

The following file contains three documents:

- A memorandum to Members of the General Assembly dated January 12, 2011. This memorandum describes how the Department of Labor and Employment calculates the state unemployment insurance premium rate.
- The JBC Staff Department of Labor and Employment figure setting document presented on March 3, 2011.
- A memorandum to the Joint Budget Committee dated March 17, 2011 outlining the staff technical comeback.

# MEMORANDUM

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**TO:** Interested Members of the General Assembly

**FROM:** Megan Davisson, Joint Budget Committee Staff (303-866-2062)

**SUBJECT:** Department of Labor and Employment - Unemployment Insurance Rates

**DATE:** January 12, 2011

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A question was asked about how the Department of Labor and Employment sets the employer paid unemployment insurance premium rates. The following provides a general outline of how the premium setting process works. Note that staff is using a fictitious example to illustrate the process and this is not intended to represent an actual employer.

## **Calendar Year 2010 Unemployment Insurance Premium Rate Calculation**

There are four steps used to set the calendar year 2010 (CY 2010) unemployment insurance premium rate (UI premium rate) for this employer. Attachment 1 is intended to illustrate the steps described below.

- Step 1: Take the balance of the Unemployment Insurance Trust Fund on June 30, 2009. The June 30, 2009 balance was \$340 million.
- Step 2: Use the balance of the Unemployment Insurance Trust Fund to locate the appropriate column in the attached premium table. Note that the columns represent a range and the \$365 balance will fall into one of the ranges.
- Step 3: Take your employer rating (for this example we will say it is +5). The employer rating is equal to a ratio of the amount of unemployment insurance premiums paid into the Unemployment Insurance Trust Fund verses the amount of benefits claimed by that employer's former employees. As the employer's former employees claim more benefits, the employer's experience rating will go down.
- Step 4: Follow the employer rating row for +5 to where it intersects with the appropriate column as identified in step 2.

***This results in the employer having a UI premium rate of 0.6% for CY 2010.***

**Calendar Year 2011 Unemployment Insurance Premium Rate Calculation**

To set the CY 2011 UI premium rate for this employer do the following steps. Attachment 2 is intended to illustrate the steps described below.

- Step 1: Take the balance of the Unemployment Insurance Trust Fund on June 30, 2010. The June 30, 2010 balance was negative (less than zero).
  
- Step 2: Locate the deficit column in the premium table.
  
- Step 3: Take your employer rating (for this example, assume the employer's experience rating remains unchanged at +5).
  
- Step 4: Follow the employer rating row for +5 to where it intersects with the deficit column.

*This results in the employer having a UI premium rate of 2.2% for CY 2011.*

**Comparison of CY 2010 UI premium rate to CY 2011 UI premium rate**

For this example, the employers CY 2010 UI premium rate = 0.6%, and the CY 2011 UI premium rate was 2.2%. The following table illustrates how this will impact the amount of UI premiums paid, assuming the employer has 50 employees.

<b>Comparison of CY 2010 and CY 2011 Employer Paid UI premiums</b>			
	<b>CY 2010</b>	<b>CY 2011</b>	<b>CY 2011 Higher/(Lower) than CY 2010</b>
UI Premium Rate	0.6%	2.2%	1.6%
Number Employees	50	50	0
<b>Amount UI Premiums Paid</b>	<b>\$3,000</b>	<b>\$11,000</b>	<b>\$8,000</b>

\*Amount of UI premiums paid are based on the first \$10,000 in employee wages, and the calculation assumes that each employee makes at least \$10,000 in wages.

## Attachment 1 - Calculation of CY 2010 Employer UI Premium Rate

Step 2: This column used to determine the CY 2010 rates based on the fund balance of \$340 million

		Unemployment Insurance Trust Fund Balance as of June 30 (in millions of dollars)											
Low Balance	High Balance	450+	396	342	306	270	234	198	162	126	90	0	deficit
		450	396	342	306	270	234	198	162	126	90	90	
Employer Experience Rating	20	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	1.0%
	15	0.0%	0.1%	0.1%	0.1%	0.3%	0.3%	3.3%	0.3%	0.3%	0.3%	0.5%	1.2%
	10	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	1.0%	1.7%
	5	0.3%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.5%	2.2%
	0	2.0%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.7%	2.7%
	-5	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.5%
	-10	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	4.0%
	-15	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%
	-20	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	5.0%
	-25	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.4%

Step 3: For the example, the employer's experience rating is +5.

Step 4: Based on:  
 1) the fund balance;  
 2) employer's rating;  
 The employer's UI premium rate for CY 2010 is 0.6%

## Attachment 2 - Calculation of CY 2011 Employer UI Premium Rate

Step 2: This is the column used to determine the CY 2011 rates based on the fund balance being in deficit.

Low Balance High Balance		Unemployment Insurance Trust Fund Balance as of June 30 (in millions of dollars)											
		450+	396	342	306	270	234	198	162	126	90	0	deficit
Employer Experience Rating	20	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	1.0%
	15	0.0%	0.1%	0.1%	0.1%	0.3%	0.3%	3.3%	0.3%	0.3%	0.3%	0.5%	1.2%
	10	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	1.0%	1.7%
	5	0.3%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.5%	2.2%
	0	2.0%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.7%	2.7%
	-5	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.5%
	-10	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	4.0%
	-15	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%
	-20	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	5.0%
-25	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.4%	

Step 3: For the example, the employer's experience rating is +5.

Step 4: Based on:  
 1) the fund balance;  
 2) employer's rating;  
 The employer's UI premium rate for CY 2011 is 2.2%

### Attachment 3 - Employer UI Premium Rate Tables

Low Balance High Balance		Unemployment Insurance Trust Fund Balance as of June 30 (in millions of dollars)											
		450+	396	342	306	270	234	198	162	126	90	0	deficit
Employer Experience Rating	20	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	1.0%
	15	0.0%	0.1%	0.1%	0.1%	0.3%	0.3%	3.3%	0.3%	0.3%	0.3%	0.5%	1.2%
	10	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	1.0%	1.7%
	5	0.3%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.5%	2.2%
	0	2.0%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.7%	2.7%
	-5	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.5%
	-10	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	4.0%
	-15	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%
	-20	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	5.0%
	-25	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.4%

Source: Section 8-76-103 (3) (b) (II) (B) and (C), C.R.S.

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2011-12 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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**FY 2011-12 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF LABOR AND EMPLOYMENT**

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**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
<b>DEPARTMENT OF LABOR AND EMPLOYMENT</b>						
<b>Executive Director: Ellen Golombek</b>						
<b>(1) EXECUTIVE DIRECTOR'S OFFICE</b>						
Primary functions: Performing departmental administrative functions, and adjudicating disputes related to unemployment insurance, labor standards, and workers' compensation claims.						
Personal Services	11,976,705	12,951,514	7,580,021	7,555,974	7,438,526	NP-1
FTE	163.7	159.6	99.9	99.9	99.9	
Health, Life, and Dental	4,961,728	5,504,347	5,456,497	6,671,602	6,671,857	NP-5
Short-term Disability	84,509	82,762	91,080	111,658	103,831	
S.B. 04-257 Amortization Equalization Disbursement	1,040,110	962,259	1,410,278	1,766,337	1,651,327	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	487,552	708,481	1,028,327	1,419,378	1,319,889	
Salary Survey and Senior Executive Services	2,545,895	0	0	0	0	
Performance-Based Pay	957,125	0	0	0	0	
Shift Differential	28,162	26,300	11,084	12,979	pending	
Workers' Compensation	754,527	581,066	589,990	555,150	pending	
Operating Expenses	1,488,760	1,547,169	1,759,608	1,763,509	1,759,608	NP-2
Legal Services	588,753	539,757	579,990	579,990	pending	
Hours	7,840	7,160	7,905	7,905	7,905	
Purchase of Services from Computer Center	1,427,980	1,379,133	5,823,292	6,329,189	pending	
Multiuse Network Payments	74,994	75,210	817,771	912,274	pending	

