DEPARTMENT OF LABOR AND EMPLOYMENT
FY 2022-23 JOINT BUDGET COMMITTEE HEARING AGENDA

Wednesday, December 1, 2021
2:45 pm – 4:45 pm

2:45-3:00 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Joe Barela, Executive Director

3:00-3:15 COMMON QUESTIONS

Main Presenters:
- Joe Barela, Executive Director

Supporting Presenters:
- Daniel Chase, Chief of Staff
- Cher Haavind, Deputy Executive Director and Chief Communications Officer
- Darcy Kennedy, Deputy Executive Director and Chief Financial Officer
- Jeanni Stefanik, Budget Director

Topics:
- COVID-19 Remote work planning: Page 3, Questions 1 in the packet
- One-time federal stimulus funds: Page 3, Questions 2 in the packet

3:15-3:45 GENERAL QUESTIONS

Main Presenters:
- Joe Barela, Executive Director
- Daniel Chase, Chief of Staff

Supporting Presenters:
- Paul Tauriello, Division of Workers' Compensation Director
- Lee Wheeler-Berliner, Colorado Workforce Development Council Director
- Scott Moss, Division of Labor Standards and Statistics Director
- Mahesh Albuquerque, Division of Oil and Public Safety Director

Topics:
- Workers' Compensation Claims: Page 4, Questions 3 in the packet
- Workforce Development Funding: Page 4, Questions 4 in the packet
- R-01: Wage Theft Enforcement: Page 6, Questions 5-6 in the packet
- R-03: Underground Damage Prevention Fund Page 7, Questions7 in the packet

3:45-4:45 UNEMPLOYMENT INSURANCE

Main Presenters:
- Joe Barela, Executive Director
- Daniel Chase, Chief of Staff

Supporting Presenters:
- Phil Spesshardt, Division Director

Topics:
- Fraud: Page 7, Questions 8-9 in the packet
- Administration and Customer Service: Page 8, Questions 10 in the packet
- Trust Fund Balance: Page 8, Questions 11-12 in the packet

Wednesday, December 1, 2021

2:45 pm – 4:45 pm

COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

1 Please provide an update on how remote work policies implemented in response to the COVID-19 pandemic have changed the Department's long-term planning for vehicle and leased space needs. Please describe any challenges or efficiencies the Department has realized, as well as to what extent the Department expects remote work to continue.

The Department has continued to implement and update remote work policies to adjust to the new workforce environment, setting standard policies, procedures, and certifications for remote work. The Department has a relatively small vehicle fleet that are mostly utilized by Divisions required to complete inspections and provide services to localities. The Department is committed to continuing to look at long-term planning for leased space as the COVID-19 pandemic continues and leased space needs evolve. The Department has seen an increase in remote work for all Divisions and has ceased to renew a few lease spaces, as a result, the Department has reallocated vacated space in Denver to its new Division of Family and Medical Leave Insurance and recent increases in FTE to other Divisions as required by recent legislation.

The Department has found efficiencies through remote work policies and through virtual meetings which has significantly reduced travel time to in-person meetings. The availability of virtual meetings has provided convenient and more affordable options for our employees in rural parts of the state to feel like they are connected to the Denver-Metro area and Department. The use of on-line approval/routing software such as Docusign, has created efficiencies and reduced contract routing time.

2 Please describe the most significant one-time federal funds from stimulus bills (e.g., CARES Act and ARPA) and other major new federal legislation (e.g., Federal Infrastructure Investment and Jobs Act) that the Department has received or expects to receive. For amounts in new federal legislation that have not yet been distributed, please discuss how much flexibility the State is expected to have in use of the funds.

The Department received additional Federal Administrative allocations through Families First Coronavirus Relief Act and the CARES Act for the administration of Unemployment Insurance and ARPA funding for Workforce Development Programs.

The CARES Act added substantial new responsibilities to the Department for the administration of unemployment insurance. For the first time ever, it allowed gig workers and independent contractors access to benefits through the Pandemic Unemployment Assistance (PUA). Originally this provided up to 39 weeks of unemployment benefits, but subsequent extensions maxed PUA out at 79 weeks. The CARES

Act also created Federal Pandemic Unemployment Compensation (FPUC), which added an additional weekly benefits amount for all claimants.

Additionally, the Pandemic Emergency Unemployment Compensation (PEUC) provided up to 13 additional weeks of benefits to individuals who have exhausted their regular unemployment compensation (UC), eventually being extended to 54 weeks total. Further, the First Week provided full federal funding of the first week of regular UC for states with no waiting week and the Mixed Earners Unemployment Compensation (MEUC) provided a $100 supplemental benefit amount to certain individuals with a mix of self-employment and w-2 income.

In addition to the CARES Act, the Department received $60 million of ARPA funding through HB21-1264 for the Colorado Workforce Development Council for the administration and award of grants to local workforce programs, and state level initiatives. $25 million of the funds are for direct training dollars administered by the local areas, $35 million for workforce innovation and grants, a 50/50 percent split between state and local level investments. The Department is to have all grant funds obligated by December 31, 2024 and expended by December 31, 2026.

Additional details related to funding outlined above can be found in question #11 in the written responses.

General Questions

Workers' Compensation

3 *[Rep. Ransom]* - Why are two-thirds of the workers' compensation claims being denied? How does this relate to the Governor's actions that were designed to limit the spread of COVID through workplaces?

The Colorado Division of Workers' Compensation does not directly administer benefits and therefore decisions about compensability are the responsibility of the employer's workers' compensation insurance carrier. For an injury to be accepted as workers' compensation in Colorado, the injury must occur in the course and scope of employment. As COVID-19 has become more prevalent in our everyday lives, it becomes more difficult to assure that it was contracted in the workplace. It would be reasonable to assume that as COVID-19 cases increase, there would be a decrease in the number of claims that would be accepted by workers' compensation insurance carriers. The acceptance rate of these claims has remained steady throughout the pandemic indicating that carriers are still regularly approving these types of claims based on their initial policies. Preventing illness and injury in the workplace is a vital part of keeping the number of claims and costs low for employers in Colorado. While workers' compensation benefits are only available to employees after an illness has occurred, the Governor's actions that were designed to limit the spread of COVID-19 in the workplace are a vital part of keeping our workforce safe and healthy, and limiting claims in the workers' compensation system.

Workforce Development Funding

4 *[Rep. McCluskie]* Ask the Department to share the list of grants awarded on October 15, provide an overview of what those community partnerships look like, and identified outcomes (what they are attempting to accomplish).

The Colorado Workforce Development Council website provides information related to grants awarded. https://cwdc.colorado.gov/blog-post/ten-organizations-awarded-upskilling-reskilling-and-next-skilling-workers-grants Appendix A provides a more detailed overview of each grantee.

In general, the grants awarded on October 15th include the following:
Activate Work will train 410 individuals for careers in the IT industry, with 100% of students being low- or moderate-income and 91% at or below 80% of AMI.

The Blind Institute of Technology will support 100 blind and visually impaired individuals to earn a Salesforce CRM Administrator certificate, a Cisco Certified Network Associate, or a Certified Associate in Project Management.

CareerWise Colorado will support 45 - 60 individuals earn an industry-recognized credential in partnership with employers in in-demand industries.

Grid Alternatives Colorado Inc. will implement the IBT 200 program. The IBT 200 program will host four-cohorts of seven-trainees in year one (28 trainees), and in year two will host another four-cohorts of seven-trainees (28 trainees), for a total of 56 individuals trained in the IBT 200 program and receiving industry-recognized accreditations.

Mile High Youth Corps will support 56 individuals to pursue a Certificate in Nurse Aide in partnership with the Community College of Denver or a construction Pre-Apprenticeship Certificate in partnership with the Home Builder’s Institutes, with at least 75% of enrollees earning credentials.

Mt. Carmel Veterans Service Center will support 70 individuals in the Pikes Peak local area to complete certifications in IT and Cybersecurity, including ITIL, PMP, C-CAP, A+, CND, Sec+, Net+, CND, CEH, CISSP, CDL A, and CAPM/PMP and CNA.

National Institute for Medical Assistant Advancement will support 45 individuals to earn a medical assisting credential.

Solar Energy International will work with Pueblo Community College to train individuals for opportunities in the solar industry. Over the course of two years, this training program will serve 148 people to earn certification. 100 will earn their NABCEP Certification, 48 will earn their OSHA Construction Credential, and any/all students are qualified not only for an entry- or mid-level solar career, but for further specialization through SEI's and PCC's renewable energy education.

Spring Institute will help 40 internationally trained healthcare professionals obtain the following credentials: Licensed Practical Nurse, Certified Pharmacy Technicians (CPhT), EKG Technicians, Phlebotomists, and Dental Assistants.

The Village Institute will implement the URN3 program to train individuals for careers in early childhood education. URN3 will serve a minimum of 30 students per semester. This will mean that 30-60 participants will earn a credential in the first year, with up to an additional 60 participants in the second year of the program. The targeted population includes immigrants and refugees.

R-01 Wage Theft Enforcement Spending

5 *[Rep. McCluskie]* If recent legislation has increased the scope and complexity of claims and the related investigations, what types of supports is the Department providing to employers?

The Division of Labor Standards and Statistics (DLSS) currently runs a full-time call center that employers and employees alike call with labor law questions, answered by DLSS's trained professionals. DLSS answers most calls immediately, and almost never has wait times over 5-10 minutes, and when call center volumes increase there are designated backup staff for call center duties. DLSS answers questions without judgment, for example, if an employer call reports a non-compliant practice, DLSS call center staff explains how to comply, without imposing consequences for non-compliance. A call center is only as useful as it is well-know, DLSS is proud that word must be spreading of this resource, because call volume continues to rise:

Year	# Calls to DLSS Call Center	Change from Prior Year
2019	37,771	-0.2%
2020	43.348	+14.8%
2021	52,500 (full-year projection from the 10 months through Oct.)	+21.1%

Additionally, DLSS has substantially increased its Outreach program which provides non-legalistic advice to all, but mainly for the benefit of employers and trade associations that lack lawyers in-house or on retainer. With so many new labor laws since late 2019, DLSS in spring 2020 began a new series of published guidance that is continually updated, and recently increased the pace to 2 new releases per month. DLSS also has roughly doubled our outreach events -- presentations to groups of all kinds, but the largest share is presentations to trade associations, chambers of commerce, and other industry groups, typically on new labor law topics (e.g., many on the new paid sick leave law since its enactment in mid-2020, and many on the new agricultural labor law since its enactment in mid-2021). The Division had 35 outreach events in 2020, then 61 so far in 2021 -- and continues to respond to requests by employer groups.

The Department is requesting an *Appeals Coordinator* to provide better assistance for employers to navigate administrative appeals of rulings against them. The Appeals Coordinator will spend nearly all their time on appeals filed by employers: over 90% of appeals are by employers, and that percent has risen (2019, 86%; 2020, 90%, 2021, 91%) with so many new labor rights (mainly from new laws creating broader wage liability, paid sick leave, etc.) that impose more, and newer, obligations on employers. Most employers are not represented by lawyers in these administrative appeals; and the Divisions administrative assistants do their best to answer employer questions, but a professional, full-time Appeals Coordinator will be better able to explain how and what to file, how to prepare for their appeal hearings, etc. That will help the Division better fulfill the purpose of administrative appeals: a way to appeal that is cheaper than court because it doesn't require lawyers, but is user-friendly enough for especially small employers lacking in-house lawyers or sophisticated Human Resource professionals.

6 *[Sen. Moreno]* What is driving the need for the increase in the statutory reserve (e.g., solely complexity of cases)?

DLSS enforcement used to be limited to investigating and ruling on unpaid wage complaints. However, in 2019 and 2020 DLSS began more systemic investigations, because often it's all workers in a workplace, not just the one who filed a complaint, who are being misclassified, not paid for off-the-clock time, etc. Many of the most systemic violations persist because they are against the workers least likely to file complaints -- immigrants, low-wage workers, etc.; and the paid sick leave law tends to especially require systemic investigations, since an employer incorrectly applying (or just denying) paid sick leave is typically doing so based on a company-wide policy, not just as to one worker who filed a complaint.

Systemic investigations have resulted in fixing violations of many workers' rights all at once, and many employers respond to notices from DLSS of possible violations by agreeing to fix their practices, in exchange for offers of much-*reduced fines*, or (if the employer agrees to a fix before a finding against it) *no fines at all* -- offers that DLSS regularly makes, as the Divisions goal is to increase compliance, not to impose fines or prolong proceedings. However, a minority of employers will refuse to fix practices that violate their workers' rights even after DLSS notifies them of the applicable law. In those circumstances, fines of just $100 or a few hundred dollars per worker can yield total fines in the tens or hundreds of thousands of dollars. If just one or a few fines that large arrive at the end of a fiscal year, it will be too late to bring the fund balance below a $200,000 cap.

R-03 Underground Damage Prevention Fund Spending

7 *[Rep. Ransom]* Why is the Department requesting a continuous appropriation? Given the volatility and recent declines in production in Colorado, is education and outreach relevant?

Monies in the fund would be to used for developing and disseminating educational programming designed to improve worker and public safety relating to excavation and the prevention of damage to all underground facilities which not only include oil and gas liquid pipelines, but also include electric, natural gas, telecommunication, IT networks, sewer and water utilities. Outreach and education will continue to be relevant as many of the complaints that are heard by the Safety Commission indicate that the violator was not familiar with the requirements in the statute and regulations. Continuous spending authority is being requested to eliminate the need to request it each year for the purposes of continuing need for education and outreach for the program.

Unemployment Insurance

Fraud

8 *[Sen. Hansen]* This seems like a relatively small amount of fraud given the large payouts. How does this compare to other states?

