

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus, JBC Staff (303-866-2149)
DATE March 3, 2022
SUBJECT Regarding Questions on the Figure Setting Presentation for CDLE

This memo includes information in response to questions that arose during the figure setting presentation for the Department of Labor and Employment on March 2, 2022. This includes information provided from the Department in response to decision item questions.

→ R1 INCREASE WAGE THEFT SPENDING

There are four primary options for dealing with a cash fund that is non-compliant with the 16.5% maximum reserve requirement.

- 1) The JBC provides a waiver from the requirement for up to three fiscal years.
- 2) The cash fund is provide an alternative maximum through JBC action, in which case the alternative maximum is established for up to three years.
- 3) The cash fund is provide an alternative maximum through legislation, which can be used to provide the cash fund with a longer-term alternative maximum.
- 4) The cash fund is exempt from the waiver requirements permanently, which requires legislation.

The fines for wage theft enforcement are set in statute, and would require legislation to be altered. The Department is hesitant to look at changes to fines given the nature of their work enforcing labor standards. If there is no statutory change or waiver, the funds would remain in the WTEF and not be transferred to the General Fund, because CRS 8-4-113(3) provides for only WTEF “appropriation by the general assembly to the division for the direct and indirect costs associated with implementing this article”.

The WTEF currently is under a three-year cash fund waiver that is set to expire this year. JBC staff recommends that either the committee provide the cash fund with a new waiver for up to three years or the Committee can sponsor legislation to exempt the fund entirely.

→ BA3 CHIEF OPERATING OFFICER

Attached to this memo is the CDLE Organizational Chart with the current vacant Chief of Operating position. The COO will report directly to CDLE Executive Director, Joe Barela. There are several units that will report to the COO. This includes Strategic Business Technology (~13 FTE), Facilities (~20 FTE), the Audits and Compliance Director (1 FTE), the Equal Opportunity Officer (1 FTE) and the Equity, Diversity and Inclusion Coordinator (1 FTE). According to data obtained from the Department of Personnel and Administration (DPA), they are currently recruiting for a COO position. Additionally, the Departments of Military and Veterans Affairs, Health Care and Policy Financing, and Natural Resources have COO's.

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Staff was able to find that COO's appear to be becoming more common in the public sector¹. State COOs have been found to be particularly helpful in cross-agency collaboration, as well as the ability to focus on some of the long-term operational goals of governments.

→ BA1 SKILLS-BASED HIRING INITIATIVE

The skills-based hiring initiative positions requested are to allow the State as an employer to move towards skills-based hiring practices. The consultant FTE will create a toolkit that will first serve as a resource for all State departments to integrate skills-based hiring practices. State Departments cannot make substantive changes in their hiring practices without guidance and support from the Department of Personnel & Administration (DPA). The skills-based hiring initiative has a specific goal of changing policy within DPA so that all State departments have the capability to implement changes, analyzing jobs where skills-based hiring can be most useful (high turnover, hard-to-fill, retirements), and can also get the support needed and training necessary to implement those changes effectively. The adoption of skills-based hiring practices will allow hiring managers across Departments to reach untapped talent pools, facilitate the adoption of work-based learning models like apprenticeship, and prepare state workers for the future of work through targeted skill development.

The State of Colorado, as an employer, has more than 99,000 employees. The Department believes that the State could benefit from less attrition, a broader recruitment pool, and a sustainable, high quality talent pipeline. They state that adoption of these practices by the State would send clear signals to businesses and nonprofits about what methods are effective for hiring talent. The Department believes that this initiative is necessary, as there are over 70 million adults in the United States with skills from community colleges, workforce training, boot camps, certificate programs, military service, foreign educational institutions and work experience, or on-the-job learning.

→ COAL SEVERANCE TAX VIA H.B. 21-1312

Severance Tax is managed by the Department of Revenue and collected by counties, and the Colorado Oil and Gas Conservation Commission within the Department of Natural Resources maintains the county-level production data. House Bill 21-1312 credits any revenue resulting from the changes in severance tax on coal to be credited to the Just Transition Cash Fund. The Just Transition Office uses this fund to administer the program and is subject to appropriation by the General Assembly each year. This fund is separate and distinct from the funds in H.B. 22-1193, which are to be used to invest the funds into coal transition workforce assistance programs and communities. This information will appear in the cash fund summary but not the budget as this funding has not yet been appropriated to the Department.

→ HOSPITALITY EDUCATION GRANT PROGRAM

This program funds the Colorado ProStart® program, a pre-apprenticeship program of the National Restaurant Association Educational Foundation (NRAEF). The Colorado ProStart® is a hospitality/food service and business entrepreneurship work-based learning program offered to Colorado high school students in 43 schools statewide. The program has expanded the number of students and high schools served and the number of industry certifications offered. The Hospitality Education grant program has not seen a reduction in funding. The program received \$401,947 in appropriations in FY 2020-21 and FY 2021-22 and \$411,607 in appropriations in FY 2019-20.

¹ [Defining the role of a state chief operating officer](#)