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
Management and Administration of OIT	112,757	101,565	428,818	437,805	pending	
Payment to Risk Mgmt. and Property Funds	124,214	84,141	25,327	72,603	pending	
Vehicle Lease Payments	94,066	93,905	106,535	104,950	pending	NP-3
Leased Space	3,200,786	3,024,919	3,896,503	3,896,503	3,800,000	
Capitol Complex Leased Space	27,324	35,389	31,812	30,521	pending	
Communication Services Payment	1,175	1,181	1,110	1,132	pending	
Utilities	245,884	238,017	260,309	260,309	260,309	
Information Technology Asset Maintenance	553,147	536,767	553,627	553,627	553,627	
Statewide Indirect Cost Assessment	511,933	1,087,610 /1	525,190	599,280	599,280	
Disaster Recovery	484,030	n/a	n/a	n/a	n/a	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE</b>	<b>31,772,116</b>	<b>29,561,492</b>	<b>30,977,169</b>	<b>33,634,770</b>	<b>24,158,254</b>	<b>8.6%</b>
<b>FTE</b>	<b><u>163.7</u></b>	<b><u>159.6</u></b>	<b><u>99.9</u></b>	<b><u>99.9</u></b>	<b><u>99.9</u></b>	<b>0.0%</b>
Cash Funds	14,392,768	11,591,901	13,602,774	14,663,223	11,171,155	7.8%
Reappropriated Funds	1,525,062	1,187,471	1,102,674	1,113,658	160,894	1.0%
Federal Funds	15,854,286	16,782,120	16,271,721	17,857,889	12,826,205	9.7%

/1 - The Department received \$612,000 in federal American Recovery and Reinvestment Act dollars for monitoring and oversight.

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
<b>(2) DIVISION OF EMPLOYMENT AND TRAINING</b>						
<b>(A) Unemployment Insurance Programs</b>						
Administers the Unemployment Insurance Program, which includes administration of benefit payments, premium and tax collections and fraud investigations.						
Program Costs	34,387,154	40,893,611	34,246,736	34,121,040	34,621,040	NP-1
FTE	<u>466.1</u>	<u>542.8</u>	<u>467.1</u>	<u>467.1</u>	<u>467.1</u>	
Cash Funds	4,271,489	6,707,773	7,237,756	7,190,195	7,190,195	
Federal Funds	30,115,665	34,185,838	27,008,980	26,930,845	27,430,845	
Internet Self-Service - CF	503,338	167,126	162,948	0	162,948	
FTE - CF	1.6	2.3	2.5	0.0	2.5	
<i>Unemployment Benefits (not appropriated, non-add) (not appropriated pursuant to Section 8-77-104 (1), C.R.S.)</i>	<i>1,053,793,289 Actual</i>	<i>1,086,726,558 Actual</i>	<i>718,876,245 Estimated</i>	<i>537,869,586 Projected</i>	<i>n/a</i>	<i>Request vs. Appropriation</i>
<b>Total - (2) (A) Unemployment Insurance Programs</b>	<b>34,890,492</b>	<b>41,060,737</b>	<b>34,409,684</b>	<b>34,121,040</b>	<b>34,783,988</b>	<b>-0.8%</b>
<b>FTE</b>	<b><u>467.7</u></b>	<b><u>545.1</u></b>	<b><u>469.6</u></b>	<b><u>467.1</u></b>	<b><u>469.6</u></b>	<b>-0.5%</b>
Cash Funds	4,774,827	6,874,899	7,400,704	7,190,195	7,353,143	-2.8%
Federal Funds	30,115,665	34,185,838	27,008,980	26,930,845	27,430,845	-0.3%
<b>Unemployment Insurance Fraud Program - Moved into Unemployment Insurance Programs in FY 2009-10 Long Bill</b>						
Program Costs - CF	1,493,213	n/a	n/a	n/a	n/a	
FTE	22.6	n/a	n/a	n/a	n/a	
						<i>Request vs. Appropriation</i>
<b>Total - Unemployment Insurance Fraud Program</b>	<b>1,493,213</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>FTE</b>	<b>22.6</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
<b>(B) Employment and Training Programs</b>						
Primary functions: Providing job placement and related services to job-seeking applicants and employers						
State Operations	15,250,381	13,295,700	13,782,415	13,742,967	13,602,083	NP-1
FTE	<u>148.1</u>	<u>124.6</u>	<u>143.7</u>	<u>143.7</u>	<u>143.7</u>	
Cash Funds	9,008,592	9,325,351	9,263,889	9,270,580	9,129,696	
FTE	66.5	66.5	93.4	93.4	93.4	
Reappropriated Funds	6,561	8,400	9,600	9,600	9,600	
Federal Funds	6,235,228	3,961,949	4,508,926	4,462,787	4,462,787	
FTE	81.6	58.1	50.3	50.3	50.3	
One-Stop County Contracts - FF	9,785,383	11,017,634	9,123,544	9,164,335	9,123,544	
FTE - FF	12.2	24.6	28.0	28.0	28.0	
Trade Adjustment Act Assistance - FF	1,916,145	2,965,597	3,837,827	3,288,070	3,288,070	
Workforce Investment Act - FF	40,814,243	28,452,423	32,245,041	32,230,133	32,230,133	
FTE - FF	<u>54.1</u>	<u>47.8</u>	<u>61.4</u>	<u>61.4</u>	<u>61.2</u>	
Cash Funds	711,046	725,000	807,540	807,540	807,540	
Reappropriated Funds	0	0	100,000	100,000	100,000	
Federal Funds	40,103,197	27,727,423	31,337,501	31,322,593	31,322,593	NP-1
Workforce Development Council Staff	398,082	390,267	459,547	462,416	462,416	NP-1
FTE - RF/CFE	<u>4.0</u>	<u>3.9</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	
Reappropriated Funds	237,878	214,440	459,547	462,416	462,416	
Federal Funds	160,204	175,827	0	0	0	
Workforce Improvement Grants	1,052,273	587,733	860,036	870,000	860,036	
FTE - FF	<u>5.4</u>	<u>3.5</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	
Cash Funds	0	0	20,000	20,000	20,000	
Federal Funds	1,052,273 /1	587,733	840,036	850,000	840,036	
TANF-Support Subsidized Employment - RF	n/a	11,250,000	n/a	n/a	n/a	