Other states report significantly higher numbers than Colorado. There is no mandatory reporting for states, as such states are generally reporting different things. While CO is relatively low at $29 million, that number will increase as we continue to investigate and verify fraudulent claims. The states that have released numbers, either suspected or confirmed payments: NY $800 million, KS $700 million, OH $3.8 billion, TX $839 million, CA $20 billion, WA $1.1 billion AZ $4.3 billion.

9 *[Rep. Ransom]* Describe what actions the Department is taking to recover fraudulent payments.

Colorado is working with Federal, state, and local law enforcement, as well as banking institutions to identify Colorado specific suspected fraudulent payments and recover them, generally utilizing the US

Secret Service administrative seizure abilities. This is being coordinated through the Attorney General's Task Force on UI Fraud. Colorado has recovered $39.7 million of suspected fraudulent payments.

Administration and Customer Service

10 *[Rep. Ransom]* Comment: Question: Describe the Department's customer service efforts for those individuals who are waiting for resolution of their UI claims (e.g., allowing individuals to speak directly with a person when needed).

The Division continues to regularly hire and onboard additional call center staff to provide assistance to our customers. Due to sustained high call volume, the division is continuing to use a vendor to provide additional call center support, but the work they can do is limited due to the expiration of the federal merit staffing waiver. The plan is to reduce and ultimately eliminate the reliance on a vendor to provide assistance in this area given the limited capabilities of those vendors. Currently, scheduled call-backs occur within one-week but the ultimate goal is to provide call-back assistance within 48 hours once our largest cohort of recent hires completes all levels of training. The Division is also moving to identify and resolve claimants who are "stuck" in some form of processing, whether it be fraud related or otherwise.

Trust Fund Balance

11 *[Rep. McCluskie]* What is the strategy behind the mix of $500 million General Fund and $100 million federal funds? Given that this is a clearly authorized use of federal ARPA funding, why is the Department proposing the use of General Fund for this purpose?

There were a large number of ARPA requests across Departments. This mix of funding demonstrates the state's commitment to lowering employer premiums by dedicating state funds to the UITF. Using a larger amount of state funds will allow for the fulfillment of more ARPA requests across departments that will further accelerate Colorado's economic recovery.

12 *[Sen. Moreno]* Quantify what would result in the most impacts to the business community (credit reduction, changes in the taxable wage base, solvency surcharge). What are the levers that are under legislative control?

While it is likely that the Federal Unemployment Tax Act (FUTA) credit reduction has the most immediate impact on employers, that is not within the state's control, as it is a federal process. The only way the state would be able to eliminate the credit reduction would be to pay off the full loan balance by November of the year prior. The state does have control over the Solvency Surcharge, which is in state law and is the second biggest hit for employers, as well as the overall rate schedule employers are put on.

Below outlines various impacts to business communities:

The change in the taxable wage base from $13,600 in 2021 to $30,600 by 2026 will be a cost impact to employers. However, the increase was a necessary response to the chronic underfunding of Colorado's Unemployment Insurance Trust Fund (UITF), as represented in the US Department of Labor Trust Fund

Solvency Report that ranks the state in the bottom third for adequate solvency level.[1] The Department's 2020 UITF Status Report also identified the long-term UITF benefits to increasing the wage base[2]. Current forecasts for the UITF balance would look significantly weaker if the wage base had not been adjusted in SB20-207.

Going into the pandemic, employers sat at the lowest rate schedule. Due to the deficit status of the UITF on June 30, 2021, employers will move from the second highest rate schedule in 2021 to the highest schedule in 2022. However, despite employers moving to a higher rate schedule next year, the Department estimates that around 48 percent of experience-rated employers will actually see rate decreases in 2022. This is primarily due to EO D21-012, which provided temporary assistance to Colorado businesses by largely holding them harmless from the increased unemployment benefits resulting from the pandemic.

The Solvency Surcharge is based on a statutory trigger, which is under legislative control. For instance, part of SB20-207, in addition to the increase in the wage base, allowed for the suspension of the solvency surcharge in 2021 and 2022. Based on Department estimates, employers would have paid approximately $350 million in aggregate solvency surcharges over those two years combined. Current forecasts estimate that the solvency surcharge may be on through 2026, depending on the strength of economic recovery, and may require a UITF balance of around $1.1 billion[3] to trigger off. An individual employer's solvency surcharge rate is determined by the same percent of excess calculation that determines their standard rate. Most employers will be concentrated on the lower ends of both standard and solvency rate schedules.

The FUTA credit reduction will go into effect in 2022 (payable by January 2023) if the Title XII loan balance is not paid in full by November 10, 2022. This will result in a fixed cost per employer, on a per employee basis. Year 1 of a FUTA credit reduction will cost each employer $21 more per employee, while in Year 2 the cost will rise by an additional $21. The FUTA credit reduction is a federal trigger and not within the state's control. The only way to eliminate the FUTA credit reduction would be to pay off the full loan balance by November 10 of a given year. The FUTA credit reduction has the most immediate potential impact on employers since the solvency surcharge is suspended in 2022.

[1] https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2020.pdf

[2]https://www.colmigateway.com/admin/gsipub/htmlarea/uploads/Unemployment%20Insurance%20Trust%20Fund%20Summary%20Report%202020.pdf

[3] $1.1 billion figure is based on a number of assumptions and calculations required for forecasting potential solvency surcharge trigger on/off levels; however, the actual amount for each year is not fixed and could vary.

DEPARTMENT OF LABOR AND EMPLOYMENT
FY 2022-23 JOINT BUDGET COMMITTEE HEARING
WRITTEN RESPONSES ONLY

EMPLOYMENT FIRST

R-02 EMPLOYMENT FIRST CONTINUATION FUNDING

[Rep. McCluskie] Ask the Department to provide data concerning this program.

Initial efforts related to employment first in Colorado have been related to building, providing capacity and supporting cultural change so Colorado communities understand that anyone is capable of competitive integrated employment with appropriate supports, should they choose to work. Employment First Initiatives has integrated the following since inception:

- Employment First Training Sessions: 244 training sessions provided since July 1, 2019, covering topics such as Customized Employment, Individualized Placement & Supports (IPS), and Benefits Planning. These training sessions introduced staff and partners to these vocational strategies.
- Supported Employment Steering Committee: 12 committee meetings held, with approximately 30 DVR Counselors attending regularly. The goal of these meetings is to support effective implementation of supported employment within DVR.
- Intellectual and Developmental Disability (IDD) Roundtables: 12 meetings held which provide a collaborative opportunity for DVR staff and Community Centered Board staff to explore opportunities for improved service delivery. Approximately 40 staff and partners attend each Roundtable meeting.
- Increased provider capacity: As required by SB18-145, supported employment providers must complete nationally recognized training or obtain a nationally recognized certification in supported employment. DVR's Employment FIrst initiatives are partnered closely with staff at HCPF to support providers to complete necessary training.
    - Certified Employment Support Provider (CESP) - 9 providers
    - IPS Certification - 21 providers
    - Completed approved training - 297 providers
- Expanding the use of IPS within the Mental Health Supported Employment Program (a collaboration between DVR, CDHS's Office of Behavioral Health, and community mental health providers); and 2 new community mental health providers expected to participate in the program beginning in SFY23. Additionally, expanding the use of IPS as a service for individuals with Intellectual and Developmental Disabilities utilizing sequencing of services in partnership with Colorado Center Boards and Healthcare Policy and Financing.
- Developed and completed a new quality assurance process on 215 open cases receiving supported employment services to ensure compliance and quality. This process identified opportunities for training and process improvement, which are currently being implemented.

As a result of COVID-19, the Division saw a reduction in program participation, including by individuals with the most significant disabilities. The Division continues to provide services and assist individuals, including those with the most significant disabilities to achieve competitive integrated employment outcomes. To achieve an employment outcome, an individual must be employed at least 90 days and have become stable in their employment so that it is expected to continue without additional vocational rehabilitation services.

Individuals Served with the Most Significant Disabilities (MSD)

SFY	Served - MSD	% of All Served	Employment Outcomes Achieved - MSD	% of All Employment Outcomes
FY19	1893	19.8%	1309	65.2%
FY20	1810	19.2%	1268	65.2%
FY21	1712	18.5%	937	61.8%

The impacts of COVID-19 during this data reporting time period are still being evaluated. There is a continued need to evaluate and improve outcomes for individuals who need supported employment services as their needs are great, nuanced, and require creativity and ongoing support to successfully support in employment. Approval of positions to ongoing evaluate and support improved outcomes for this population creates an opportunity for us to develop specific goals and targets and strategies to more fully achieve these goals ongoing.

[Sen. Hansen] What is the evidence base for this program? I would think we have plenty of evidence from other states that would be relevant.

Employment First is still an emerging and developing policy focus across the country over the last 15 years. While there are now 38 states with Employment First policy, Colorado is often seen as a national leader and is the first state to have developed an Office of Employment First to lead this work. The organizational structure that DVR has developed to support Employment First is unique to Colorado and not a program that is directly replicated in other states. The 4.0 FTE requested through this funding are unique to Colorado and are intended to allow DVR to be responsive to the dynamic employment needs of Coloradans with the most significant disabilities. Research consistently demonstrates that competitive employment has a positive impact on well-being, including improving quality of life, reducing psychiatric symptoms, and can even reduce the cost of mental health care costs over time.

Currently, the focus has been on building capacity to more broadly utilize vocational strategies such as Individualized Placement and Supports (IPS) and Customized Employment (CE) to create employment opportunities for individuals who have often been seen as unable to achieve competitive integrated employment. IPS is an evidence-based practice, consistently demonstrating increased rates of competitive employment when compared to other employment strategies. While historically focused on individuals with behavioral health impairments, the research is expanding on the use of IPS with other disability groups, including those with co-occurring behavioral health and Intellectual & Developmental Disabilities, a population with which IPS is currently being piloted in Colorado. Similarly, CE is a promising practice with a building body of evidence supporting its effectiveness in improving competitive integrated employment outcomes for those with the most significant disabilities, who are often excluded from the workforce without the option of flexible and customized employment strategies. Both IPS and CE require specialized training for providers and a systems approach to ensure effective implementation, including the availability of benefits planning services to ensure individuals entering the workforce understand how to best plan for the impact of earned income on their public benefits. The positions will continue to support Implementation of existing evidenced-based practices and the identification of other promising practices to effectively support people with the most significant disabilities achieve their employment goals, as the nature of addressing these individuals' barriers to employment is complex and dynamic.

Unemployment Insurance

Solvency

[Sen. Hansen] I don't think the way you are using "solvency" in the document in terms of reaching $0 provides the right frame for thinking about this. I think of it more in terms of the federal ratio, which would require a balance closer to $2.0 billion. I would like to see a chart or table that reflects the idea of fully funding future obligations (using the solvency ratio suggested by the U.S. Dept of Labor).

There are several ways to consider "solvency" when discussing the Unemployment Insurance Trust Fund (UITF) balance.

1. The UITF hits $0 it becomes "insolvent" and the state has to borrow from Title XII loans in order to continue paying benefits. The UITF ceases being insolvent when the loan balance is paid off and the state is able to pay benefits with only existing fund reserves. However, in this case the UITF would be considered marginally solvent, as an increase in benefits payments or an economic downturn could easily shift the UITF back into insolvency.

2. Per state law, the solvency surcharge triggers off. This would require a positive balance of $1.1 billion in the trust fund. The UITF balance reaches a high enough level to turn off the solvency surcharge. As documented in another response, the UITF balance required to trigger off the solvency surcharge may be around $1.1 billion. However, in this case the UITF balance would still be well below levels required for full solvency consideration.

3. The UITF hits a 1.0 reserve ratio as defined by the US Department of Labor. This is calculated by taking the fund balance divided by wages paid. A reserve ratio of 1.0 is considered "Solvent" by USDOL standards. This would require a positive trust fund balance of around $2.1 billion. While the reserve ratio is one way to gauge UITF solvency, the average high-cost multiple (AHCM) is another metric used to assess the health and solvency adequacy of a state's UI trust fund and probably the preferred measure of the USDOL. Simply, an AHCM of 1.0 means the

state's trust fund has enough reserves to pay for 12 months of benefits under recession conditions without considering any employer contributions to the fund during that time[4] . The Department estimates that a reserve ratio of at least 1.4% would probably result in an AHCM of 1.0. The last time Colorado had an AHCM of at least 1.0 was 2000.

4. Employers move to the lowest rate schedule, which occurs if the June 30 reserve ratio of any year is 1.4% or greater. Simply, the reserve, or solvency, ratio is a calculation of the UITF balance on June 30 as a proportion of total wages reported by employers subject to standard premium rates for the prior calendar year. Based on current Department forecasts, a reserve ratio of 1.4% in 2022 might require a UITF balance of around $2 billion, while in 2026 that required balance could increase to $2.4 billion. Per HB11-1288, a premium credit for employers triggers on when the reserve ratio exceeds 1.6% in a given year. Statutorily triggered employer credits could potentially be viewed as another level of UITF solvency.

INVESTMENT SCENARIOS

[Sen. Moreno] Page 22, chart at bottom of page: That's quite a difference between the $500 million and $600 million investment ($1.90 to $21.74). Please explain. What are the projections for the $600 million proposal?

Part of the higher savings for the $600 million is the suspension of the solvency surcharge for 2023 which is included in the Governor's budget proposal. The other differences in savings have to do with the assumptions made in each model. The Department has modeled out two different growth possibilities over the next 5 years. One is more conservative and one is "best possible scenario". When distributing, the department failed to clarify that. So in this case, the $500 million model and the $600 million models made different assumptions which led to the shift. The Department provides both (conservative, and best possible) for both $500 million and $600 million scenarios in *Appendix D*.

[Sen. Moreno] Provide a schedule of future interest payments based on the federal loans to date.

