120,000	120,000	120,000
Utilization Review	<u>41,360</u>	<u>17,920</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Cash Funds	41,360	17,920	35,000	35,000	35,000
Immediate Payment	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Cash Funds	0	0	1,000	1,000	1,000
SUBTOTAL - (A) Workers' Compensation	9,894,104	9,943,039	10,488,759	10,370,122	10,209,342
FTE	86.9	86.7	102.1	102.1	95.0
Cash Funds	9,894,104	9,943,039	10,488,759	10,370,122	10,209,342

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
(B) Major Medical Insurance and Subsequent Injury Funds					
Personal Services	<u>1,074,872</u>	<u>1,115,445</u>	<u>1,258,824</u>	<u>1,258,824</u>	<u>1,258,824</u>
FTE	13.2	13.7	16.0	16.0	16.0
Cash Funds	1,074,872	1,115,445	1,258,824	1,258,824	1,258,824
Operating Expenses	<u>57,266</u>	<u>64,657</u>	<u>88,324</u>	<u>88,324</u>	<u>88,324</u>
Cash Funds	57,266	64,657	88,324	88,324	88,324
Major Medical Benefits	<u>5,220,180</u>	<u>5,893,652</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Cash Funds	5,220,180	5,893,652	6,000,000	6,000,000	6,000,000
Major Medical Legal Services	<u>24,937</u>	<u>22,926</u>	<u>7,725</u>	<u>7,725</u>	<u>7,725</u>
Cash Funds	24,937	22,926	7,725	7,725	7,725
Subsequent Injury Benefits	<u>1,710,679</u>	<u>1,477,441</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Cash Funds	1,710,679	1,477,441	2,000,000	2,000,000	2,000,000
Subsequent Injury Legal Services	<u>56,779</u>	<u>22,769</u>	<u>27,038</u>	<u>27,038</u>	<u>27,038</u>
Cash Funds	56,779	22,769	27,038	27,038	27,038
Medical Disaster	<u>628</u>	<u>323</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Cash Funds	628	323	1,000	1,000	1,000
SUBTOTAL - (B) Major Medical Insurance and Subsequent Injury Funds	8,145,341	8,597,213	9,382,911	9,382,911	9,382,911
FTE	<u>13.2</u>	<u>13.7</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>
Cash Funds	8,145,341	8,597,213	9,382,911	9,382,911	9,382,911

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recomendation
TOTAL - (6) Division of Workers'					
Compensation	18,039,445	18,540,252	19,871,670	19,753,033	19,592,253
<i>FTE</i>	<u>100.1</u>	<u>100.4</u>	<u>118.1</u>	<u>118.1</u>	<u>111.0</u>
Cash Funds	18,039,445	18,540,252	19,871,670	19,753,033	19,592,253
TOTAL - Department of Labor and					
Employment	163,669,045	157,594,474	158,126,901	163,848,550	162,608,726
<i>FTE</i>	<u>982.2</u>	<u>1,051.6</u>	<u>1,006.3</u>	<u>1,018.3</u>	<u>1,011.2</u>
Cash Funds	54,798,559	53,964,356	60,492,110	65,370,909	65,140,002
Reappropriated Funds	1,197,985	128,209	651,881	651,881	650,740
Federal Funds	107,672,501	103,501,909	96,982,910	97,825,760	96,817,984

Appendix B: WyCAN Governance Structure

WYCAN GOVERNANCE STRUCTURE CHART

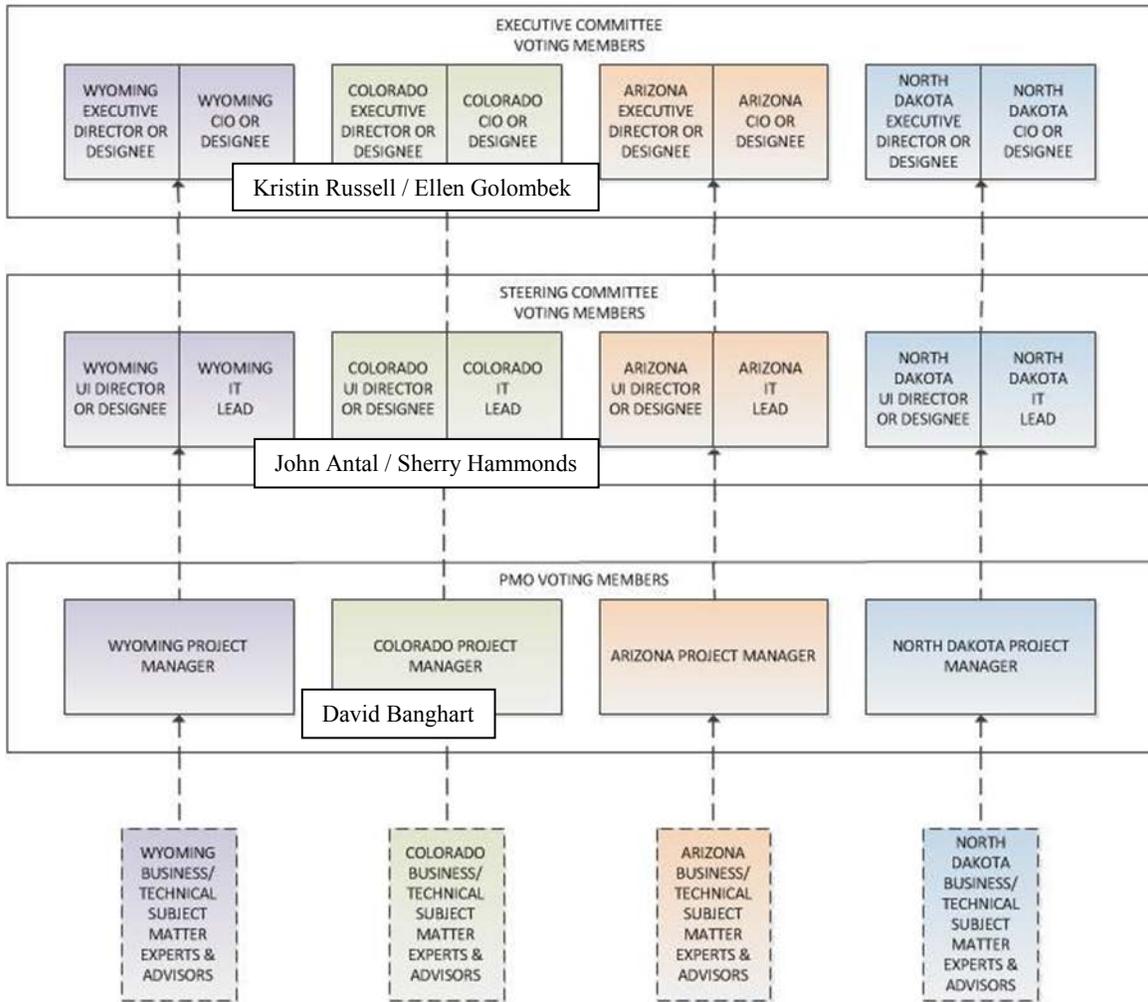


CHART LEGEND:

- Position to be filled by Wyoming personnel
- Position to be filled by Colorado personnel
- Position to be filled by Arizona personnel
- Position to be filled by North Dakota personnel