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09</b> Actual	<b>FY 2009-10</b> Actual	<b>FY 2010-11</b> Approp.	<b>FY 2011-12</b> Request	<b>FY 2011-12</b> Recomm.	<b>Change</b> <b>Request</b>
						<i>Request vs. Appropriation</i>
<b>Total - (2) (B) Employment and Training Programs</b>	<b>69,216,507</b>	<b>67,959,354</b>	<b>60,308,410</b>	<b>59,757,921</b>	<b>59,566,282</b>	<b>-0.9%</b>
<b>FTE</b>	<b><u>223.8</u></b>	<b><u>204.4</u></b>	<b><u>247.1</u></b>	<b><u>247.1</u></b>	<b><u>246.9</u></b>	<b>0.0%</b>
Cash Funds	9,719,638	10,050,351	10,091,429	10,098,120	9,957,236	<b>0.1%</b>
FTE	66.5	66.5	93.4	93.4	93.4	<b>0.0%</b>
Reappropriated Funds	244,439	11,472,840	569,147	572,016	572,016	<b>0.5%</b>
FTE	4.0	3.9	4.0	4.0	4.0	<b>0.0%</b>
Federal Funds	59,252,430	46,436,163	49,647,834	49,087,785	49,037,030	<b>-1.1%</b>
FTE	153.3	134.0	149.7	149.7	149.5	<b>0.0%</b>
/1 FY 2008-09 expenditures include a one-time increase of \$248,067 federal funds.						
<b>(D) Labor Market Information</b>						
Primary functions: Gathering and disseminating labor market and economic trend information						
Program Costs	1,590,525	1,657,590	1,995,724	1,997,257	1,997,257	
FTE - Federal	<u>24.7</u>	<u>25.8</u>	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>	
Cash Funds	2,684	0	11,509	11,509	11,509	
Federal Funds	1,587,841	1,657,590	1,984,215	1,985,748	1,985,748	NP-1
						<i>Request vs. Appropriation</i>
<b>Subtotal - (D) Labor Market Information</b>	<b>1,590,525</b>	<b>1,657,590</b>	<b>1,995,724</b>	<b>1,997,257</b>	<b>1,997,257</b>	<b>0.1%</b>
<b>FTE - Federal Funds</b>	<b><u>24.7</u></b>	<b><u>25.8</u></b>	<b><u>30.3</u></b>	<b><u>30.3</u></b>	<b><u>30.3</u></b>	<b>0.0%</b>
Cash Funds	2,684	0	11,509	11,509	11,509	<b>0.0%</b>
Federal Funds	1,587,841	1,657,590	1,984,215	1,985,748	1,985,748	<b>0.1%</b>
						<i>Request vs. Appropriation</i>
<b>TOTAL - (2) DIVISION OF EMPLOYMENT AND TRAINING</b>	<b>107,190,737</b>	<b>110,677,681</b>	<b>96,713,818</b>	<b>95,876,218</b>	<b>96,347,527</b>	<b>-0.9%</b>
<b>FTE</b>	<b><u>738.8</u></b>	<b><u>775.3</u></b>	<b><u>747.0</u></b>	<b><u>744.5</u></b>	<b><u>746.8</u></b>	<b>-0.3%</b>
Cash Funds	15,990,362	16,925,250	17,503,642	17,299,824	17,321,888	<b>-1.2%</b>
Reappropriated Funds	244,439	11,472,840	569,147	572,016	572,016	<b>0.5%</b>
Federal Funds	90,955,936	82,279,591	78,641,029	78,004,378	78,453,623	<b>-0.8%</b>

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
<b>(3) DIVISION OF LABOR</b>						
Primary functions: Providing assistance and ensuring compliance with Colorado wage, youth employment and labor practice laws						
Program Costs - Cash Funds	1,055,658	1,072,938	1,163,596	1,165,144	1,147,311	NP-1
FTE	13.0	12.7	15.0	15.0	15.0	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (3) DIVISION OF LABOR - CF</b>	<b>1,055,658</b>	<b>1,072,938</b>	<b>1,163,596</b>	<b>1,165,144</b>	<b>1,147,311</b>	<b>0.1%</b>
<b>FTE - CF</b>	<b>13.0</b>	<b>12.7</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>0.0%</b>

**(4) DIVISION OF OIL AND PUBLIC SAFETY**

Primary functions include: inspecting and calibrating petroleum measuring devices; overseeing the clean-up of petroleum spills and storage tank leaks; issuing explosive permits and inspection of explosive storage sites; inspecting boilers and pressure vessels; licensing of conveyances, conveyance inspectors, mechanics and contractors; registers and inspects amusement park rides, carnivals and other rides.

Personal Services	5,026,609	4,698,283	4,665,365	4,665,792	4,603,222	NP-1
FTE - CF	<u>67.7</u>	<u>63.8</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	
Cash Funds	4,204,352	3,522,914	4,089,842	4,107,144	4,044,574	
Reappropriated Funds	19,516	19,050	19,516	19,516	19,516	
Federal Funds	802,741	1,156,319	556,007	539,132	539,132	
Operating Expenses	<u>1,033,853</u>	<u>387,465</u>	<u>497,780</u>	<u>648,980</u>	<u>648,980</u>	
Cash Funds	986,453	315,508	404,734	518,134	518,134	
Federal Funds	47,400	71,957	93,046	130,846	130,846	
Statewide Indirect Cost Assessment - CF	944,999	781,284	941,780	952,827	0	NP-1
						<i>Request vs. Appropriation</i>
<b>TOTAL - (4) DIVISION OF OIL AND PUBLIC SAFETY</b>	<b>7,005,461</b>	<b>5,867,032</b>	<b>6,104,925</b>	<b>6,267,599</b>	<b>5,252,202</b>	<b>2.7%</b>
<b>FTE</b>	<b><u>67.7</u></b>	<b><u>63.8</u></b>	<b><u>67.0</u></b>	<b><u>67.0</u></b>	<b><u>67.0</u></b>	<b>0.0%</b>
Cash Funds	6,135,804	4,619,706	5,436,356	5,578,105	4,562,708	2.6%
Reappropriated Funds	19,516	19,050	19,516	19,516	19,516	0.0%
Federal Funds	850,141	1,228,276	649,053	669,978	669,978	3.2%

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
<b>(5) DIVISION OF WORKERS' COMPENSATION</b>						
<b>(A) Workers' Compensation</b>						
Primary functions: Assuring the quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers, without the necessity of litigation.						
Personal Services - CF	6,638,962	6,704,162	6,880,849	6,893,423	6,787,870	NP-1
FTE	96.1	90.2	102.1	102.1	102.1	
Operating Expenses - CF	584,024	463,603	680,780	680,780	680,780	
Administrative Law Judge Services -CF	2,377,666	2,610,443	2,550,825	2,796,850	pending	
Physician's Accreditation - CF	118,383	77,033	140,000	140,000	140,000	
Utilization Review - CF	28,159	24,549	60,000	60,000	60,000	
Immediate Payment - CF	0	0	10,000	10,000	10,000	
						<i>Request vs. Appropriation</i>
<b>Total - (5) (A) Workers' Compensation - CF</b>	<b>9,747,194</b>	<b>9,879,790</b>	<b>10,322,454</b>	<b>10,581,053</b>	<b>7,678,650</b>	<b>2.5%</b>
<b>    FTE - CF</b>	<b>96.1</b>	<b>90.2</b>	<b>102.1</b>	<b>102.1</b>	<b>102.1</b>	<b>0.0%</b>
<b>(B) Major Medical Insurance and Subsequent Injury Funds</b>						
Primary functions: Providing medical benefits and compensation payments to eligible injured workers						
Personal Services - CF	1,086,803	958,587	1,260,197	1,258,536	1,239,366	NP-1
FTE - CF	12.7	11.9	16.0	16.0	16.0	
Operating Expenses - CF	71,191	62,848	88,324	88,324	88,324	
Major Medical Benefits - CF	5,940,487	4,996,836	7,000,000	7,000,000	7,000,000	
Major Medical Legal Services - CF	17,166	14,329	7,337	7,337	pending	
Hours	229	190	100	100	100	
Subsequent Injury Benefits - CF	1,967,306	1,865,805	3,200,000	3,200,000	3,200,000	

**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Labor and Employment**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>	<b>Change Request</b>
Subsequent Injury Legal Services - CF	15,555	57,605 /1	25,680	25,680	pending	
Hours	207	764	350	350	350	
Medical Disaster - CF	794	651	6,000	6,000	6,000	<i>Request vs. Appropriation</i>
<b>Total - (5) (B) Major Medical Insurance and Subsequent Injury Funds</b>	<b>9,099,302</b>	<b>7,956,661</b>	<b>11,587,538</b>	<b>11,585,877</b>	<b>11,533,690</b>	<b>0.0%</b>
<b>FTE</b>	<b>12.7</b>	<b>11.9</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	<b>0.0%</b>
/1 Additional \$20,133 was spent from the Subsequent Injury Fund which has continuous spending authority.						<i>Request vs. Appropriation</i>
<b>TOTAL - (5) DIVISION OF WORKERS' COMPENSATION</b>	<b>18,846,496</b>	<b>17,836,451</b>	<b>21,909,992</b>	<b>22,166,930</b>	<b>19,212,340</b>	<b>1.2%</b>
<b>FTE</b>	<b>108.8</b>	<b>102.1</b>	<b>118.1</b>	<b>118.1</b>	<b>118.1</b>	<b>0.0%</b>
						<i>Request vs. Appropriation</i>
<b>GRAND TOTAL - DEPARTMENT OF LABOR AND EMPLOYMENT</b>	<b>165,870,468</b>	<b>165,015,594</b>	<b>156,869,500</b>	<b>159,110,661</b>	<b>146,117,634</b>	<b>1.4%</b>
<b>FTE</b>	<b><u>1,092.0</u></b>	<b><u>1,113.5</u></b>	<b><u>1,047.0</u></b>	<b><u>1,044.5</u></b>	<b><u>1,046.8</u></b>	<b>-0.2%</b>
Cash Funds	56,421,088	52,046,246	59,616,360	60,873,226	53,415,402	<b>2.1%</b>
Reappropriated Funds	1,789,017	12,679,361	1,691,337	1,705,190	752,426	<b>0.8%</b>
Federal Funds	107,660,363	100,289,987	95,561,803	96,532,245	91,949,806	<b>1.0%</b>