COMMON QUESTIONS: PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING FOR COMMON QUESTIONS ACROSS DEPARTMENTS.

1 Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

Due to pandemic related priorities, the department was unable to implement one provision of SB20-207 by the statutory deadline of July 1, 2020. The final provision was implemented starting January 10, 2021. The Department is currently in compliance with statutory deadlines.

[4] additional definitions available at https://oui.doleta.gov/unemploy/content/data_stats/datasum05/3rdqtr/gloss.asp

2 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations with a fiscal impact identified in the Office of the State Auditor's "Annual Report: Status of Outstanding Audit Recommendations"? What is the Department doing to resolve these HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.

The 2021 report will be published on December 6, 2021 and can be found at this link: http://leg.colorado.gov/content/audits. JBC staff will send out an updated link once the report is published.

The State Auditors Annual Report was not published at the time of the Department hearing. The Department will provide a response once the report is published.

3 Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media. Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?

The Department has received funds for two public awareness campaigns.

As part of the funds received in Executive Order D 2021 104 which created the Colorado Jumpstart incentive program offered to Colorado unemployment recipients that returned to work full time in state fiscal year 2021.

HB21-1264 provided funds for the Colorado Workforce Development Council (CWDC) to develop a campaign and advertising placements cost $369,980, statutorily required use of funds awarded. The program implemented the Ready To Rise public awareness campaign currently active from September - December 2021. This campaign was developed in partnership with CDHE, CDHS, CDE, and the Lieutenant Governor's Office in order to highlight opportunities made available to individuals through the Colorado Recovery Plan. Each of these entities was involved in the planning of the campaign and previewed the materials prior to the campaign launch. Ads on television, radio, social media, and print locations encourage visits to the campaign landing page, readytoriseco.org, which is located on the mycoloradojourney.com site. The campaign yielded 17,000 unique pageviews to the landing page during the month of October alone.

4 Please identify how many rules you have promulgated in the past year (FY 2020-21). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

The Department completed a total of 17 permanent rules, 1 emergency rules change, 1 temporary rule change, with 1 cost-benefit analysis.

5 What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations, as well as cost impacts driven by COVID-19 and supply chain interruptions.

Consistent with the Department's FY 2022-23, there is a continued focus on the Covid-19 pandemic recovery. Impacts from the state and national employment conditions, federal funding, and recent changes to state law. Expenditures have increased in the Division of Unemployment Insurance during the COVID-19 pandemic impacts on the Unemployment Insurance Trust Fund obligations. Changes to state law regarding wage hour disputes and apprenticeship and workforce requirements have changed the workload implications for the wage theft enforcement unit and employment and training.

6 How is the Department's caseload changing and how does it impact the Department's budget? Are there specific population changes, demographic changes, or service needs (e.g. aging population) that are different from general population growth?

Economic factors have the largest impacts on caseloads within the Department. As unemployment insurance claims fluctuate, assistance from workforce centers across the state also fluctuate. Federal changes in unemployment benefits have affected the job search decisions and job creation decisions. As the decisions are made, net migration in various job industries are likely to occur.

7 In some cases, the roles and duties of existing FTE may have changed over time. Please list any positions that have been created in the Department since FY 2019-20 that were <u>not</u> the result of legislation or a decision item.

For all FY 2022-23 budget requests that include an increase in FTE:

a. Specify whether existing staff will be trained to assume these roles or these duties, and if not, why;
b. Specify why additional FTE are necessary; and
c. Describe the evaluation process you used to determine the number of FTE requested.

The COVID-19 pandemic placed an unprecedented administrative burden on the Department. The Unemployment Insurance Program experienced a surge in unemployment claims and the new federal responsibilities. In order to meet the demands and massive backlogs the Division ramped up call center resources. These FTE were funded through a mix of pandemic assistance funding and UI base grant funding. As claims continue to return to normalized levels, attrition has reduced these FTE. Due to a sharp increase in demand for call center resources during the pandemic the Unemployment Division added a significant number of FTE. The Department anticipates a gradual decrease through natural attrition of staff over the next 2-3 years.

The Department FY 2022-23 requests additional staff and spending authority for the Wage Theft Enforcement unit to provide better assistance for employers and employees to navigate administrative appeals and processes.

8 Please describe any ongoing or newly identified programmatic impacts for the Department resulting from cash fund transfers as part of the FY 2019-20 and FY 2020-21 balancing process.

The Department worked to minimize the impacts to programs due to the cash fund transfers for budget balancing. The cash fund transfers to balance the budgets for those two fiscal years within the Oil and Public Safety Division were never restored to the requisite cash funds.

9 Please describe the Department's FY 2020-21 vacancy savings, as well as projected vacancy savings for FY 2021-22 and FY 2022-23. How has the Department utilized vacancy savings in recent years?

The Department's overall turnover rate for FY 2020-21 was 13.7 percent. The overall compensation plan for the state is generally below market, which makes it difficult to compete with similar positions in the market which pay much higher. The Department used vacancy savings in part to offset the costs associated with backfilling positions to respond to the pandemic, the remaining vacancy savings resulted in a reversion of Departmental POTS allocations in FY 2020-21. The Department anticipates filling positions will return to normal levels over the next few fiscal years during the pandemic recovery.

10 State revenues are projected to exceed the TABOR limit in each of the next two fiscal years. Thus, increases in cash fund revenues that are subject to TABOR will require an equivalent amount of General Fund for taxpayer refunds. Please:

a. List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by your department that is subject to TABOR and that exceeds $100,000 annually. Describe the nature of the revenue, what drives the amount collected each year, and the associated fund where these revenues are deposited.
b. For each source, list actual revenues collected in FY 2020-21, and projected revenue collections for FY 2021-22 and FY 2022-23.
c. List each decision item that your department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2022-23.

Appendix B provides a list Non-Tax Revenues Collected by Department That Are Subject to TABOR and displays the revenues collected and projections. The Department has requests that would impact cash fund revenues related to TABOR, R-01 Wage Theft Enforcement with an increase of $153,304 in cash fund spending authority and R-03 Underground Damage Prevention with an increase of $39,380. While these requests result in an increase to revenues subject to TABOR collected in FY 2022-23, the Department submitted R-04 Veterans Services to Career Program Refinance, which would reduce cash fund spending authority by $500,000, thereby offsetting any increase.

11 Please describe one-time federal stimulus funds (such as the CARES Act, ARPA, and the Federal Infrastructure Investment and Jobs Act) that the Department has received or expects to receive.

The Department received administrative and benefits funds for Unemployment Insurance through CARES Act and HB21-1264 appropriated federal funds for workforce programs. *Appendix C* provides data related to this question.

ACTIVATE WORK - $369,000

The mission of Activate Work Inc. (Activate) is to help low-income individuals achieve economic freedom through the dignity of work by recruiting, screening, training, and providing connections to leading employers. Established in 2018, Activate grew out of Activate Workforce Solutions, a Public Benefit Corporation founded in 2016 by CEO Helen Young Hayes. In 2021, the organization consolidated its entities under the nonprofit Activate Work Inc. This change creates efficiencies in our work, positively impacting our operations, shared employees, and shared mission and vision. We are also able to scale faster and more efficiently. With the consolidation in effect, Activate is focused on launching professional careers for individuals 18-65 years old from overlooked, underrepresented communities, activating potential into success in the healthcare and IT sectors.

ActivateIT's mission and day-to-day efforts work to enhance equity within Metro Denver's workforce by connecting employers who need qualified candidates with talented individuals who, for a multitude of reasons, have lacked access to quality jobs. We believe that talent is evenly distributed, but opportunity is not. Current hiring practices often eliminate highly qualified candidates from non-traditional and marginalized populations, including Black, Indigenous, and People of Color (BIPOC) individuals, people involved in the justice system, people experiencing homelessness, those with mental health issues, and single parents. ActivateIT creates a solution to this by training professionals from these often-overlooked communities. When employers hire our graduates, they benefit from reduced costly turnover, an improved workforce culture that supports diversity, equity, and inclusion efforts, and retention rates that are three times greater or more.

With $369,000 in funding over two years, ActivateIT envisions training 410 individuals. ActivateIT's clients represent the following demographics:

- 100% are low- or moderate-income and 91% are at or below 80% of AMI*
- 62% are people of color
- 59% are unemployed when they enroll
- 56% have less than a four-year college degree
- 29% are female, 1% other, and 70% are male
- 26% are immigrants to the U.S.

*To date, 91% of our clients have come to Activate earning at or below 80% of the household Area Median Income (AMI). This means that a family of four lives on $78,500 a year or less, which is not sufficient to be able to pay for rent, food, and other household expenses (Denver Dept. of Housing Stability, 2020). Notably, 35% would be considered extremely low-income.

ActivateIT views clients through the lens of their full potential and works to demonstrate the value of its job candidates to employers. In recognition of the financial challenges that many clients face, we offer our courses and wraparound support at no cost to participants. The organization communicates frequently with employers, including hiring managers, to ensure that employee placements are successful. We meet employers where they are while still demonstrating the alignment between the skills of our candidates and those required by employers' open positions. ActivateIT works with newly hired employees during job coaching to talk about bias, race, workplace culture, and more. This gives participants the skills and techniques to develop social capital and relationships at work. ActivateIT also addresses employees' needs to ensure that they first acclimate into their new role, then become skilled at their job, and finally know how to position themselves for upward mobility at their employer.

MILE HIGH YOUTH CORP. - $56,447

In the last 18 years, MHYC has served over 500 YouthBuild Corpsmembers. MHYC's YouthBuild program serves approximately 28 opportunity youth, ages 18-24, each year. The power of the YouthBuild model starts with the empowerment of youth to change their lives and seize opportunities to define their paths, complete their education, and gain valuable workforce skills that translate into real careers. The transformational program provides valuable on-the-job training while meeting Colorado's high demand for a highly-trained workforce in the construction and healthcare industries. A cohort of young adults is screened and hired each year and enrolls in the program for 32 hours per week for six to ten months, depending on the attainment of key workforce preparation benchmarks.

Throughout their term, Corpsmembers set goals for their placement post-program and learn work-place communication skills, interview techniques, resume writing, time management, and financial literacy skills. MHYC's YouthBuild instructional program includes a combination of education services and activities, including High School Equivalency Diploma classes (GED), vocational trainings that provide opportunities to earn industry-recognized certificates and hands-on occupational skills on a jobsite building affordable housing or practicing patient communication skills and patient care in healthcare settings. Additional instructional activities include leadership development, career readiness and life skills classes. Corpsmembers engage in work based learning in the community all while getting paid a bi-weekly stipend, working towards their GED, and earning an AmeriCorps scholarship to be used toward post-secondary education, apprenticeship or training programs.

The YouthBuild program fosters life-changing self-awareness even as they build hard skills and leave a tangible impact on the community around them. MHYC facilitates a slate of guest speakers and presenters from employers, community partners, and industry leaders to present on a myriad of relevant topics. Additionally, MHYC creates opportunities for conversations and critical thinking around issues such as systemic racism, environmentalism, poverty, education and equity, implicit bias, and voter education by facilitating discussion groups.

Finally, MHYC's follow-up services provide Corpsmembers with post-program support throughout their job search, continuing education, and addressing any continued barriers to ensure each Corpsmember's continued success. By combining holistic, wraparound services with education and career pathway training culminating in industry-recognized credentials,

young people leave MHYC programs prepared to maintain meaningful, long-term employment in high demand industries.
Credentials offered through the YouthBuild program are included as accepted programs on the 2021-2022 Career Development Incentive Program Approved Programs List. These credentials prepare Corpsmembers with the knowledge and skills to perform a specific skill or occupation. Credentials are granted by third-party industry-recognized associations or organizations, require an examination for full-credentialing, and require recertification at designated intervals.

Healthcare: MHYC partners with the Community College of Denver (CCD) Nurse Aide program to provide training and certified curriculum to Corpsmembers. Corpsmembers in the healthcare pathway earn a Certificate in Nurse Aide through the CCD. The CCD curriculum is approved by the Colorado State Board of Nursing and taught on campus by CCD faculty. Corpsmembers complete 120 hours of training, including 90 hours of hands-on learning and 30 hours of clinicals. The certificate program prepares youth to perform fundamental nursing skills for direct personal care to clients, e.g., helping the patient bathe, dress, walk, eat and perform other daily activities in a long-term facility, hospital or home. Clinical practice of nurse aides are regulated by the Colorado State Board of Nursing. Corpsmembers successfully completing the certificate the program in nurse aide program at CCD are eligible to take the Colorado Nurse Aide Certification Exam to receive their state license. Healthcare track Corpsmembers' work-based learning includes engaging with clients at Seniors Resource Center and Bessie's Hope, two nonprofit organizations that provide services to older adults. Finally, MHYC has a new partnership in 2021 with the Denver Prevention Training Center to provide community education around healthcare access, vaccine hesitancy, and decision-making around personal health care.

Construction: Construction pathway Corpsmembers earn an industry-recognized Pre-Apprenticeship Certificate Training: CORE (PACT) credential, with a focus on carpentry and green building skills, granted through the Home Builder's Institute. PACT is a competency-based, comprehensive hands-on vocational program that provides Corpsmembers with an overview of the construction industry trades and assists them with career readiness. PACT integrates a total of approximately 120 hours of work-based learning with vocational and academic skills training. Related academics (contextual learning), industry-focused job readiness, employability skills, career development, life skills, and on-the-job training are all part of PACT. PACT's classroom component is designed to reinforce construction math, safe and proper use of hand and power tools, blueprint reading, vocabulary, and terminology as well as employability skills. The hands-on training component, in partnership with Denver Housing Authority on large scale affordable housing projects, exposes youth to trade skills experience, tool use, job site safety, productive work habits, and application of mathematical concepts. Each day on the Denver Housing Authority work-site, Corpsmembers are paired with sub-contractors and skilled journeymen/women on who provide additional trainings onsite and assist in monitoring safety. Corpsmembers work alongside subcontractors gaining new skills in carpentry, electrical, landscaping, masonry, painting, weatherization HVAC, drywall, etc. PACT graduates have the skills to secure entry-level employment in their chosen trade, as well as other related residential and light commercial construction careers. PACT curriculum is facilitated on-site in MHYC's construction workshop by MHYC's PACT Certified Construction Trainer.

