

Joint Budget Committee



Staff Budget Briefing FY 2025-26

Department of Labor and Employment

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2024 legislative session that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report:

<https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The online version of the briefing document may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

Overview of Department

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

Executive Director's Office

Provides administrative and technical support for the Department's divisions and programs including accounting, budgeting, and human resource functions and houses the following offices:

- *Office of New Americans:* Advances integration of recent immigrants and refugees in Colorado communities through coordination with other state agencies, private sector organizations and the public. As of October 2024, the Office also houses the Colorado Refugee Services Program, responsible for statewide coordination of refugee resettlement.
- *Office of Future Work:* Prepares Colorado's workforce to participate in emerging industries through research, policy and program identification, and stakeholder engagement. The Office also oversees the State Apprenticeship Agency.
- *Office of Just Transitions:* Assists communities and workers impacted by the coal transition in local economic development planning and funding, and worker and family employment and wellbeing support.
- *Colorado Disability Opportunity Office:* Created through H.B. 24-1360 to facilitate cross-agency collaboration on disability policy and programs, and disability community engagement. Houses the Colorado Disability Funding Committee, which is responsible for awarding \$5.0 million annually in disability application assistance and new project grants.

Division of Unemployment Insurance

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

Division of Employment and Training

- *Workforce Development Enterprise:* Created through H.B. 24-1409, funds workforce development centers. Centers assist job seekers and employers with job training and placement, including: job listings, computer and internet access, career counseling and training, recruitment and referral services, and employer tax credits. CDLE directly administers the rural consortium while the rest are locally administered by the county and funded by CDLE.
- *Colorado Workforce Development Council:* Provides workforce policy recommendations, designates local workforce investment areas, coordinates the delivery of workforce development programs, and reviews the allocation of federal Title I funds for adult employment and training activities and for youth activities.

Division of Labor Standards and Statistics

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

Division of Oil and Public Safety

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

Division of Workers' Compensation

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

Division of Vocational Rehabilitation

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

Division of Family and Medical Leave Insurance

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

Recent Appropriations

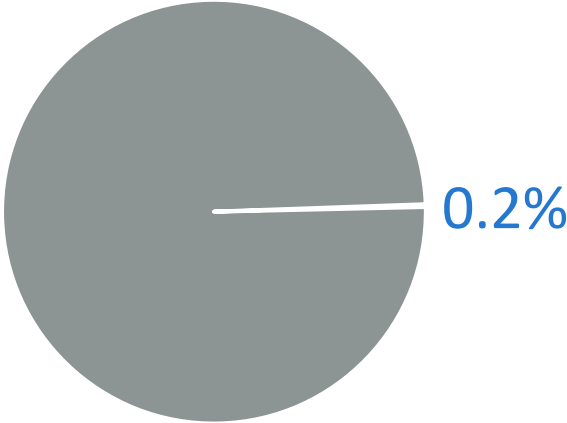
| Labor and Employment | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| Funding Source | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26* |
| General Fund | \$31,508,365 | \$34,992,779 | \$35,977,215 | \$36,519,754 |
| Cash Funds | 111,762,752 | 152,602,739 | 183,120,377 | 224,287,381 |
| Reappropriated Funds | 7,107,350 | 24,228,984 | 24,708,795 | 24,971,494 |
| Federal Funds | 185,006,784 | 195,720,204 | 211,402,789 | 222,019,902 |
| Total Funds | \$335,385,251 | \$407,544,706 | \$455,209,176 | \$507,798,531 |
| Full Time Equivalent Staff | 1,344.0 | 1,724.4 | 1,763.4 | 1,743.9 |

*Requested appropriation

Funding for the Department in FY 2024-25 consists of 7.9 percent General Fund, 40.2 percent cash funds, 5.4 percent reappropriated funds, and 46.4 percent federal funds.