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FY 2011-12 STAFF FIGURE SETTING**

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**(1) EXECUTIVE DIRECTOR'S OFFICE**

The Executive Director's Office provides services to all divisions including accounting, budgeting and human resources. The Industrial Claim Appeals Panel issues final agency decisions on disputed workers' compensation and unemployment insurance claims.

**Bottom Line Funding Recommendation**

The Executive Director's Office is funded by various federal sources for the centrally appropriated line items, and it is difficult for the Department to project a year out 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 in particular, to appropriate lines 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.**

**Staff Initiated Recommendation #1**

**Eliminate Indirect Cost Assessment Line Item in the Division of Oil and Public Safety**

**Recommendation:** Staff recommends the indirect cost assessment line item in the Division of Oil and Public Safety be discontinued because it is not required based on the change from cash funds exempt to reappropriated funds in FY 2008-09.

*Staff Analysis:* Currently the cash funds appropriated in the Division of Oil and Public Safety's (OPS) indirect cost assessment line item are reappropriated to the Executive Director's Office for departmental indirect costs incurred by staff funded with funds from the Petroleum Storage Tank Fund. The OPS indirect costs assessment line item was added to the Department's Long Bill in FY 2005-06 when the General Assembly designated the Petroleum Storage Tank Fund (PSTF) as an enterprise fund by the General Assembly. The line was added due to nature of how then cash funds exempt were accounted for by the General Assembly. Based on the appropriation change from cash funds exempt to reappropriated funds, these funds can be shown only in the Executive Director's Office as cash funds and do not need to be shown in OPS.

Per staff's recommendation, these funds will be shown in the Executive Director's Office as cash funds, allowing the General Assembly to continue tracking the amount of Petroleum Storage Tank Funds used for departmental indirect costs. The following table outlines how this recommendation will impact the Department's appropriation by reducing the Division of Oil and Public Safety by \$952,827 cash funds and the Executive Director's Office reappropriated funds appropriation by a like amount. The Executive Director's Office cash funds appropriation will increase by \$952,827 which will be noted in the letternote as Petroleum Storage Tank Fund funds.

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<b>Impact of Eliminating Div. of Oil and Public Safety Indirect Cost Line Item</b>			
<b>Division - Line Item</b>	<b>CF</b>	<b>RF</b>	<b>Total Change</b>
Executive Director's Office - bottom line funded	\$952,827	(\$952,827)	\$0
Division of Oil and Public Safety - Indirect Cost Assessment	(952,827)	n/a	(952,827)
<b>Total</b>	<b>\$0</b>	<b>(\$952,827)</b>	<b>(\$952,827)</b>

**Personal Services**

*Description:* This line funds the Executive Director, accounting, budget, purchasing, human resources, and general support staff. Funding splits for the entire Executive Director's Office are done on a bottom-line basis, and a recommendation for an overall funding split is provided at the end of this Division.

<b>Staffing Summary</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2011-12</b>
<b>Executive Director's Office</b>	<b>Actual</b>	<b>Approp.</b>	<b>Request.</b>	<b>Recomm.</b>
Administration / Management	9.5	10.0	10.0	10.0
Financial Services	15.5	17.0	17.0	17.0
Maintenance	14.2	16.4	16.4	16.4
Info. Technology	58.7	0.0	0.0	0.0
Investigators / Auditors	2.8	3.0	3.0	3.0
Contract and Temporary Staff	11.5	3.5	3.5	3.5
Office of Government, Policy and Public Relations	7.0	8.0	8.0	8.0
Professional Staff	31.2	32.0	32.0	32.0
Industrial Claim Appeals Panel	9.6	10.0	10.0	10.0
<b>TOTAL</b>	<b>160.0</b>	<b>99.9</b>	<b>99.9</b>	<b>99.9</b>

*Request:* The Department requests an appropriation of \$7,555,974 total funds and 99.9 FTE, which includes the state PERA contribution reduction.

*Recommendation:* **Staff recommends an appropriation of \$7,438,526 and 99.9 FTE** calculated in accordance with Committee policy. Staff's calculation is summarized in the following table.

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<b>Executive Director's Office - Personal Services</b>		
	<b>Total Funds</b>	<b>FTE</b>
FY 2010-11 Long Bill Appropriation	7,580,021	99.9
FY 2010-11 Supplementals	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>7,580,021</b>	<b>99.9</b>
Restore 2.5% state PERA contribution	127,761	0.0
1.5% base reduction	(117,448)	0.0
NP - state PERA contribution reduction	(151,808)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>7,438,526</b>	<b>99.9</b>

**Health, Life, and Dental**

This line 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 and distributed as needed to the divisions. The Department request an appropriation of \$6,671,602 total funds, which includes a reduction of \$255 for the pro-rated benefits decision item. **Staff recommends an appropriation of \$6,671,857 total funds pursuant to Committee policy.**

**Short-term Disability**

*Description:* 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).

*Request:* The Department requests an appropriation of \$111,658 total funds for this.

*Recommendation:* The JBC approved a short-term disability rate of 0.177 percent of FY 2009-10 base salaries less the information technology staff transferred to the Governor's Office of Information Technology (OIT) in FY 2010-11. **Staff recommends an appropriation of \$103,831 total funds which was calculated in accordance with the Committee policy for this line.**

**S.B. 04-257 Amortization Equalization Disbursement**

This line funds the costs associated with S.B. 04-257, which requires additional state contribution for employees in the Public Employees' Retirement System (PERA). The Committee approved rates for CY 2010 and CY 2011 are 2.6 percent and 3.0 percent of base salaries less the information technology staff transferred to OIT in FY 2010-11, respectively. The Department requests an appropriation of \$1,766,337 total funds. **Staff recommends an appropriation of \$1,651,327 total funds which was calculated in accordance with the Committee policy for this line.**

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**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 \$1,419,378 total funds. The Committee approved rates for CY 2010 and CY 2011 are 2.0 percent and 2.5 percent of base salaries less the information technology staff transferred to OIT in FY 2010-11, respectively. **Staff recommends an appropriation of \$1,319,889 total funds which was calculated in accordance with Committee policy for this line.**

**Salary Survey and Senior Executive Services**

Pursuant to Section 24-50-104 (4) (c), C.R.S., DPA's total compensation report recommends salary adjustments for each year which are funded by this line. The Department did not request funding for this line. In accordance with Committee policy, **staff recommends no salary survey be funded for FY 2011-12.**

**Performance-Based Pay Awards**

Employee performance-based pay is centrally appropriated and funded by this line pursuant to Section 24-50-104 (1) (c) (I), C.R.S. The Department did not request funding for this line. In accordance with Committee policy, **staff recommends no performance-based pay awards be funded for FY 2011-12.**

**Shift Differential**

*Description:* This line funds the additional compensation paid to employees who work after regular hours. The Department has custodial staff working after hours at the Unemployment Insurance Building located at 251 E. 12<sup>th</sup> Avenue in Denver. Due to the Governor's Office of Information Technology consolidation the funding for the information technology staff working nights doing job runs of the Department's computer programs was moved to the Governor's budget.