In years one and two, we anticipate that 28 unduplicated Corpsmembers will enroll in an industry-recognized career pathway for a total of 56 individuals served through this grant. A total of 21 will earn a credential in each of years one and two, for a total of 42 (75%) credentials earned over the course of the two-year grant.

BLIND INSTITUTE OF TECHNOLOGY - $242,700

Established in 2013, the mission of the Blind Institute of Technology (BIT) is to prepare blind and visually impaired individuals (BVIs) and people with disabilities with information technology (IT) and other technical skills and work with employers who hire them for success in the workplace. Preparation and staffing services focus on IT and other technical positions, with candidates placed in healthcare, financial services, technology, government, and other Colorado state priority sectors. BIT has also reached 5,000 community and company individuals participating in BIT educational sessions, Art of Blinders, which helps increase awareness, diversity, equity, and inclusivity in the workplace. BIT performs job assessments, offers training through the BIT Academy™ and reaches out to our network of employer partners to help place people with disabilities into jobs. Partnerships include Fortune 500 companies such as Aetna, a CVS Company, Spectrum, DaVita and FirstBank.

In 2017, BIT was recognized with a Martin Luther King Business Award and a first-ever Department of Labor and Employment, Division of Vocational Rehabilitation Shining Stars of VR award. The award honors people and organizations moving the needle in reshaping the employment landscape for people living with disabilities. In 2019 Mike Hess, Executive Director, was recognized as an Inclusive Leader in the Nonprofit Sector at the GlobalMindED conference. This recognition among leaders making a difference for all underrepresented populations also helps to translate theory to practice for those uncertain of how to deploy actionable items to increase diversity, equity, and inclusion in the workplace. The GlobalMindED Conference highlights leaders on the ground who work with numerous organizations to create equity across the education, employment, and economic mobility pipeline. BIT's impact in making a difference for women, people of color, First Gen to College, and underrepresented populations continues to help inform and shape other efforts in the disability space.

In 2019, BIT was invited to speak at the Google Cloud Next conference and at Dreamforce19 in San Francisco, an annual conference hosted by Salesforce and attended by 180,000 people. BIT's Director of Candidate Services presented best practices for empowering employees with disabilities using Salesforce. In July 2020, in celebration of the 30th anniversary of the Americans with Disabilities Act, Mike Hess was named to Diversability's inaugural 2020 D-30 Disability Impact List. Out of 400 nominations from around the globe, Mike now joins 29 other leaders whose unique accomplishments are making an impact.

Participants will obtain the following credentials through this program:

- Salesforce CRM – Salesforce Administrator, Advanced Administrator and the Platform App Builder through Salesforce
- CCNA – Cisco Certified Network Associate through Cisco
- CAPM – Certified Associate in Project Management through the Project Management Institute

BIT is projecting 40 individuals to earn a credential from one of the three credential training programs in year one and 60 in year two of the grant period.

MT. CARMEL VETERANS SERVICE CENTER - $150,000

Mt. Carmel is a young organization that has had an immediate and significant impact in a community with a great need for comprehensive veteran services. The organization's first program was launched in April 2015 when Mt. Carmel absorbed the Veterans Integration Program, previously managed by AspenPointe (now Diversus Health), and funded by the Adolph Coors Foundation. The program was designed to streamline the process of a service member's transition from active-duty to civilian employment and has been incredibly successful, placing hundreds of veterans into permanent employment since Mt. Carmel took the program over. Through staff and leadership's commitment to thorough reporting and evaluation, these successes are evident through continued funding from the Adolph Coors Foundation and others.

Mt. Carmel's Transition and Employment Program has extensive experience and success in placing veterans into the industries targeted in this proposal, including Cyber Security, Information Technologies, Health Care, and Skilled Trades. Although we have not been specifically tracking the placement of clients into particular industries, our historical outputs give evidence of the profound impact Mt. Carmel has had on military and veterans looking for gainful employment. Since 2016, the Transition and Employment Program has placed 2886 veterans into gainful employment earning an average wage of $25.94. Additionally, 76 veterans and their family members have received internships. Since the beginning of Mt. Carmel's Fiscal Year (April 1, 2021) the Peer Navigators have enrolled 357 veterans and their spouses into the program and have placed 181 of those individuals into employment with an average wage of $26.67 per hour.

Mt. Carmel was honored to be nationally recognized with the 2015 Seal of Distinction award from the Call of Duty Endowment. This is a national award given to only three organizations in 2015. Mark Goulart, Principal, Deloitte & Touche LLP stated, "Once again, our rigorous vetting process -- with an emphasis on metrics, transparency and high standards -- has identified best-in-class organizations that are fully deserving of the Endowment's support." This award was based on Mt. Carmel's Veterans Integration Program, a core component of the Transition and Employment Program.

Mt. Carmel will focus primarily on key industries that are not only in high demand among military-connected clients, but play a critical role in the economy of the Pikes Peak Region. These include Aerospace and Defense, Cybersecurity, Information Technology, Healthcare, and Skilled Trades including Transportation and the Automotive Industry.

Ultimately, the specific credentials provided for clients will depend on what field they are trying to get into and what certification they need to hold that particular position. This is determined through a series of intake and personal assessments and through individualized career counseling. Together, the client and their Peer Navigator create a plan to work toward and achieve their career goals. While Mt. Carmel's Peer Navigators provide individualized employment and career services that are guided by the needs, skills and challenges of the client, there are specific credentials that are most commonly sought by clients, and that we anticipate being obtained through this program. These include: ITIL, PMP, C-CAP, A+, CND, Sec+, Net+, CND, CEH, CISSP, CDL A, and CAPM/PMP and CNA.

Mt. Carmel anticipates that 30 clients will earn a credential in Year One and 40 will earn a credential in Year Two.

GRID ALTERNATIVES COLORADO INC. - $372,030

GRID Colorado's innovative model provides access to solar and job training opportunities, breaking down barriers to employment. Through deep and long-term partnerships across the solar, electrical, and construction sectors, we facilitate the linkage between graduates embarking on a career in clean energy with formal employer partners such as Namaste Solar and Circuitus Energy Solutions (CES), who are building their workforce. By connecting upskilled workers in our training programs with employers, we make the connection necessary for participants to be hired in a solar job that pays a living wage. For the IBT 200 program specifically, we are proud to report that 80% of program graduates received a job placement within three months of completing the program.

Our formal employer partners recognize the importance of technical skill building opportunities for individuals who are un/underemployed and face barriers to employment, as well as the benefits of a rewarding career in the green energy economy, which critically needs more people.

GRID Colorado's extensive and successful history in placing people in the solar and electrical industry is underscored by our investment in the long-term benefits that our workforce development programs offer to our trainees. To fully understand outcomes, we conduct an ongoing collection of job placement information for our current and former trainees through direct calls, emails, online surveys and working directly with recruiters from the solar industry. If not employed (3, 6, 12 months) after completing a job training program, GRID Colorado actively assesses where trainees can use further support: résumé writing and development, childcare support, transportation, and/or job search assistance.

Graduates of GRID Colorado workforce initiatives report leaving our programs feeling ready to work in the solar field and having the requisite skills and training to get stable, good-paying jobs. Beyond job training and support, one of our program's biggest impacts is on the participants' self-esteem. For many and for the first time, they had the ability to see bright futures for themselves, their families, and their communities.

The five-week, 200-hour IBT 200 program includes the opportunity for all participants to partake in a one-week prep course for the NABCEP Associate Exam. The NABCEP Associate Program recognizes individuals who have demonstrated knowledge of the fundamental principles of the application, design, installation, and operation of Photovoltaic, Solar Heating or Small Wind energy systems. A NABCEP Associate Credential (NABCEP Photovoltaic Associate™, NABCEP Solar Heating Associate™, or NABCEP Small Wind Associate™) is earned by passing an examination based on the related NABCEP Associate Job Task Analysis (JTA) or Learning Objectives. Passing a NABCEP Associate exam qualifies an individual to design, sell, install, or maintain systems in a supervised capacity.

Upon completion of the IBT 200 program, participants will also earn their IBT 200 Certificate of
Completion, OSHA 10 (a 10-hour training teaches basic safety and health information to entry-level workers in construction and general industry, and CPR/First Aid. Each certification is a résumé booster for those seeking employment in the clean energy fields.

The IBT 200 program will host four-cohorts of seven-trainees in year one (28 trainees), and in year two will host another four-cohorts of seven-trainees (28 trainees), for a total of 56 individuals trained in the IBT 200 program and receiving industry-recognized accreditations.

These 56 individuals will each receive a stipend of $3,000 for completing the IBT 200 program, a 200 hour, five-week immersive training designed to help trainees develop the skills highly sought after by solar industry employers. The curriculum centers around residential solar installation and includes interaction classroom learning, hands-on lab activities, and real-world solar installation and technical field experience.

THE VILLAGE INSTITUTE - $375,000

At The Little Village, 100% of our leadership and teaching staff comes from the refugee community, this includes our center director, lead teacher, and our two teaching assistants. In addition, both of our teaching assistants have been hired through our partnership with Pamoja, a program of LFS and ECG. We are in the process of opening two additional classrooms through a state grant, and the staff we have lined up to start work when our new classrooms are licensed are also being hired through the Pamoja pipeline.

Pamoja ECE is a culturally linguistically responsive model to address the unique challenges that R&I face in navigating mainstream workforce support. Pamoja programs provide culturally and linguistically inclusive wraparound supports including first language virtual college courses, ESL college credit ECE content courses, trained homework mentors, communities to support language and ECE career pathway navigation, support in the plethora of applications needed to complete for college success including but not limited to financial aid applications, English level tests, Workforce applications, CCAP, job applications. Pamoja supports candidates to become qualified, successful EC lead teachers, paraeducators, directors, EC mental health specialists, ECE advocates, and provides support for retention once in a job. The model also addresses multiple levers for change including policy, diverse leadership in state convenings and councils where important decisions are made affecting the R&I families. Our first year of programming we had a success rate of 75% of candidates ready to work were employed in ECE programs and as paraeducators in the public schools. Our first year we had an enrollment goal of 40 candidates and had 100 students enroll. The program was so successful in recruiting and retaining women that working to support women through the employment process took on a life of its own.

Participants in URN3 will be coached through several pathways in the field of early childhood so that each participant can follow the path that matches her skill set, interests, scheduling needs, and family considerations. Utilizing the state's Office of Early Childhood Professional Credential system through the Colorado Department of Human Services, students will obtain Early Childhood Education Certificates, which includes assistant early childhood teacher certification, toddler program staff certification, early childhood lead teacher certification, infant program supervisor, kindergarten teacher certification, small and large center director certification. Through the Department of Education, some students will obtain Alternative Teacher Licensure. Students may opt to take their education further, which in addition to the above stated certifications in the tiered system, students may go on to pursue certification in Special Education, Teacher Licensure, Early Childhood Mental Health Specialist Certification, EQIT (expanding quality in Infant Toddler Care) certification, and paraeducator certification. PD CDA specialist (bilingual classrooms) as Colorado does not have anyone except English and Spanish as a CDA PD specialist. We hope to get 3-4 people trained in EQIT to provide first language trainings to support quality infant toddler care, Mother Read Fatherread trainers and LENA trainers.

We will be advancing equity and inclusion in all areas of ECE landscape to help build a diverse workforce of ECE professionals who will help increase more diversity. We will also be career laddering in early childhood. With more refugee and immigrant women climbing the career ladder in early childhood, the ECE field will increase in diversity and increase the number of teachers and professionals with diverse language skills and cultural backgrounds. These diverse leaders will provide a ripple effect by teaching and training others in native languages.

URN3 will serve a minimum of 30 students per semester. This will mean that 30-60 participants will earn a credential in the first year, with up to an additional 60 participants in the second year of the program. The EC credential pathway support includes screening and intake, orientation, support with registering for college classes or necessary courses to complete credential pathway option, and practicum placement in one of the lab school partners, a minimum of 30 students each semester will receive one-on-one coaching, cohort based coaching is provided for college classes, mentoring for homework and cultural bridging is provided, and coaching during their 16 week practicum term. In addition to student participation and supports this program will build a network with a minimum five childcare centers who want to host students, receive PD in culturally and linguistically humble and responsive approaches and trauma informed approaches. The schools will work closely with the Program staff to ensure collaboration and effective communication. The classrooms - estimated at 20 classrooms - will receive coaching from coaches who are participating in the PD provided in the program around culturally and linguistically humble and responsive approaches and trauma informed approaches. Lastly, each of the classrooms will be provided 50% of the fees to be assessed (CLASS, ITERS, ECRS) in support of increasing their QRIS rating.