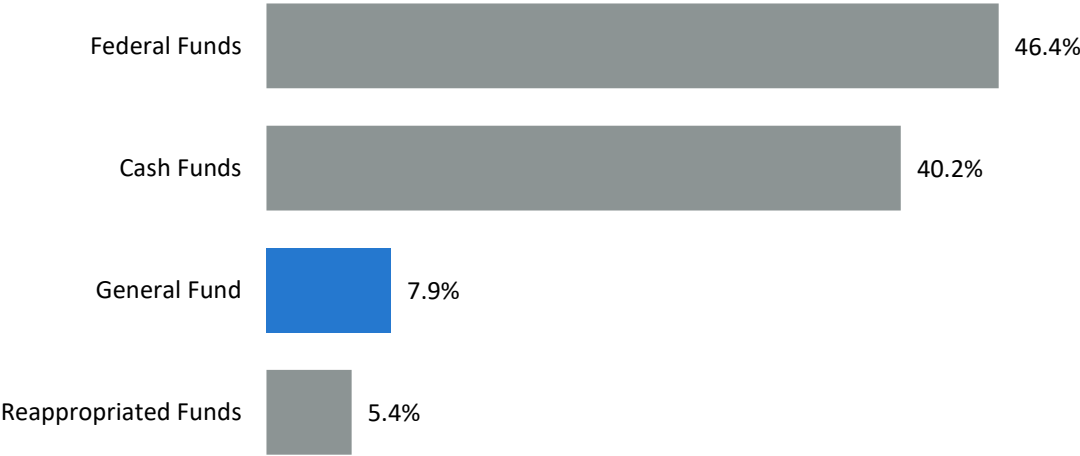
Graphic Overview

Department's Share of Statewide General Fund



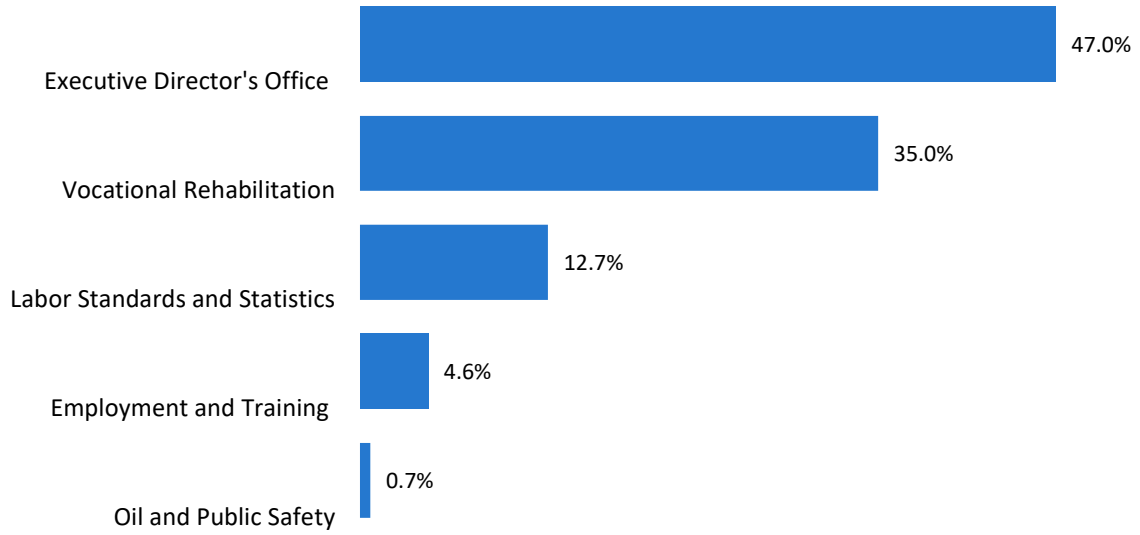
Based on the FY 2024-25 appropriation.