*Request:* The Department has requested an appropriation of \$12,979 total funds, reflecting an increase of \$1,895 for DPA's total compensation adjustment.

*Recommendation:* **The staff recommendation for this line item is pending the approval of a Committee policy.**

**Workers' Compensation**

This line item is used to pay the Department's share of the state's workers' compensation program run by DPA. The Department requests an appropriation of \$555,150 total funds for this purpose. **The staff recommendation for this line item is pending the approval of a Committee policy.**

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**Operating Expenses**

The Department requests an appropriation of \$1,763,509 total funds, reflecting an increase of \$3,901 for the printing of documents by DPA. **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 the funding for 7,905 hours. **Staff recommends an appropriation sufficient for 7,905 hours, and the dollar amount is pending the Committee policy for FY 2011-12 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 \$6,329,189 total funds, which includes an increase of \$505,897 for the OIT common policy adjustment. **Staff recommendation is pending the approval of a Committee policy for this line.**

**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 \$912,274 total funds, which includes an increase of \$94,503 for the OIT common policy adjustment. **Staff recommendation is pending the approval of a Committee policy for this line.**

**Management and Administration of OIT**

*Description:* This line item is used to pay OIT for the Department's share of costs for the management and administration of OIT.

Request: The Department requests an appropriation of \$437,805 total funds.

*Recommendation:* **Staff recommendation is pending the approval of a Committee policy for this line.**

**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 \$72,603, reflecting an increase of \$47,276 for DPA's common policy adjustment. **Staff recommendation is pending the approval of a Committee policy for this line.**

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**Vehicle Lease Payments**

*Description:* 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 \$104,950 total funds. This request includes the replacement of two vehicles as outlined in the table below.

Summary of the FY 2011-12 Vehicle Replacement Request						
Program that Uses the Vehicle	Type of Vehicle	Model Year	Dec 2010 Mileage	Projected May 2012 Mileage	Maintenance Cost per Mile	Replacement Justification
Workforce Development	Sedan	2000	134,376	154,385	0.061	High mileage vehicle.
Oil and Public Safety	Sedan	2000	131,761	152,892	0.094	High mileage and high maintenance costs.

*Analysis of Replacement Request:* The vehicles used by the Workforce Development Program and the Division of Oil and Public Safety will exceed 140,000 miles in FY 2011-12, which meets the mileage criteria used by DPA as the threshold for vehicle replacement due to high mileage. Additionally the maintenance cost per mile on the Division of Oil and Public Safety is more than one and a half times the average maintenance cost per mile, meeting DPA's high maintenance cost replacement criteria.

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

**Leased Space**

The Department leases space across Colorado and is responsible for lease escalations. The Department requests a continuation appropriation of \$3,896,503 total funds, which is summarized in the table below.

Executive Director's Office - Leased Space						
Location	FY 2010-11 Approp.			FY 2011-12 Request		
	Area	Rate	Total	Area	Rate	Total
State Run One-Stop Locations	62,357	\$4.05 - \$28.80	\$643,944	62,357	\$3.16 - \$25.80	\$550,486
Colorado Springs - UI	2,818	\$17.00	\$47,892	2,818	\$17.00	\$47,892

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Executive Director's Office - Leased Space						
Location	FY 2010-11 Approp.			FY 2011-12 Request		
	Area	Rate	Total	Area	Rate	Total
Aurora - Workforce Development	335	\$9.09	\$3,045	0	\$0.00	\$0
633 17 <sup>th</sup> Avenue	172,240	\$18.56	\$3,201,622	172,240	\$18.56	\$3,201,622
<b>TOTAL</b>	<b>237,750</b>		<b>\$3,896,503</b>	<b>237,415</b>		<b>\$3,800,000</b>

*Recommendation:* **Staff recommends the Committee approve the request for \$3,800,000.** This recommendation includes a reduction of \$3,045 for the space that is no longer leased in Aurora, and a reduction of \$93,458 due to the reduction in rates for state run one-stop locations.

**Capitol Complex Leased Space**

Capitol complex space is maintained by DPA. The Department requests \$30,521 total funds which is outlined in the following table. **The staff recommendation is pending the approval of a Committee policy for this line.**

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

**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 requests \$1,132 total funds for this purpose. **Staff recommendation is pending the approval of a Committee policy for this line.**

**Utilities**

The state owns the building located at 251 E. 12<sup>th</sup> Avenue, which houses the staff who run the Unemployment Insurance Programs. Since the state owns the building, the Department is responsible for the utilities and requests a continuation appropriation of \$260,309 total funds for this purpose. **Staff recommends the Department's request for \$260,309 pursuant to Committee policy.**

**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

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and unemployment insurance benefits. This line is used to purchase Microsoft software for computers and databases. The Department requests a continued appropriation of \$553,627 total funds for this purpose. **Staff recommends the Department's request for an appropriation of \$553,627.**

**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 these overhead costs, that would otherwise have been supported by General Fund. Recoveries from cash and federally funded programs are calculated for statewide. The Department requests an appropriation of \$599,280 total funds, which includes an increase of \$74,091 increase for statewide indirect cost adjustments. **Staff recommends an appropriation of \$599,281 total funds pursuant to Committee policy on statewide indirect costs.**

**Disaster Recovery**

This line was included in the FY 2008-09 Long Bill to account for FY 2008-09 decision item to fund the one-time costs associated with developing and implementing a department-wide disaster recovery plan. **Since this was one time funding the line appears in staff's number pages for informational purposes only, and will not appear in the FY 2011-12 Long Bill.**

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**(2) DIVISION OF EMPLOYMENT AND TRAINING**

**(A) Unemployment Insurance Programs**

*Description:* 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. Functional responsibilities include general administration, tax collection from employers, payment of benefits, integrity including employer audits, operating the call center, ruling on claimant appeals, and quality control measures. The state is responsible for collecting federal taxes on the first \$7,000 and state premiums and surcharges on the first \$10,000 of wages.

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 notify recipients of benefit overpayments, collect overpayments, audit employers, and investigate potential benefit fraud. The UI Fraud programs are funded from the Unemployment Revenue Fund, which receives revenue from interest collected on late taxes and overpayments that have not been repaid, and fees assessed on employers for late tax payments.



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**Program Costs**

*Description:* This line item funds the UI Programs personnel services and operating expenses.

Staffing Summary UI Programs	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.
UI Programs				
Administration / Management	22.9	21.0	21.0	21.0
Operations - Tax Collection	69.4	77.0	77.0	77.0
Operations - Benefit Payment	305.4	205.1	205.1	205.1
Integrity - Tax Audits	26.6	30.0	30.0	30.0
Integrity - Quality Control	35.6	40.0	40.0	40.0
Appeals	58.7	48.0	48.0	48.0
Staff Services	18.9	20.0	20.0	20.0
<i>UI Programs Subtotal</i>	<i>526.8</i>	<i>441.1</i>	<i>441.1</i>	<i>441.1</i>
UI Fraud				
Administrative / Management	2.3	4.0	2.0	2.0
Collections	4.7	5.0	6.0	6.0
Labor & Employment Specialists	12.2	12.0	12.0	12.0
Criminal Investigators	5.0	5.0	6.0	6.0
<i>UI Fraud Subtotal</i>	<i>24.2</i>	<i>26.0</i>	<i>26.0</i>	<i>26.0</i>
<b>TOTAL</b>	<b>551.0</b>	<b>467.1</b>	<b>467.1</b>	<b>467.1</b>

*Request:* The Department requests an appropriation of \$34,121,040 total funds (\$7,190,195 cash funds and \$26,930,845 federal funds) and 467.1 FTE. This request includes the continuation of the 2.5 percent state PERA contribution reduction.