SOLAR ENERGY INTERNATIONAL - $375,000

Since 1991, Solar Energy International (SEI) has been providing renewable energy training and technical assistance to over 85,000 people worldwide. In Colorado alone, SEI has trained over 3,000 people as well as co-led several job fairs with local industry leaders. Nearly half of Colorado's solar workforce are graduates of SEI programming and cumulatively, SEI operations have resulted in 31,000 Megawatts of solar—nearly 10% of worldwide installed solar, and an estimated 800 million tons of avoided greenhouse gas emissions. Over the past 4 years via the Colorado Work Act, SEI reached over 20,000 people through marketing and outreach, resulting in recruiting and training over 500 individuals. The Solar Ready Colorado program, funded by this Act, focused on employer connections to enhance the industry feedback loop and advocate for student employment. The marketing and event participation focused on populations of: Women, Active Duty Military and Veterans, Spanish speakers, English as a Second Language (ESL), unemployed individuals (including oil and gas workers), previously incarcerated individuals, candidates with previous trades experience and/or transferable skills, and people working in the solar industry and related sectors who required upskilling to stay current with a quickly evolving solar industry.

Pueblo Community College recently launched a Solar Certificate Program to begin in 2022, with plans to collect and analyze data on their regional solar workforce. In the 2020 academic year, 1040 CTE students were awarded a credential (Certificate, AAS, or BSN/BAS). Of the graduates that participated in a follow-up survey, 96.6% reported being employed, continuing postsecondary education, or in the military.

According to the college’s 2021 Graduate Report, in 2020, CCA graduates earned a total of 890 certificates and associate degrees. In a follow-on survey with those graduates, 90% reported that they are employed or continuing their education with 95% of graduates surveyed reporting that CCA met their education goals.

The Colorado Solar and Storage Association members have worked closely with Solar Energy International, Pueblo Community College, and other training organizations to place trainees within the industry, providing immediate career opportunities. Each year, dozens of trainees are placed within the industry through COSSA's employer-job seeker pipeline. COSSA members also invest in their employees to upskill and reskill them through advanced trainings with SEI and other training organizations.

Over the past two years, The Alliance Center has trained 17 Sustainability Skills participants with 94% of them obtaining employment in the sustainability industry. Through relationships with community NGOS such as Project Voyce, Focus Points, The Kaleidoscope Project, and school districts across the front range, The Alliance Center will be able to connect with and recruit emerging BIPOC job seekers.

Furthermore, to better build out the pipeline of education to certification to employment, SEI, PCC, CCA, COSS, and AC are partnering with Namaste Solar, Sunrun, Photon Brothers, and other COSSA members as immediate employer and working interview connections, post-certification. According to these employer partners, 90% of students completing one (or both) of these certification programs have a "high likelihood of finding employment," particularly alongside the projected booming growth of the electrical industry.

The primary credentials earned from this program are NABCEP Certification through SEI's training and OSHA Construction Credential through PCC's.

The NABCEP PV Associate Program is designed for individuals seeking entry into the solar field; achievement of the NABCEP PV Associate Exam is a way for candidates to demonstrate that they have achieved a basic knowledge of the fundamental principles of the application, design, installation and operation of grid-tied and stand-alone PV Systems. Each participant will have the opportunity to take this exam after completing the PVOL101 and PVOL203 courses. This exam will be taken online.

SEI is an IREC-approved and NABCEP-approved training provider, as well as industry leader in renewable energy education and certification. In addition to these formalized credentials, at the completion of each class, each student also earns an internal SEI Certificate of Completion. From this point, students can continue towards industry specialization and/or specialization as an instructor through SEI's advanced courses. The OSHA Construction Credential requires a 10 hour training in basic safety and health information to entry-level workers in construction and general industry. This credential is a key component to the OSHA Outreach Training Program, which examines serious workplace hazards, workers' rights, employer responsibilities and how to file an OSHA complaint.

The OSHA Construction Credential is invaluable to job-seekers needing entry-level industry education, as well as supports the more advanced industry transitioners and industry upskillers needing to refresh their basic knowledge, get up-to-date on developing industry norms, and/or pursue a specialization in solar, renewables, electricity, or construction.

In the first year, SEI will serve 40 people in online-training. Of those 40, SEI will then serve 10 people in hands-on lab training and 5 people in Advanced Upskilling Training (which includes

PVOL202: Advanced PV System Design and the NEC (Grid-Direct) and PVOL350: Tools and Techniques for Operations and Maintenance). PCC will serve 20 people in hands-on training. In total, in the first year, this program will serve 60 people.

In the second year, SEI will serve 60 people in online-training. Of those 60, SEI will then serve 20 people in hands-on lab training and 5 people in Advanced Upskilling Training. PCC will serve 28 people in hands-on training. In total, in the second year, this program will serve 88 people.

Over the course of two years, this training program will serve 148 people to earn certification. 100 will earn their NABCEP Certification, 48 will earn their OSHA Construction Credential, and any/all students are qualified not only for an entry- or mid-level solar career, but for further specialization through SEI's and PCC's renewable energy education.

NATIONAL INSTITUTE FOR MEDICAL ASSISTANT ADVANCEMENT INC. - $312,507

The National Institute for Medical Assistant Advancement (NIMAA) is an accredited, non-profit, post-secondary vocational school established by safety-net health care providers with the mission to train medical assistants to work effectively in high-performing health care settings. Interest in NIMAA's programs has grown exponentially as primary care providers confront significant workforce shortages and strive to diversify their staff. The training program has graduated more than 200 students its six years of operation, while maintaining student and employer satisfaction rates of more than 90%, a graduation rate of 87% and a job placement rate of 71%. NIMAA in the 2021-22 school year will enroll more than 120 students in 14 states, working with 35 partners in frontier, rural, suburban and urban communities.

While national in reach, NIMAA is Colorado based and remains firmly committed to serving students and employer partners across the state. NIMAA has 11 clinical partners in Colorado, with four added in the just the past year, ranging from a small rural practice with two clinic sites in neighboring counties to a large urban practice with 15 sites in metro Denver. NIMAA's success stems from a student-centric approach, high-touch online instruction and effective student services. Student Services staff support applicants in assessing whether medical assisting and the NIMAA program are right for them, making connections with local workforce agencies, developing individual success plans, addressing such non-academic challenges as time management and identifying relevant community resources.

With targeted investment, NIMAA can engage underserved residents in health career exploration, expand student services and provide financial support to students to ensure the medical assistant entry point becomes more accessible and attainable for historically disenfranchised communities.

Participants will earn a Medical Assisting Certificate from NIMAA and will be prepared for and take the exam to earn a nationally recognized Medical Assisting certification, such as the CCMA.

COVID-19 has dramatically underscored the value of medical assistants performing routine administrative and clinical functions to free up providers to see as many patients as possible. As a result, NIMAA projects the number of students earning an MA credential also will continue to grow. NIMAA through this project will credential 20 students in Year 1, increasing that number to 25 in Year 2. These numbers are based on the number of externship placement spots committed by NIMAA partners for the Spring 2022 cohort and expected placement spots (based on historical data) for the Fall 2022 and Spring 2021 cohort. Students from all of these cohorts will have graduated by the end of the grant period.

The NIMAA program prepares students to pass the nationally recognized industry exams that indicate a higher level of competency, including the Certified Clinical Medical Assistant exam offered by the American Association of Medical Assistants. NIMAA students have an 89% participation rate and 87% pass rate for national credentialing exams.

- NIMAA's 29-week program is covered in eight months. This is shorter than other programs, allowing students to move sooner into full-time employment.
- NIMAA utilizes a full-distance delivery model, enabling students to complete schoolwork around their own schedule and maintain a part-time job or attend to family members.
- NIMAA's curriculum includes several opportunities per week for students to meet live with instructors and fellow students. Instructors are readily available to assist students, including weekend on-call hours. Student Services staff are available to assist with such non-academic challenges as time-management and accessing local resources to address life challenges.
- NIMAA's curriculum includes extensive preparation for the national MA credentialing exams employers increasingly require.
- NIMAA's externship experience begins the first week of the program to allow adult and non-traditional learners excel by applying their learning in real-world settings. NIMAA students develop a thorough understanding of their externship clinic's workflows, care models and procedures and have abundant opportunities to apply their MA skills as they learn them. NIMAA clinical partners report this model eliminates the need for the retraining and extensive orientation required when they hire traditional MA program graduates.
- Tuition and fees are much lower than those charged by NIMAA's for-profit MA counterparts and are comparable to community college programs.

SPRING INSTITUTE - $187,685

Spring Institute for Intercultural Learning's mission is to empower people and organizations to succeed across languages and cultures. Since 1979, Spring Institute has provided services to meet the English-language and pre-employment needs of various types of newcomers, both immigrants and refugees. While Spring Institute continues to focus on the core values of education, integration, and advocacy, the organization's success has come from listening to and responding to the emerging needs of the community we serve by implementing responsive programming. Spring Institute convenes several community-based advisory boards of both youth and adults and all programs collect input from students and participants regarding their needs and desires. Programming is frequently changed or designed wholesale in response to the needs expressed by the community we serve. This has led us to secure more funding for scholarships and wrap-around services, created dynamic early childhood and youth programming, and more opportunities for the individuals we serve to build and use skills to influence the policies and decisions that impact them.

CWB will help 40 internationally trained healthcare professionals obtain the following credentials: Licensed Practical Nurse, Certified Pharmacy Technicians (CPhT), EKG Technicians, Phlebotomists, and Dental Assistants. Among the 40 participants served during the two-year grant period, we expect that 10 will enroll in LPN training programs, 12 pharmacy technician programs, 8 EKG programs, 5 phlebotomy programs, and 5 dental assistant programs. These credentials were chosen because participants have increased interest in these occupations, they pay livable wages and offer career laddering opportunities, and they can all be obtained within 13 months or less.

Each refugee or immigrant will receive an average of $2,500 or no more than a cap of $5,000 in direct financial assistance during the entire grant cycle, which will be based on actual expenses incurred and will go towards the cost of enrolling in medical training programs, board exam preparatory courses, application and exam fees, and other materials related their career pathway. To cover costs exceeding the scholarship cap, we will tap into other financial resources from workforce centers and community-based organizations.

Among the 40 participants who start credentialing programs, we expect that 10 will successfully earn a credential in the first year and 20 in the second year. We expect that 90% (36) of all participants, will ultimately gain a credential within three years.

CAREERWISE COLORADO - $75,055

CareerWise has been creating, supporting and refining high-quality, competency-based, industry-driven, modern youth apprenticeship for the past five years. In Colorado, we have launched more than 630 CareerWise youth apprenticeships, in partnership with 137 employers around the state and schools in 17 different districts. Business leaders, educational innovators, public officials and other leaders in policy and research from 34 states around the country have visited CareerWise in Colorado to learn about our revolutionary adaptation of the time-tested model of apprenticeship, and its ability to simultaneously solve problems in both our labor markets and our educational system.

Young people who become CareerWise apprentices each have the opportunity to earn an “industry credential” as part of their apprenticeship. Currently, the credentials offered to apprentices include: the American Marketing Association’s Certificate in Digital Marketing; the American Society of Professional Estimators’ Associate Estimating Professional; the Automotive Service Excellence (ASE) Entry-Level Certificate; BSCA’s Certified Site Supervisor;

CompTia's A+, C++ and Network +; DORA's Certified Nurse Assistant; Google's IT Support Professional Certificate; the Project Management Institute's Certified Associate in Project Management; SalesForce's SalesForce Administrator Credential; Toastmasters' Competent Communicator Aware; ToolingU's CMfgA; Manufacturing Skill Standards Council's Certification; and the Institute's Associate in Insurance (AINS) and Associate in Claims (AIC) Certificates. Any CareerWise youth apprentice who is participating in a registered apprenticeship will also earn a USDOL Journeyman credential as a result of successful completion of the program.

We recognize that not all of the above credentials are included on the list of "approved" credentials that the state has offered; however, we have experienced a disconnect between credentials recommended by the educational system or other non-industry-based institutions or coalitions, and the credentials preferred by industry. The list above represents our work to date to be responsive to the needs of the industry partners we work with.

We anticipate that in the upcoming year, approximately 15-20 CareerWise youth apprentices will earn one of the approved credentials in year one and twice as many in year two, for a total of 45-60 over two years. Each year, we enroll and launch a new cohort of youth apprentices; the numbers for year one are projected based on the occupations that apprentices were hired into this cycle, and the numbers for year two are based on the fact that we are seeking to double the number of overall apprenticeships created and hired for in June of 2022. At this time, we cannot predict the exact mix of industries and occupations that will make up that next cohort.

Appendix B-Non-Tax Revenues Collected by Department That Are Subject to TABOR
(excluding sources that amount to less than $100,000/year)

		Revenues Collected Annually		
Revenue Source	Associated Cash Fund	FY 2020-21 Actual	FY 2021-22 Projection	FY 2022-23 Projection
0.11% of the Unemployment Insurance Tax Surcharge	Employment Support Fund	40,454,269	45,713,324	50,284,657
Interest income and civil penalties	Conveyance Safety Fund	715,357	734,072	748,754
Civil penalties, moneys granted to the department from a federal agency or trade association and interest income	Petroleum Storage Tank Fund	38,963,139	39,742,402	40,537,250
$5 per divorce filing	Displaced Homemaker	107,849	111,197	116,756
Civil penalties, moneys granted to the department from a federal agency or trade association and interest income	Liquefied Petroleum Gas Fund	300,609	299,941	314,938
Fines of $250,000 on an employer who fails to respond to a notice of complaint or to any other notice from the division to which a response is required	Wage Theft Enforcement Fund	127,415	629,424	641,924
Interest income and fine revenue	Damage Prevention Fund	300,609	202,750	210,430
Interest income and fees paid for issuance of a certificate and/or inspection of boiler or pressure vessel	Boiler Inspection	1,490,860	1,533,849	1,579,828
Interest income, civil penalties. Fee is charged for explosives permits; and annual registration fee is charged for carnivals and amusement parks.	Public Safety Fund	308,852	334,774	344,817
Interest income and penalties from employers who do not carry workers' compensation insurance.	Uninsured Employer Fund	430,490	495,596	507,986
The maximum annual fee is $2,000. The fees are for initial application or annual review of those employers acting as workers' compensation self-insurers.	Workers' Compensation Self Insurance Fund	156,000	160,680	163,894

Appendix B-Non-Tax Revenues Collected by Department That Are Subject to TABOR
(excluding sources that amount to less than $100,000/year)

Fee is assessed to insurance carriers and self-insured employers. The amount of the fee is the fee multiplied by the premium base (or equivalent)	Workmen's Compensation Cash Fund	18,160,021	18,869,585	18,199,013
Fees are assessed to doctors who attend accreditation courses.	Physician's Accreditation	101,825	110,190	112,945
Monies are transferred into this fund from the Subsequent Injury Fund.	Major Medical Fund	$658,920	$1,394,679	$1,306,679
Operators charge a fee for services from vending machines.	Business Enterprise Fund	$1,261,885	$1,402,041	$1,430,082
Annual certification fee not to exceed $500 per year.	Employee Leasing Company Certification Fund	$87,500	$111,749	$115,101
Established in 2009 to offset funding deficits for information technology initiatives for the Division of Employment and Training.	Employment and Training Technology Fund	$9,442,293	$7,757,707	$12,900,000
Revenue is generated from state unemployment insurance premiums.	Unemployment Insurance Fund	$7,587,782,555	$1,303,517,944	$1,316,553,123
Collects interest and penalties on unemployment insurance taxes and payments owed the State. HB 00-1056 added penalty revenue.	Unemployment Revenue Fund	$516,121	$2,070,093	$2,070,093
TOTALS		**$7,701,366,569**	**$1,425,191,997**	**$1,448,138,270**

Appendix C-One Time Funds Received/Anticipated to be Received (amounts)

Dept	Federal Bill	Total Amount	Major Program Name	Brief Program Description	Coronavirus State Fiscal Recovery Funds	Funds Provided Direct to the State Department for Administration	Passed-through to Another Government Entity	Direct Allocation to Beneficiaries	For amounts other than Fiscal Recovery Funds	When are the funds available?
CDLE	CARES	13,357,593	PEUC ADMIN COSTS	Pandemic Emergency Unemployment Compensation-provide an additional 13 weeks of regular state unemployment benefits for those who exhaust the standard 26 weeks.	N/A	13,357,593	-	-	0	
CDLE	CARES	84,573,682	PUA ADMIN COSTS	Pandemic Unemployment Assistance-39 weeks of unemployment benefits to those who would otherwise not be eligible for regular benefits, including those who are self-employed, independent contractors, or gig workers.	N/A	84,573,682	-	-	0	
CDLE	CARES	372,218	FPUC ADMIN COSTS	Federal Pandemic unemployment Compensation-provided an additional weekly benefit to unemployment claimants		372,218	-	-	0	

Appendix C-One Time Funds Received/Anticipated to be Received (amounts)

CDLE	CFFR	20,228,355	Families First Act	Requirement under the Families First Coronavirus Response Act that requires employers to provide paid sick leave and expanded family and medical leave	N/A	20,228,355	-	-	0	
CDLE	CARES	10,576	First Week Admin	Section 2105 of the Cares Act authorizes full federal funding of the first week of regular UC for states with no waiting week	N/A	10,576	-	-	0	
CDLE	ARPA	60,000,000	UpSkilling-Innovation ARPA	The Workforce Development program is partially implemented and provides $60 million in ARPA funds for the Reskilling, Upskilling and Next-Skilling Worker's program and the Workforce Innovation Act	ARPA-HB21-1264	8,726,160	51,273,840	-	-	Funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026
CDLE	CARES	38,500,000	EO D 2021 121 Colorado Jumpstart	Colorado Jumpstart for employment	N/A	500,000	-	38,000,000	0	through Dec 2021
CDLE	CARES	1,518,984	UI-interest payment	Interest accrued for FUTA loan September 1 through September 30th FY2022	N/A	1,518,984	-	-	0	

Appendix C-One Time Funds Received/Anticipated to be Received (amounts)

CDLE	ARPA	100,000,000	UITF-accelerate repayment of debt	Governor's Nov 1st letter	ARPA-proposed FY 2022-23 request	100,000,000	-	-	0	
CDLE	CARES	1,491,069,405	UI PEUC Benefits paid		N/A	-	-	1,491,069,405	0	
CDLE	CARES	1,241,776,310	UI PUA Benefits paid		N/A	-	-	1,241,776,310	0	
CDLE	CARES	2,708,551,619	UI FPUC Benefits paid		N/A	-	-	2,708,551,619	0	
CDLE	CARES	73,748,914	UI First Week Benefits paid		N/A	-	-	73,748,914	0	
Total		**5,833,707,656**				**229,287,568**	**51,273,840**	**5,553,146,248**	**0**	

Rate Schedule Comparisons – High Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Deficit	Deficit
2023	Deficit	Deficit
2024	Deficit	Deficit^
2025	0.000 to 0.004	0.000 to 0.004^^
2026	0.006 to 0.008	0.008 to 0.011
2027	0.011 to 0.014	0.011 to 0.014

^Forecast is very close to a zero balance, could possibly shift from deficit to 0.000 to 0.004 schedule
^^Forecast is very close to cutoff between 0.000 to 0.004 and 0.004 and 0.006 schedules

Rate Schedule Comparisons – Weak Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Deficit	Deficit
2023	Deficit	Deficit
2024	Deficit	Deficit
2025	Deficit	Deficit
2026	0.000 to 0.004^	0.000 to 0.004
2027	0.004 to 0.006	0.006 to 0.008

^Forecast is very close to a zero balance, so could possibly shift to deficit schedule

Is Solvency Surcharge On or Off Comparisons – High Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Off, per SB207	Off, per SB207
2023	On	Off, per this scenario
2024	On	On
2025	On	On
2026	Off^	Off
2027	Off	Off

^Forecast is within $100m of solvency surcharge trigger

Is Solvency Surcharge On or Off Comparisons – Weak Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Off, per SB207	Off, per SB207
2023	On	Off, per this scenario
2024	On	On
2025	On	On
2026	On	On
2027	On	Off^

^Forecast is within $100m of solvency surcharge trigger

Is there a FUTA Credit Reduction Comparisons – High Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Yes	Yes
2023	Yes	Yes^^
2024	No^	No
2025	No	No
2026	No	No
2027	No	No

^As long as the outstanding loan balance is paid in full by November 10 of that year
^^ Current forecast has end of June 2023 to March 2024 balance ranging around -$60 million in this scenario, so there's a chance the FUTA credit reduction could trigger off for 2023, as long as the outstanding loan balance is paid in full by November of that year

Is there a FUTA Credit Reduction Comparisons – Weak Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Yes	Yes
2023	Yes	Yes
2024	Yes	Yes
2025	No^	No
2026	No	No
2027	No	No

^As along as the outstanding loan balance is paid in full by November 10 of that year

When Does the UITF Become Solvent (i.e Positive Balance) – High Growth Forecast

No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
JUNE 2024	JUNE 2024^

^June 2023 forecast end balance = -$59m; March 2024 forecast end balance = -$61m

When Does the UITF Become Solvent (i.e Positive Balance) – Weak Growth Forecast

No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
JUN 2025 – SEP 2025^	JUNE 2025

^June 2025 forecast end balance = +$26m; September 2023 forecast end balance = +$150m

Illustrative Example #1 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $600m into UITF & Suspending Solvency Surcharge in 2023, Based on the High Growth Forecast *Note: the outcome of this comparison is identical to a previous scenario that used $500 million*

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios.

Year	No Money into UITF			$600m into UITF			Difference in Total Costs
	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$3,794	$840	$4,634	$765
2024	$5,320	$0	$5,320	$5,320	$0	$5,320	$0
2025	$5,726	$0	$5,726	$5,726	$0	$5,726	$0
2026	$4,529	$0	$4,529	$4,131	$0	$4,131	$398
This employer will pay $1,163 less from 2023 to 2026 in the scenario where $600m is used to pay down some of the outstanding loan balance by June 2022 and the solvency surcharge is suspended in 2023. The difference is driven by one year less of solvency surcharge costs ($765) and a relatively lower rate schedule in 2026 ($398).							

*Includes base premiums and solvency surcharge premiums, when applicable

Illustrative Example #2 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $600m into UITF & Suspending Solvency Surcharge in 2023, Based on the High Growth Forecast

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios; however, there are two slight changes implemented compared to example #1. This example looks at the differences if the rate schedule under the "$600m into UITF" scenario is 0.000 to 0.004 in 2024, instead of the deficit schedule, and 0.004 to 0.006 in 2025, instead of the 0.000 to 0.004 schedule; and also assumes the FUTA credit reduction triggers OFF in 2023 under the "$600m into UITF" scenario. This is an absolute best-case scenario comparison.

Year	No Money into UITF			$600m into UITF			Difference in Total Costs
	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$3,794	$0	$3,794	$1,605
2024	$5,320	$0	$5,320	$5,010	$0	$5,010	$310
2025	$5,726	$0	$5,726	$5,378	$0	$5,378	$348
2026	$4,529	$0	$4,529	$4,131	$0	$4,131	$398
This employer will pay $2,661 less from 2023 to 2026 in the scenario where $600m is used to pay down some of the outstanding loan balance by June 2022 and the solvency surcharge is suspended in 2023. The difference is driven by one year less of solvency surcharge costs ($765), the triggering off of the FUTA credit reduction in 2023 ($840), and relatively lower rate schedules in 2024, 2025, and 2026 ($1,056).							

*Includes base premiums and solvency surcharge premiums, when applicable

Rate Schedule Comparisons – High Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Deficit	Deficit	Deficit
2023	Deficit	Deficit	Deficit
2024	Deficit	Deficit	Deficit^
2025	0.000 to 0.004	0.000 to 0.004	0.004 to 0.006
2026	0.006 to 0.008	0.008 to 0.011	0.008 to 0.011
2027	0.011 to 0.014	0.011 to 0.014	0.011 to 0.014^^

*Would be used to pay down some of the outstanding loan balance by June 2022
^Forecast is very close to a zero balance, so could possibly shift to 0.000 to 0.004 schedule
^^Forecast is very close to cutoff between 0.011 to 0.014 and 0.014 and greater schedules

Rate Schedule Comparisons – Weak Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Deficit	Deficit	Deficit
2023	Deficit	Deficit	Deficit
2024	Deficit	Deficit	Deficit
2025	Deficit	Deficit	Deficit
2026	0.000 to 0.004^	0.000 to 0.004	0.000 to 0.004
2027	0.004 to 0.006	0.006 to 0.008	0.008 to 0.011^^

*Would be used to pay down some of the outstanding loan balance by June 2022
^Forecast is very close to a zero balance, so could possibly shift to deficit schedule
^^Forecast is very close to cutoff between 0.006 to 0.008 and 0.008 and 0.011 schedules

Is Solvency Surcharge On or Off Comparisons – High Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Off, per SB207	Off, per SB207	Off, per SB207
2023	On	On	On
2024	On	On	On
2025	On	On	On
2026	Off^	Off	Off
2027	Off	Off	Off

*Would be used to pay down some of the outstanding loan balance by June 2022
^Forecast is within $100m of solvency surcharge trigger

Is Solvency Surcharge On or Off Comparisons – Weak Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Off, per SB207	Off, per SB207	Off, per SB207
2023	On	On	On
2024	On	On	On
2025	On	On	On
2026	On	On	On
2027	On	On	Off

*Would be used to pay down some of the outstanding loan balance by June 2022

Is there a FUTA Credit Reduction Comparisons – High Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Yes	Yes	Yes
2023	Yes	Yes	No^^
2024	No^	No	No
2025	No	No	No
2026	No	No	No
2027	No	No	No

*Would be used to pay down some of the outstanding loan balance by June 2022
^As long as the outstanding loan balance is paid in full by November 10 of that year
^^As along as the outstanding loan balance is paid in full by November 10 of that year; current forecast has end of September 2023 balance at just under +$100m in this scenario

Is there a FUTA Credit Reduction Comparison – Weak Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Yes	Yes	Yes
2023	Yes	Yes	Yes
2024	Yes	Yes	Yes
2025	No^	No	No
2026	No	No	No
2027	No	No	No

*Would be used to pay down some of the outstanding loan balance by June 2022
^As along as the outstanding loan balance is paid in full by November 10 of that year

When Does the UITF Become Solvent (i.e Positive Balance) – High Growth Forecast

No Money into UITF	$250m into UITF*	$500m into UITF*
JUNE 2024	JUNE 2024	JUN 2023 – SEP 2023^

*Would be used to pay down some of the outstanding loan balance by June 2022
^June 2023 forecast end balance = -$20m; September 2023 forecast end balance = +$100m

When Does the UITF Become Solvent (i.e Positive Balance) – Weak Growth Forecast

No Money into UITF	$250m into UITF*	$500m into UITF*
JUN 2025 – SEP 2025^	JUNE 2025	JUNE 2025^^

*Would be used to pay down some of the outstanding loan balance by June 2022
^June 2025 forecast end balance = +$26m; September 2023 forecast end balance = +$150m
^^Forecast balance from June 2024 to March 2025 less than -$150m

Illustrative Example #1 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $500m into UITF, Based on the High Growth Forecast

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios.

	No Money into UITF			**$500m into UITF**			
Year	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	**Difference in Total Costs**
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$4,559	$0	$4,559	$840
2024	$5,320	$0	$5,320	$5,320	$0	$5,320	$0
2025	$5,726	$0	$5,726	$5,372	$0	$5,372	$354
2026	$4,529	$0	$4,529	$4,131	$0	$4,131	$398
This employer will pay $1,592 less from 2023 to 2026 in the scenario where $500m is used to pay down some of the outstanding loan balance by June 2022. The difference is driven by one year less of FUTA credit reduction costs ($840) and relatively lower rate schedules in 2025-26 ($752).							