*Recommendation:* **Staff recommends an appropriation of \$34,121,040 total funds and 467.1 FTE**, calculated in accordance with Committee policy. Staff's recommendation does not include the 1.5 percent base reduction due to the lack of vacancies in the UI Programs as a result of the high unemployment levels. Staff's recommendation includes an increase of \$500,000 federal funds that were made available by the American Recovery and Reinvestment Act of 2009, but require appropriation by the General Assembly. Staff's recommendation is outlined in the following table.

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Unemployment Insurance Program - Program Costs				
	CF	FF	Total Funds	FTE
FY 2010-11 Long Bill Appropriation	7,237,756	27,008,980	34,246,736	467.1
Est. Personal Services	5,628,816	21,005,118	26,633,934	
Est. Operating Expenses	1,608,940	6,003,862	7,612,802	
FY 2010-11 Supplementals	0	0	0	
<b>Subtotal FY 2010-11 Appropriation</b>	<b>7,237,756</b>	<b>27,008,980</b>	<b>34,246,736</b>	<b>467.1</b>
Restore FY 2010-11 state PERA contribution reduction	129,637	516,825	646,462	0.0
Increase federal funds	0	500,000	500,000	0.0
NP - State PERA contribution reduction	(177,198)	(594,960)	(772,158)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>7,190,195</b>	<b>27,430,845</b>	<b>34,621,040</b>	<b>467.1</b>

**Internet Self-Service**

*Description:* This line was added in FY 2008-09 to provide the Department with funds for the operating component of the Internet Self-Service project.

*Request:* The Department did not request an appropriation for this line item.

*Recommendation:* **Staff recommends an appropriation of \$162,948 cash funds from the Employment Support Fund and 2.5 FTE.** Staff recommends the Committee approve funding for this line even though the Department did not request it because of the importance of ensuring Department staff are working with contractors on this project. Without this funding the Department will not have funding for Department staff to continue working with contractors through the completion of this project. Staff notes that the current projected completion time is March 2012 and any unspent funds will revert to the Employment Support Fund.

**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. **For FY 2011-12 the Department estimates it will pay \$537,869,586 in benefits.** Unemployment benefits are included in staff's numbers pages because they reflect a major Department expenditure, but do not appear in the Long Bill because they are not subject to appropriation by the General Assembly.

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**Unemployment Insurance Fraud Program - Program Costs**

This line item was combined with the Unemployment Insurance Programs line item starting in FY 2009-10 and for all years thereafter. These lines are in **staff's numbers pages for informational purposes only, and will not appear in the FY 2011-12 Long Bill.**

**(B) 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.

**State Operations**

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

<b>Staff Summary State Operations</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Management	2.2	2.0	2.0	2.0
Administrative Staff	4.4	5.0	5.0	5.0
Community Workers	10.0	6.0	10.0	10.0
Professional Staff	7.6	7.0	8.0	8.0
Labor & Employment Specialists	100.4	123.7	118.7	118.7
<b>TOTAL</b>	<b>124.6</b>	<b>143.7</b>	<b>143.7</b>	<b>143.7</b>

*Request:* The Department requests an appropriation of \$13,742,967 total funds (\$9,270,580 cash funds, \$9,600 reappropriated funds, and \$4,462,787 federal funds) and 143.7 FTE for this line.

*Recommendation:* **Staff recommends an appropriate \$13,602,083 and 143.7 FTE** calculated in accordance with Committee policy. The following table outlines staff's recommendation.

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State Operations - Program Costs					
	CF	RF	FF	Total Funds	FTE
FY 2010-11 Long Bill Appropriation	\$9,263,889	\$9,600	\$4,508,926	\$13,782,415	143.7
FY 2010-11 Supplementals	0	0	0	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>9,263,889</b>	<b>9,600</b>	<b>4,508,926</b>	<b>13,782,415</b>	<b>143.7</b>
Increase state PERA contribution	128,404	0	62,920	191,324	0.0
1.5% base reduction	(140,884)	0	0	(140,884)	0.0
NP - State PERA contribution reduction	(121,713)	0	(109,059)	(230,772)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$9,129,696</b>	<b>\$9,600</b>	<b>\$4,462,787</b>	<b>\$13,602,083</b>	<b>143.7</b>

**One-Stop County Contracts**

*Description:* There are nine county regions that run their own one-stop centers. These one-stop centers offer the same services as the state run 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 counties with a county employee.

*Request:* The Department requests an appropriation of \$9,164,335 federal funds and 28.0 FTE.

*Recommendation:* **Staff recommends an appropriation of \$9,123,544 federal funds and 28.0 FTE**, calculated in accordance with Committee policy and is outlined in the following table.

One-Stop County Contracts - Program Costs		
	Federal Funds	FTE
FY 2010-11 Long Bill Appropriation	9,123,544	28.0
FY 2010-11 Supplementals	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>9,123,544</b>	<b>28.0</b>
Increase state PERA contribution	40,791	0.0
NP - State PERA contribution reduction	(40,791)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>9,123,544</b>	<b>28.0</b>

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**Trade Adjustment Act Assistance**

*Description:* 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 \$3,288,070 federal funds, reflecting an anticipated decrease of \$549,757 federal Trade Adjustment Act funds.

*Recommendation:* **Staff recommends an appropriation of \$3,288,070 federal funds.**

**Workforce Investment Act**

*Description:* 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:* The Department requests \$32,230,133 (\$807,540 cash funds, \$100,000 reappropriated funds, and \$31,322,593 federal funds) and 61.4 FTE. This request includes a decrease for the state PERA contribution reduction.

*Recommendation:* **Staff recommends an appropriation of \$32,230,133 and 61.2 FTE**, calculated in accordance with Committee policy. The following table summarizes staff's calculations, with a recommended funding split for FY 2011-12.

<b>Workforce Investment Act - Program Costs</b>					
	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total Funds</b>	<b>FTE</b>
FY 2010-11 Long Bill Appropriation	\$807,540	\$0	\$31,337,501	\$32,145,041	60.0
H.B. 10-1333		100,000		100,000	1.4
FY 2010-11 Supplementals	0	0	0	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>807,540</b>	<b>100,000</b>	<b>31,337,501</b>	<b>32,245,041</b>	<b>61.4</b>
Annualize H.B. 10-1333	0	0	0	0	(0.2)
Restore FY 2010-11 state PERA contribution reduction	0	0	78,004	78,004	0.0
NP - state PERA contribution reduction	0	0	(92,912)	(92,912)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>807,540</b>	<b>100,000</b>	<b>31,322,593</b>	<b>32,230,133</b>	<b>61.2</b>

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**Workforce Development Council**

*Description:* 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 in the delivery of workforce development programs; and reviewing the allocation of federal Title I funds for adult employment and training activities and youth activities.

Council and staff are supported by funds transferred to the Department from other departments that receive allocations of federal funds, including the Departments of Human Services, Education, and Local Affairs, and the Community Colleges. The Office of State Planning and Budgeting annually determine each agency's contributions in June.

*Request:* The Department requests an appropriation of \$462,416 reappropriated funds and 4.0 FTE, which includes the state PERA contribution reduction decision item.

*Recommendation:* **Staff recommends an appropriation of \$462,416 reappropriated funds and 4.0 FTE.** Staff's recommendation is outlined in the following table.

<b>Workforce Development Council Staff</b>		
	<b>RF</b>	<b>FTE</b>
FY 2010-11 Long Bill Appropriation	459,547	4.0
FY 2010-11 Supplementals	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>459,547</b>	<b>4.0</b>
Restore FY 2010-11 state PERA contribution reduction	6,469	0.0
NP - State PERA contribution reduction	(3,600)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>462,416</b>	<b>4.0</b>

**Workforce Improvement Grants**

*Description:* 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 \$870,000 total funds (\$20,000 cash funds and \$850,000 federal funds) and 10.0 FTE.

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**Recommendation:** Staff recommends an appropriation of \$860,036, of which \$20,000 is cash funds and \$840,036 is federal funds and 10.0 FTE. This recommendation includes the continuation of the 2.5 percent state PERA contribution reduction pursuant to S.B. 11-076.