*Includes base premiums and solvency surcharge premiums, when applicable

Illustrative Example #2 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $500m into UITF, Based on the High Growth Forecast

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios; however, there are two slight changes implemented compared to example #1. This example looks at the differences if the rate schedule under the "$500m into UITF" scenario is 0.000 to 0.004 in 2024, instead of the deficit schedule; and assumes the solvency surcharge is still ON in 2026 under the "no money into UITF" scenario.

	No Money into UITF			**$500m into UITF**			
Year	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	**Difference in Total Costs**
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$4,559	$0	$4,559	$840
2024	$5,320	$0	$5,320	$5,010	$0	$5,010	$310
2025	$5,726	$0	$5,726	$5,372	$0	$5,372	$354
2026	$5,677	$0	$5,677	$4,131	$0	$4,131	$1,546
This employer will pay $3,050 less from 2023 to 2026 in the scenario where $500m is used to pay down some of the outstanding loan balance by June 2022. The difference is driven by one year less of FUTA credit reduction costs ($840), relatively lower rate schedules in 2024-26 ($1,062), and solvency surcharge premiums in 2026 ($1,148).							

*Includes base premiums and solvency surcharge premiums, when applicable

DEPARTMENT OF LABOR AND EMPLOYMENT
FY 2022-23 JOINT BUDGET COMMITTEE HEARING
WRITTEN RESPONSES ONLY

EMPLOYMENT FIRST

R-02 EMPLOYMENT FIRST CONTINUATION FUNDING

[Rep. McCluskie] Ask the Department to provide data concerning this program.

Initial efforts related to employment first in Colorado have been related to building, providing capacity and supporting cultural change so Colorado communities understand that anyone is capable of competitive integrated employment with appropriate supports, should they choose to work. Employment First Initiatives has integrated the following since inception:

- Employment First Training Sessions: 244 training sessions provided since July 1, 2019, covering topics such as Customized Employment, Individualized Placement & Supports (IPS), and Benefits Planning. These training sessions introduced staff and partners to these vocational strategies.
- Supported Employment Steering Committee: 12 committee meetings held, with approximately 30 DVR Counselors attending regularly. The goal of these meetings is to support effective implementation of supported employment within DVR.
- Intellectual and Developmental Disability (IDD) Roundtables: 12 meetings held which provide a collaborative opportunity for DVR staff and Community Centered Board staff to explore opportunities for improved service delivery. Approximately 40 staff and partners attend each Roundtable meeting.
- Increased provider capacity: As required by SB18-145, supported employment providers must complete nationally recognized training or obtain a nationally recognized certification in supported employment. DVR's Employment FIrst initiatives are partnered closely with staff at HCPF to support providers to complete necessary training.
    - Certified Employment Support Provider (CESP) - 9 providers
    - IPS Certification - 21 providers
    - Completed approved training - 297 providers
- Expanding the use of IPS within the Mental Health Supported Employment Program (a collaboration between DVR, CDHS's Office of Behavioral Health, and community mental health providers); and 2 new community mental health providers expected to participate in the program beginning in SFY23. Additionally, expanding the use of IPS as a service for individuals with Intellectual and Developmental Disabilities utilizing sequencing of services in partnership with Colorado Center Boards and Healthcare Policy and Financing.
- Developed and completed a new quality assurance process on 215 open cases receiving supported employment services to ensure compliance and quality. This process identified opportunities for training and process improvement, which are currently being implemented.

As a result of COVID-19, the Division saw a reduction in program participation, including by individuals with the most significant disabilities. The Division continues to provide services and assist individuals, including those with the most significant disabilities to achieve competitive integrated employment outcomes. To achieve an employment outcome, an individual must be employed at least 90 days and have become stable in their employment so that it is expected to continue without additional vocational rehabilitation services.

Individuals Served with the Most Significant Disabilities (MSD)

SFY	Served - MSD	% of All Served	Employment Outcomes Achieved - MSD	% of All Employment Outcomes
FY19	1893	19.8%	1309	65.2%
FY20	1810	19.2%	1268	65.2%
FY21	1712	18.5%	937	61.8%

The impacts of COVID-19 during this data reporting time period are still being evaluated. There is a continued need to evaluate and improve outcomes for individuals who need supported employment services as their needs are great, nuanced, and require creativity and ongoing support to successfully support in employment. Approval of positions to ongoing evaluate and support improved outcomes for this population creates an opportunity for us to develop specific goals and targets and strategies to more fully achieve these goals ongoing.

[Sen. Hansen] What is the evidence base for this program? I would think we have plenty of evidence from other states that would be relevant.

Employment First is still an emerging and developing policy focus across the country over the last 15 years. While there are now 38 states with Employment First policy, Colorado is often seen as a national leader and is the first state to have developed an Office of Employment First to lead this work. The organizational structure that DVR has developed to support Employment First is unique to Colorado and not a program that is directly replicated in other states. The 4.0 FTE requested through this funding are unique to Colorado and are intended to allow DVR to be responsive to the dynamic employment needs of Coloradans with the most significant disabilities. Research consistently demonstrates that competitive employment has a positive impact on well-being, including improving quality of life, reducing psychiatric symptoms, and can even reduce the cost of mental health care costs over time.

Currently, the focus has been on building capacity to more broadly utilize vocational strategies such as Individualized Placement and Supports (IPS) and Customized Employment (CE) to create employment opportunities for individuals who have often been seen as unable to achieve competitive integrated employment. IPS is an evidence-based practice, consistently demonstrating increased rates of competitive employment when compared to other employment strategies. While historically focused on individuals with behavioral health impairments, the research is expanding on the use of IPS with other disability groups, including those with co-occurring behavioral health and Intellectual & Developmental Disabilities, a population with which IPS is currently being piloted in Colorado. Similarly, CE is a promising practice with a building body of evidence supporting its effectiveness in improving competitive integrated employment outcomes for those with the most significant disabilities, who are often excluded from the workforce without the option of flexible and customized employment strategies. Both IPS and CE require specialized training for providers and a systems approach to ensure effective implementation, including the availability of benefits planning services to ensure individuals entering the workforce understand how to best plan for the impact of earned income on their public benefits. The positions will continue to support Implementation of existing evidenced-based practices and the identification of other promising practices to effectively support people with the most significant disabilities achieve their employment goals, as the nature of addressing these individuals' barriers to employment is complex and dynamic.

Unemployment Insurance

Solvency

[Sen. Hansen] I don't think the way you are using "solvency" in the document in terms of reaching $0 provides the right frame for thinking about this. I think of it more in terms of the federal ratio, which would require a balance closer to $2.0 billion. I would like to see a chart or table that reflects the idea of fully funding future obligations (using the solvency ratio suggested by the U.S. Dept of Labor).

There are several ways to consider "solvency" when discussing the Unemployment Insurance Trust Fund (UITF) balance.

1. The UITF hits $0 it becomes "insolvent" and the state has to borrow from Title XII loans in order to continue paying benefits. The UITF ceases being insolvent when the loan balance is paid off and the state is able to pay benefits with only existing fund reserves. However, in this case the UITF would be considered marginally solvent, as an increase in benefits payments or an economic downturn could easily shift the UITF back into insolvency.

2. Per state law, the solvency surcharge triggers off. This would require a positive balance of $1.1 billion in the trust fund. The UITF balance reaches a high enough level to turn off the solvency surcharge. As documented in another response, the UITF balance required to trigger off the solvency surcharge may be around $1.1 billion. However, in this case the UITF balance would still be well below levels required for full solvency consideration.

3. The UITF hits a 1.0 reserve ratio as defined by the US Department of Labor. This is calculated by taking the fund balance divided by wages paid. A reserve ratio of 1.0 is considered "Solvent" by USDOL standards. This would require a positive trust fund balance of around $2.1 billion. While the reserve ratio is one way to gauge UITF solvency, the average high-cost multiple (AHCM) is another metric used to assess the health and solvency adequacy of a state's UI trust fund and probably the preferred measure of the USDOL. Simply, an AHCM of 1.0 means the

state's trust fund has enough reserves to pay for 12 months of benefits under recession conditions without considering any employer contributions to the fund during that time[4] . The Department estimates that a reserve ratio of at least 1.4% would probably result in an AHCM of 1.0. The last time Colorado had an AHCM of at least 1.0 was 2000.

4. Employers move to the lowest rate schedule, which occurs if the June 30 reserve ratio of any year is 1.4% or greater. Simply, the reserve, or solvency, ratio is a calculation of the UITF balance on June 30 as a proportion of total wages reported by employers subject to standard premium rates for the prior calendar year. Based on current Department forecasts, a reserve ratio of 1.4% in 2022 might require a UITF balance of around $2 billion, while in 2026 that required balance could increase to $2.4 billion. Per HB11-1288, a premium credit for employers triggers on when the reserve ratio exceeds 1.6% in a given year. Statutorily triggered employer credits could potentially be viewed as another level of UITF solvency.

INVESTMENT SCENARIOS

[Sen. Moreno] Page 22, chart at bottom of page: That's quite a difference between the $500 million and $600 million investment ($1.90 to $21.74). Please explain. What are the projections for the $600 million proposal?

Part of the higher savings for the $600 million is the suspension of the solvency surcharge for 2023 which is included in the Governor's budget proposal. The other differences in savings have to do with the assumptions made in each model. The Department has modeled out two different growth possibilities over the next 5 years. One is more conservative and one is "best possible scenario". When distributing, the department failed to clarify that. So in this case, the $500 million model and the $600 million models made different assumptions which led to the shift. The Department provides both (conservative, and best possible) for both $500 million and $600 million scenarios in *Appendix D*.

[Sen. Moreno] Provide a schedule of future interest payments based on the federal loans to date.

COMMON QUESTIONS: PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING FOR COMMON QUESTIONS ACROSS DEPARTMENTS.

1 Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

Due to pandemic related priorities, the department was unable to implement one provision of SB20-207 by the statutory deadline of July 1, 2020. The final provision was implemented starting January 10, 2021. The Department is currently in compliance with statutory deadlines.

[4] additional definitions available at https://oui.doleta.gov/unemploy/content/data_stats/datasum05/3rdqtr/gloss.asp

2 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations with a fiscal impact identified in the Office of the State Auditor's "Annual Report: Status of Outstanding Audit Recommendations"? What is the Department doing to resolve these HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.

The 2021 report will be published on December 6, 2021 and can be found at this link: http://leg.colorado.gov/content/audits. JBC staff will send out an updated link once the report is published.

The State Auditors Annual Report was not published at the time of the Department hearing. The Department will provide a response once the report is published.

3 Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media. Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?

The Department has received funds for two public awareness campaigns.

As part of the funds received in Executive Order D 2021 104 which created the Colorado Jumpstart incentive program offered to Colorado unemployment recipients that returned to work full time in state fiscal year 2021.

HB21-1264 provided funds for the Colorado Workforce Development Council (CWDC) to develop a campaign and advertising placements cost $369,980, statutorily required use of funds awarded. The program implemented the Ready To Rise public awareness campaign currently active from September - December 2021. This campaign was developed in partnership with CDHE, CDHS, CDE, and the Lieutenant Governor's Office in order to highlight opportunities made available to individuals through the Colorado Recovery Plan. Each of these entities was involved in the planning of the campaign and previewed the materials prior to the campaign launch. Ads on television, radio, social media, and print locations encourage visits to the campaign landing page, readytoriseco.org, which is located on the mycoloradojourney.com site. The campaign yielded 17,000 unique pageviews to the landing page during the month of October alone.

4 Please identify how many rules you have promulgated in the past year (FY 2020-21). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

The Department completed a total of 17 permanent rules, 1 emergency rules change, 1 temporary rule change, with 1 cost-benefit analysis.

5 What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations, as well as cost impacts driven by COVID-19 and supply chain interruptions.

Consistent with the Department's FY 2022-23, there is a continued focus on the Covid-19 pandemic recovery. Impacts from the state and national employment conditions, federal funding, and recent changes to state law. Expenditures have increased in the Division of Unemployment Insurance during the COVID-19 pandemic impacts on the Unemployment Insurance Trust Fund obligations. Changes to state law regarding wage hour disputes and apprenticeship and workforce requirements have changed the workload implications for the wage theft enforcement unit and employment and training.

6 How is the Department's caseload changing and how does it impact the Department's budget? Are there specific population changes, demographic changes, or service needs (e.g. aging population) that are different from general population growth?

Economic factors have the largest impacts on caseloads within the Department. As unemployment insurance claims fluctuate, assistance from workforce centers across the state also fluctuate. Federal changes in unemployment benefits have affected the job search decisions and job creation decisions. As the decisions are made, net migration in various job industries are likely to occur.

7 In some cases, the roles and duties of existing FTE may have changed over time. Please list any positions that have been created in the Department since FY 2019-20 that were <u>not</u> the result of legislation or a decision item.

For all FY 2022-23 budget requests that include an increase in FTE:

a. Specify whether existing staff will be trained to assume these roles or these duties, and if not, why;
b. Specify why additional FTE are necessary; and
c. Describe the evaluation process you used to determine the number of FTE requested.

The COVID-19 pandemic placed an unprecedented administrative burden on the Department. The Unemployment Insurance Program experienced a surge in unemployment claims and the new federal responsibilities. In order to meet the demands and massive backlogs the Division ramped up call center resources. These FTE were funded through a mix of pandemic assistance funding and UI base grant funding. As claims continue to return to normalized levels, attrition has reduced these FTE. Due to a sharp increase in demand for call center resources during the pandemic the Unemployment Division added a significant number of FTE. The Department anticipates a gradual decrease through natural attrition of staff over the next 2-3 years.

The Department FY 2022-23 requests additional staff and spending authority for the Wage Theft Enforcement unit to provide better assistance for employers and employees to navigate administrative appeals and processes.

8 Please describe any ongoing or newly identified programmatic impacts for the Department resulting from cash fund transfers as part of the FY 2019-20 and FY 2020-21 balancing process.

The Department worked to minimize the impacts to programs due to the cash fund transfers for budget balancing. The cash fund transfers to balance the budgets for those two fiscal years within the Oil and Public Safety Division were never restored to the requisite cash funds.

9 Please describe the Department's FY 2020-21 vacancy savings, as well as projected vacancy savings for FY 2021-22 and FY 2022-23. How has the Department utilized vacancy savings in recent years?

The Department's overall turnover rate for FY 2020-21 was 13.7 percent. The overall compensation plan for the state is generally below market, which makes it difficult to compete with similar positions in the market which pay much higher. The Department used vacancy savings in part to offset the costs associated with backfilling positions to respond to the pandemic, the remaining vacancy savings resulted in a reversion of Departmental POTS allocations in FY 2020-21. The Department anticipates filling positions will return to normal levels over the next few fiscal years during the pandemic recovery.

10 State revenues are projected to exceed the TABOR limit in each of the next two fiscal years. Thus, increases in cash fund revenues that are subject to TABOR will require an equivalent amount of General Fund for taxpayer refunds. Please:

a. List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by your department that is subject to TABOR and that exceeds $100,000 annually. Describe the nature of the revenue, what drives the amount collected each year, and the associated fund where these revenues are deposited.
b. For each source, list actual revenues collected in FY 2020-21, and projected revenue collections for FY 2021-22 and FY 2022-23.
c. List each decision item that your department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2022-23.

Appendix B provides a list Non-Tax Revenues Collected by Department That Are Subject to TABOR and displays the revenues collected and projections. The Department has requests that would impact cash fund revenues related to TABOR, R-01 Wage Theft Enforcement with an increase of $153,304 in cash fund spending authority and R-03 Underground Damage Prevention with an increase of $39,380. While these requests result in an increase to revenues subject to TABOR collected in FY 2022-23, the Department submitted R-04 Veterans Services to Career Program Refinance, which would reduce cash fund spending authority by $500,000, thereby offsetting any increase.

11 Please describe one-time federal stimulus funds (such as the CARES Act, ARPA, and the Federal Infrastructure Investment and Jobs Act) that the Department has received or expects to receive.

The Department received administrative and benefits funds for Unemployment Insurance through CARES Act and HB21-1264 appropriated federal funds for workforce programs. *Appendix C* provides data related to this question.

Rate Schedule Comparisons – High Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Deficit	Deficit
2023	Deficit	Deficit
2024	Deficit	Deficit^
2025	0.000 to 0.004	0.000 to 0.004^^
2026	0.006 to 0.008	0.008 to 0.011
2027	0.011 to 0.014	0.011 to 0.014

^Forecast is very close to a zero balance, could possibly shift from deficit to 0.000 to 0.004 schedule
^^Forecast is very close to cutoff between 0.000 to 0.004 and 0.004 and 0.006 schedules

Rate Schedule Comparisons – Weak Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Deficit	Deficit
2023	Deficit	Deficit
2024	Deficit	Deficit
2025	Deficit	Deficit
2026	0.000 to 0.004^	0.000 to 0.004
2027	0.004 to 0.006	0.006 to 0.008

^Forecast is very close to a zero balance, so could possibly shift to deficit schedule

Is Solvency Surcharge On or Off Comparisons – High Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Off, per SB207	Off, per SB207
2023	On	Off, per this scenario
2024	On	On
2025	On	On
2026	Off^	Off
2027	Off	Off

^Forecast is within $100m of solvency surcharge trigger

Is Solvency Surcharge On or Off Comparisons – Weak Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Off, per SB207	Off, per SB207
2023	On	Off, per this scenario
2024	On	On
2025	On	On
2026	On	On
2027	On	Off^

^Forecast is within $100m of solvency surcharge trigger

Is there a FUTA Credit Reduction Comparisons – High Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Yes	Yes
2023	Yes	Yes^^
2024	No^	No
2025	No	No
2026	No	No
2027	No	No

^As long as the outstanding loan balance is paid in full by November 10 of that year
^^ Current forecast has end of June 2023 to March 2024 balance ranging around -$60 million in this scenario, so there's a chance the FUTA credit reduction could trigger off for 2023, as long as the outstanding loan balance is paid in full by November of that year

Is there a FUTA Credit Reduction Comparisons – Weak Growth Forecast

Year	No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
2022	Yes	Yes
2023	Yes	Yes
2024	Yes	Yes
2025	No^	No
2026	No	No
2027	No	No

^As along as the outstanding loan balance is paid in full by November 10 of that year

When Does the UITF Become Solvent (i.e Positive Balance) – High Growth Forecast

No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
JUNE 2024	JUNE 2024^

^June 2023 forecast end balance = -$59m; March 2024 forecast end balance = -$61m

When Does the UITF Become Solvent (i.e Positive Balance) – Weak Growth Forecast

No Money into UITF	$600m into UITF 2022, suspend surcharge 2023
JUN 2025 – SEP 2025^	JUNE 2025

^June 2025 forecast end balance = +$26m; September 2023 forecast end balance = +$150m

Illustrative Example #1 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $600m into UITF & Suspending Solvency Surcharge in 2023, Based on the High Growth Forecast *Note: the outcome of this comparison is identical to a previous scenario that used $500 million*

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios.

Year	No Money into UITF			$600m into UITF			Difference in Total Costs
	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$3,794	$840	$4,634	$765
2024	$5,320	$0	$5,320	$5,320	$0	$5,320	$0
2025	$5,726	$0	$5,726	$5,726	$0	$5,726	$0
2026	$4,529	$0	$4,529	$4,131	$0	$4,131	$398
This employer will pay $1,163 less from 2023 to 2026 in the scenario where $600m is used to pay down some of the outstanding loan balance by June 2022 and the solvency surcharge is suspended in 2023. The difference is driven by one year less of solvency surcharge costs ($765) and a relatively lower rate schedule in 2026 ($398).							

*Includes base premiums and solvency surcharge premiums, when applicable

Illustrative Example #2 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $600m into UITF & Suspending Solvency Surcharge in 2023, Based on the High Growth Forecast

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios; however, there are two slight changes implemented compared to example #1. This example looks at the differences if the rate schedule under the "$600m into UITF" scenario is 0.000 to 0.004 in 2024, instead of the deficit schedule, and 0.004 to 0.006 in 2025, instead of the 0.000 to 0.004 schedule; and also assumes the FUTA credit reduction triggers OFF in 2023 under the "$600m into UITF" scenario. This is an absolute best-case scenario comparison.

Year	No Money into UITF			$600m into UITF			Difference in Total Costs
	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$3,794	$0	$3,794	$1,605
2024	$5,320	$0	$5,320	$5,010	$0	$5,010	$310
2025	$5,726	$0	$5,726	$5,378	$0	$5,378	$348
2026	$4,529	$0	$4,529	$4,131	$0	$4,131	$398
This employer will pay $2,661 less from 2023 to 2026 in the scenario where $600m is used to pay down some of the outstanding loan balance by June 2022 and the solvency surcharge is suspended in 2023. The difference is driven by one year less of solvency surcharge costs ($765), the triggering off of the FUTA credit reduction in 2023 ($840), and relatively lower rate schedules in 2024, 2025, and 2026 ($1,056).							

*Includes base premiums and solvency surcharge premiums, when applicable

Rate Schedule Comparisons – High Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Deficit	Deficit	Deficit
2023	Deficit	Deficit	Deficit
2024	Deficit	Deficit	Deficit^
2025	0.000 to 0.004	0.000 to 0.004	0.004 to 0.006
2026	0.006 to 0.008	0.008 to 0.011	0.008 to 0.011
2027	0.011 to 0.014	0.011 to 0.014	0.011 to 0.014^^

*Would be used to pay down some of the outstanding loan balance by June 2022
^Forecast is very close to a zero balance, so could possibly shift to 0.000 to 0.004 schedule
^^Forecast is very close to cutoff between 0.011 to 0.014 and 0.014 and greater schedules

Rate Schedule Comparisons – Weak Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Deficit	Deficit	Deficit
2023	Deficit	Deficit	Deficit
2024	Deficit	Deficit	Deficit
2025	Deficit	Deficit	Deficit
2026	0.000 to 0.004^	0.000 to 0.004	0.000 to 0.004
2027	0.004 to 0.006	0.006 to 0.008	0.008 to 0.011^^

*Would be used to pay down some of the outstanding loan balance by June 2022
^Forecast is very close to a zero balance, so could possibly shift to deficit schedule
^^Forecast is very close to cutoff between 0.006 to 0.008 and 0.008 and 0.011 schedules

Is Solvency Surcharge On or Off Comparisons – High Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Off, per SB207	Off, per SB207	Off, per SB207
2023	On	On	On
2024	On	On	On
2025	On	On	On
2026	Off^	Off	Off
2027	Off	Off	Off

*Would be used to pay down some of the outstanding loan balance by June 2022
^Forecast is within $100m of solvency surcharge trigger

Is Solvency Surcharge On or Off Comparisons – Weak Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Off, per SB207	Off, per SB207	Off, per SB207
2023	On	On	On
2024	On	On	On
2025	On	On	On
2026	On	On	On
2027	On	On	Off

*Would be used to pay down some of the outstanding loan balance by June 2022

Is there a FUTA Credit Reduction Comparisons – High Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Yes	Yes	Yes
2023	Yes	Yes	No^^
2024	No^	No	No
2025	No	No	No
2026	No	No	No
2027	No	No	No

*Would be used to pay down some of the outstanding loan balance by June 2022
^As long as the outstanding loan balance is paid in full by November 10 of that year
^^As along as the outstanding loan balance is paid in full by November 10 of that year; current forecast has end of September 2023 balance at just under +$100m in this scenario

Is there a FUTA Credit Reduction Comparison – Weak Growth Forecast

Year	No Money into UITF	$250m into UITF*	$500m into UITF*
2022	Yes	Yes	Yes
2023	Yes	Yes	Yes
2024	Yes	Yes	Yes
2025	No^	No	No
2026	No	No	No
2027	No	No	No

*Would be used to pay down some of the outstanding loan balance by June 2022
^As along as the outstanding loan balance is paid in full by November 10 of that year

When Does the UITF Become Solvent (i.e Positive Balance) – High Growth Forecast

No Money into UITF	$250m into UITF*	$500m into UITF*
JUNE 2024	JUNE 2024	JUN 2023 – SEP 2023^

*Would be used to pay down some of the outstanding loan balance by June 2022
^June 2023 forecast end balance = -$20m; September 2023 forecast end balance = +$100m

When Does the UITF Become Solvent (i.e Positive Balance) – Weak Growth Forecast

No Money into UITF	$250m into UITF*	$500m into UITF*
JUN 2025 – SEP 2025^	JUNE 2025	JUNE 2025^^

*Would be used to pay down some of the outstanding loan balance by June 2022
^June 2025 forecast end balance = +$26m; September 2023 forecast end balance = +$150m
^^Forecast balance from June 2024 to March 2025 less than -$150m

Illustrative Example #1 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $500m into UITF, Based on the High Growth Forecast

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios.

	No Money into UITF			**$500m into UITF**			
Year	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	**Difference in Total Costs**
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$4,559	$0	$4,559	$840
2024	$5,320	$0	$5,320	$5,320	$0	$5,320	$0
2025	$5,726	$0	$5,726	$5,372	$0	$5,372	$354
2026	$4,529	$0	$4,529	$4,131	$0	$4,131	$398
This employer will pay $1,592 less from 2023 to 2026 in the scenario where $500m is used to pay down some of the outstanding loan balance by June 2022. The difference is driven by one year less of FUTA credit reduction costs ($840) and relatively lower rate schedules in 2025-26 ($752).							

*Includes base premiums and solvency surcharge premiums, when applicable

Illustrative Example #2 of Differences in Employer Costs in Scenarios of No Money into UITF vs. $500m into UITF, Based on the High Growth Forecast

Note: Assumption in this example is for an employer that has ten employees over the forecast horizon, all whom make at least $30,600/yr. Additionally, this employer will have a fixed median level of UI premium rates over the forecast horizon (specifically, an experience rating of +6 to +7). The rate schedules, solvency surcharge triggers, and FUTA credit reductions from the above tables are utilized in order to calculate this employer's annual costs under both scenarios; however, there are two slight changes implemented compared to example #1. This example looks at the differences if the rate schedule under the "$500m into UITF" scenario is 0.000 to 0.004 in 2024, instead of the deficit schedule; and assumes the solvency surcharge is still ON in 2026 under the "no money into UITF" scenario.

	No Money into UITF			**$500m into UITF**			
Year	Premium Costs*	FUTA Credit Reduction Costs	Total Costs	Premiums Costs*	FUTA Credit Reduction Costs	Total Costs	**Difference in Total Costs**
2022	$3,162	$630	$3,792	$3,162	$630	$3,792	$0
2023	$4,559	$840	$5,399	$4,559	$0	$4,559	$840
2024	$5,320	$0	$5,320	$5,010	$0	$5,010	$310
2025	$5,726	$0	$5,726	$5,372	$0	$5,372	$354
2026	$5,677	$0	$5,677	$4,131	$0	$4,131	$1,546
This employer will pay $3,050 less from 2023 to 2026 in the scenario where $500m is used to pay down some of the outstanding loan balance by June 2022. The difference is driven by one year less of FUTA credit reduction costs ($840), relatively lower rate schedules in 2024-26 ($1,062), and solvency surcharge premiums in 2026 ($1,148).							

*Includes base premiums and solvency surcharge premiums, when applicable