**TANF-Supported Subsidized Employment**

This line item was included in the FY 2009-10 Long Bill through the FY 2009-10 supplemental process to reflect reappropriated funds received from the Department of Human Services for employment subsidization. These funds were made available by the American Recovery and Reinvestment Act of 2009, and were available for federal FY 2009-10 only. This line is in **staff's numbers pages for informational purposes only, and will not appear in the FY 2011-12 Long Bill.**

**(C) Labor Market Information**

**Program Costs**

*Description:* Labor Market Information (LMI) provides information on employment trends across the state and various trades, 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.

<b>Staffing Summary Labor Market Info.</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Administration / Management	4.6	5.0	5.0	5.0
Labor Market Research Staff	11.2	13.0	13.0	13.0
IT Staff	0.4	2.0	2.0	2.0
Arts Professional	1.0	1.0	1.0	1.0
Statistical Analysts	8.5	9.3	9.3	9.3
<b>TOTAL</b>	<b>25.7</b>	<b>30.3</b>	<b>30.3</b>	<b>30.3</b>

*Request:* The Department requests an appropriation of \$1,997,257 total funds (\$11,509 cash funds and \$1,985,748 federal funds) and 30.3 FTE for this purpose.

**Recommendation:** Staff recommends an appropriation of \$1,997,257 total funds and 30.3 FTE. The calculation of the appropriation amount is shown in the following table and is in accordance with Committee policy. This programs FTE are entirely federal funded and therefore not subject to the 1.5 percent base reduction.

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Labor Market Information - Program Costs				
	CF	FF	Total Funds	FTE
FY 2010-11 Long Bill Appropriation	11,509	1,984,215	1,995,724	30.3
FY 2010-11 Supplementals	0	0	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>11,509</b>	<b>1,984,215</b>	<b>1,995,724</b>	<b>30.3</b>
Restore FY 2010-11 state PERA contribution reduction	0	45,506	45,506	0.0
NP - State PERA contribution reduction	0	(43,973)	(43,973)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>11,509</b>	<b>1,985,748</b>	<b>1,997,257</b>	<b>30.3</b>

**(3) DIVISION OF LABOR**

**Program Costs**

*Description:* 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 entirely cash funded from the Employment Support Fund pursuant Section 8-77-109, C.R.S.

Staffing Summary Division of Labor	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2011-12 Recomm.
Management	1.0	1.0	1.0	1.0
Administrative Staff	1.0	1.0	1.0	1.0
Professional Staff	10.7	13.0	13.0	13.0
<b>TOTAL</b>	<b>12.7</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

*Request:* The Department requests an appropriation of \$1,165,144 cash funds and 15.0 FTE, which includes a continuation of the state PERA contribution reduction.

*Recommendation:* **Staff recommends an appropriation of \$1,147,311 cash funds from the Employment Support Fund and 15.0 FTE.** Staff calculation is summarized in the following table and is calculated in accordance with Committee policy.



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Division of Labor - Program Costs		
	CF	FTE
FY 2010-11 Long Bill Appropriation	1,163,596	15.0
FY 2010-11 Supplementals	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>1,163,596</b>	<b>15.0</b>
Restore FY 2010-11 state PERA contribution reduction	25,293	0.0
1.5% base reduction	(17,833)	0.0
NP - state PERA contribution reduction	(23,745)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>1,147,311</b>	<b>15.0</b>

**(4) DIVISION OF OIL AND PUBLIC SAFETY**

**Personal Services**

*Description:* Division staff inspect boilers, conveyances, petroleum and explosive storage units, amusement park and carnival rides. Division staff oversee the clean up of petroleum leaks and spills, and inspect and calibrate fuel dispensers.

Staffing Summary Div. of Oil and Public Safety	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2011-12 Recomm.
Management	1.0	1.0	1.0	1.0
Professional Staff	14.2	16.0	16.0	16.0
Scientists / Env. Protection Specialists	15.9	17.0	17.0	17.0
Inspectors	22.9	23.0	23.0	23.0
Support Staff	9.9	10.0	10.0	10.0
<b>TOTAL</b>	<b>63.9</b>	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>

*Request:* The Department requests an appropriation of \$4,665,792 total funds (\$4,107,144 cash funds, \$19,516 reappropriated funds, and \$539,132 federal funds) and 67.0 FTE for this purpose.

*Recommendation:* **Staff recommends an appropriation of \$4,603,222 total funds and 67.0 FTE** calculated in accordance with Committee policy, and staff's recommendation is summarized in the following table.

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<b>Division of Oil and Public Safety - Personal Services</b>					
	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total Funds</b>	<b>FTE</b>
FY 2010-11 Long Bill Appropriation	\$4,089,842	\$19,516	\$556,007	\$4,665,365	67.0
FY 2010-11 Supplementals	0	0	0	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>4,089,842</b>	<b>19,516</b>	<b>556,007</b>	<b>4,665,365</b>	<b>67.0</b>
Restore FY 2010-11 state PERA contribution reduction	81,507	0	13,853	95,360	0.0
1.5% base reduction	(62,570)	0	0	(62,570)	0.0
NP - state PERA contribution reduction	(64,205)	0	(30,728)	(94,933)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>4,044,574</b>	<b>19,516</b>	<b>539,132</b>	<b>4,603,222</b>	<b>67.0</b>

**Operating Expenses**

*Request:* The Department requests \$648,980 total funds for this line, of which \$518,134 is cash funds and \$130,846 is federal funds. This request includes an increase of \$151,200 total funds (\$113,400 cash funds and \$37,800 federal funds) for the annualization of the FY 2010-11 enterprise database system development project.

*Recommendation:* **Staff recommends an appropriation of \$648,980 total funds.** Staff's recommendation is summarized in the following table, and calculated in accordance with Committee policy.

<b>Division of Oil and Public Safety - Operating Expenses</b>			
	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2010-11 Long Bill Appropriation	\$404,734	\$93,046	\$497,780
FY 2010-11 Supplementals	0	0	0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>404,734</b>	<b>93,046</b>	<b>497,780</b>
Annualization of FY 2010-11 DI #2 - Enterprise Database System	113,400	37,800	151,200
<b>Recommended FY 2011-12 Appropriation</b>	<b>518,134</b>	<b>130,846</b>	<b>648,980</b>

**Indirect Cost Assessment**

*Description:* This line item was added in FY 2005-06 when the Petroleum Storage Tank Fund (PSTF) was designated as an enterprise fund and the General Assembly used cash funds exempt as a fund source classification. Departmental indirect costs associated with staff funded by the PSTF are funded by this line item.

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*Request:* The Department requests an appropriation of \$952,827 cash funds for this purpose.

*Recommendation:* Per staff initiated recommendation number one on page 9, **staff recommends an appropriation of \$0 for this line, and the cash funds appropriation to the Executive Director's Office be increased by \$952,827.** This recommendation is due to the change from cash funds exempt to reappropriated funds in FY 2008-09 which enables these funds to be shown in the Executive Director's Office as cash funds.

**(5) DIVISION OF WORKERS' COMPENSATION**

**(A) Workers' Compensation**

*Description:* This program works to assure quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers, with a minimum of 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.

**Personal Services**

<b>Staffing Summary Workers' Compensation</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Management / Professional Staff	8.3	9.0	9.0	9.0
Compensation Ins. Specialists	44.4	51.0	51.1	51.1
Statistical / Actuary Analysts	4.0	5.0	5.0	5.0
Health Professionals	3.0	2.0	2.0	2.0
Administrative Law Judges	4.7	5.0	5.0	5.0
Administrative/Support Staff	25.8	30.0	30.0	30.0
<b>TOTAL</b>	<b>90.2</b>	<b>102.0</b>	<b>102.1</b>	<b>102.1</b>

*Request:* The Department requests an appropriation of \$6,893,423 cash funds and 102.1 FTE, which includes a reduction of \$143,436 cash funds for the state PERA contribution reduction.

*Recommendation:* **Staff recommends an appropriation of \$6,787,870 cash funds and 102.1 FTE calculated in accordance with Committee policy.** The recommendation is summarized in the following table.

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<b>Workers' Compensation - Personal Services</b>		
	<b>CF</b>	<b>FTE</b>
FY 2010-11 Long Bill Appropriation	\$6,877,093	102.0
FY 2010-11 Supplementals	0	0.0
H.B. 10-013	3,756	0.1
<b>Subtotal FY 2010-11 Appropriation</b>	<b>6,880,849</b>	<b>102.1</b>
Annualize H.B. 10-013	0	0.0
Restore FY 2010-11 state PERA contribution reduction	156,010	0.0
1.5% base reduction	(105,553)	0.0
NP - State PERA contribution reduction	(143,436)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>6,787,870</b>	<b>102.1</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$680,780 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$680,780 cash funds as outlined in the following table.**

<b>Workers' Compensation - Operating Expenses</b>	
	<b>CF</b>
FY 2010-11 Long Bill Appropriation	\$698,780
S.B. 10-013	(18,000)
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$680,780</b>

**Administrative Law Judge Services**

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

*Request:* The Department is requesting an appropriation of \$2,796,850 cash funds, reflecting a increase of \$246,025 for the DPA common policy adjustment.

*Recommendation:* **The staff recommendation for this line item is pending Committee policy for FY 2011-12 administrative law judge services.**

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**Physicians' Accreditation**

*Description:* This line 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:* The request is for a continuation appropriation of \$140,000 cash funds.

*Recommendation:* **Staff recommends an informational appropriation of \$140,000 cash funds.**

**Utilization Review**

*Description:* This line funds Department reviews of an independent physicians treatment for a workers' compensation claim. Reviews can be requested by any party involved with a claim. The program is continuously appropriated funds 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:* The request is for a continuation appropriation of \$60,000 cash funds.

*Recommendation:* **Staff recommends an informational appropriation of \$60,000 cash funds.**

**Immediate Payment**

*Description:* These funds are used to quickly pay workers' compensation claims brought against bankrupt employers who were self-insured. This line is continuously appropriated from the Immediate Payment Fund pursuant to Section 8-44-206 (3) (b) (I), C.R.S. In recent years, no expenditures have been made from this line, and revenue for the fund is from fees assessed on self-insured employers.

*Request:* The request is for a continuation appropriation level of \$10,000 cash funds.

*Recommendation:* **Staff recommends an informational appropriation of \$10,000 cash funds.**

**DEPARTMENT OF LABOR AND EMPLOYMENT  
FY 2011-12 STAFF FIGURE SETTING**

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

**(B) Major Medical Insurance and Subsequent Injury Funds**

*Description:* The Major Medical Insurance Fund and the Subsequent Injury Fund provide medical benefits and compensation payments to some of the most seriously injured workers in Colorado, and are closed to new cases.

**Personal Services**

<b>Staffing Summary Major Medical / Subsequent Injury</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp.</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Compensation Insurance Specialists	4.9	8.0	8.0	8.0
General Professional	3.0	3.0	3.0	3.0
Accounting Technicians	3.0	3.0	3.0	3.0
Support Staff	1.0	2.0	2.0	2.0
<b>Total</b>	<b>11.9</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>

*Request:* The Department requests an appropriation of \$1,258,536 cash funds and 16.0 FTE, which includes the state PERA contribution reduction.

*Recommendation:* **Staff recommends an appropriation of \$1,239,366 and 16.0 FTE.** The following table summarizes staff's calculations, which was calculated in accordance with Committee policy.

<b>Major Medical and Subsequent Injury Funds - Personal Services</b>		
	<b>Cash Funds</b>	<b>FTE</b>
FY 2010-11 Long Bill Appropriation	1,260,197	16.0
FY 2010-11 Supplemental	0	0.0
<b>Subtotal FY 2010-11 Appropriation</b>	<b>1,260,197</b>	<b>16.0</b>
Increase state PERA contribution	17,797	0.0
1.5% base reduction	(19,170)	0.0
NP - State PERA contribution reduction	(19,458)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>1,239,366</b>	<b>16.0</b>

**DEPARTMENT OF LABOR AND EMPLOYMENT**  
**FY 2011-12 STAFF FIGURE SETTING**  
JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

**Operating Expenses**

*Request:* The Department requests a continuation appropriating of \$88,324 cash funds for the operation of these programs.

*Recommendation:* **Staff recommends an appropriation of \$88,324 cash funds.**

**Major Medical Benefits**

*Description:* This line pays for the benefits from the Major Medical Insurance Fund to injured workers who qualify under statute. Expenses fluctuate each year depending on the specific medical treatments required by clients.

*Request:* The Department is requesting a continuing appropriation of 7,000,000 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$7,000,000 cash funds from the Major Medical Insurance Fund.**

**Major Medical Legal Services**

*Description:* 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 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:* The Department requests an appropriation for 100 legal service hours.

*Recommendation:* **Staff recommends an appropriation of 100 hours of legal services, and the dollar appropriation is pending Committee policy for FY 2011-12 legal services hourly rate.**

**Subsequent Injury Benefits**

*Description:* Subsequent Injury Benefits are paid from this line to qualified injured workers. Benefits paid from the Subsequent Injury Fund are continuously appropriated pursuant to Section 8-46-101 (4) (a), C.R.S.

*Request:* The request is for an appropriation of \$3,200,000 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$3,200,000 cash funds from the Subsequent Injury Fund.**

**DEPARTMENT OF LABOR AND EMPLOYMENT  
FY 2011-12 STAFF FIGURE SETTING**

JBC Working Document: Decisions Subject to Change  
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**Subsequent Injury Legal Services**

*Description:* 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:* The request is for a continuation appropriation for 350 legal service hours.

*Recommendation:* **Staff recommends 350 legal service hours, and the dollar amount is pending the Committee policy for FY 2011-12 legal services hourly rate.**

**Medical Disaster**

*Description:* This line is used to offset employee incurred medical, nursing, hospital, and drug expenses that are in excess of the allotted expenses under the "Workers; Compensation Act of Colorado" pursuant to Section 8-46-302 (1), C.R.S. 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:* The request is for a continuation level appropriation of \$6,000 cash funds.

*Recommendation:* **Staff recommends the continued appropriation of \$6,000.**



**DEPARTMENT OF LABOR AND EMPLOYMENT**  
**FY 2011-12 STAFF FIGURE SETTING**  
JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

**Long Bill Footnotes and Requests for Information**

The Department did not have any footnotes or information requests for FY 2010-11, and staff does not recommended any footnotes or information requests for FY 2011-12.

# MEMORANDUM

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**TO:** JBC Members  
**FROM:** Megan Davisson, JBC Staff (303-866-2062)  
**SUBJECT:** Department of Labor and Employment, Staff Technical Comebacks  
**DATE:** March 17, 2011

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## **Staff Technical - 1.5 Percent Base Reduction**

This staff technical comeback impacts two lines: the personal services line item in the Executive Director's Office, and the State Operations line item in the Division of Employment and Training. The following table outlines the recommended changes to the two line items.

- Staff mistakenly applied the 1.5 percent base reduction to federal funds in the Executive Director's Office personal services line item and recommends this reduction be reversed to align reduction with Committee policy. Due to the change in how Petroleum Storage Tank Fund funds are appropriated to the Executive Director's Office, staff recommends a technical correction to how the 1.5 percent base reduction was applied to these funds in the Executive Director's Office.
- Staff mistakenly applied the 1.5 percent base reduction to the operating expenses portion of the State Operations line item in the Division of Employment and recommends \$67,856 cash funds be added to the line item to reverse this reduction.

<b>Summary of Staff Recommendation for 1.5% Base Reduction Correction</b>				
<b>Line Item</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>
EDO - Personal Services	(\$775)	\$775	\$74,063	\$74,063
State Operations	67,856	0	0	\$67,856