Department Funding Sources



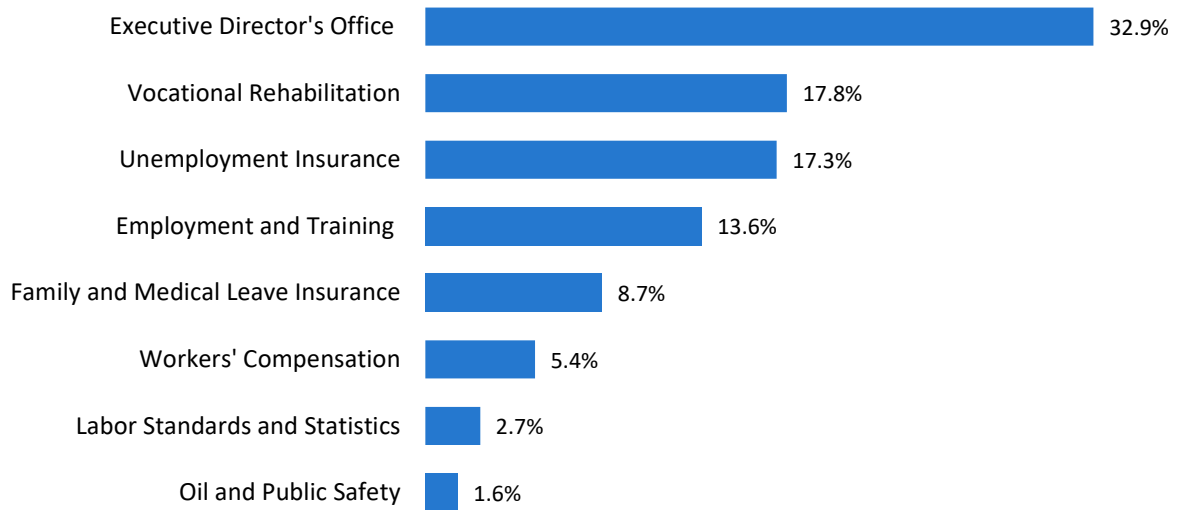
Based on the FY 2024-25 appropriation.

Distribution of General Fund by Division



Based on the FY 2024-25 appropriation.

Distribution of Total Funds by Division



Based on the FY 2024-25 Appropriation

Cash Funds Detail

| Department of Labor and Employment Cash Fund Detail | | | | |
|--|-----------------------|-----------------|---|---|
| Fund Name | FY 2024-25 Approp. | Notes | Primary Revenue Sources | Primary Uses in Dept. |
| Family and Medical Leave Insurance | \$43,878,487 | ^{1, 2} | Employer and employee premiums for the Family and Medical Leave Insurance program, and any transfers by the General Assembly. [Section 8-13.3-518, C.R.S.] | Costs to pay benefits and administer the Family and Medical Leave Insurance program, and reimbursements to employers who directly pay those benefits to employees. |
| Workers' Compensation, Major Medical, Subsequent Injury Funds | \$35,140,669 | | Surcharges on workers' compensation insurance premiums, and interest. The Major Medical and Subsequent Injury Funds do not currently collect revenue from a surcharge. | Program administration support costs to the Division of Workers' Compensation. The Major Medical and Subsequent Injury Fund programs also pay claims for injuries prior to 1981 and 1994, respectively. |
| Employment Support Fund | \$24,293,655 | | A portion of employers' support surcharge rate payments. Revenue is capped at \$7 million. Excess revenue is deposited in either the Employment and Training Technology Fund or Workforce Development Fund. [Section 8-77-109, C.R.S.] | General Department administration cost, unemployment insurance system administrative costs, employment and training programs, and labor standards programs. |
| Workforce Development Fund | \$14,003,304 | ¹ | A portion of employers' support surcharge rate payments, any state or federal appropriations, gifts, or bond revenues. Balance is capped at \$6.8 million, where excess goes to the unemployment compensation fund. Created through H.B. 24-1409. [Section 8-83-107, C.R.S.] | Support to statewide employment and training workforce initiatives, particularly to workforce development centers. |
| Employment and Training Technology Fund | \$10,459,436 | ¹ | A portion of employers' support surcharge rate payments. Revenue capped at \$13.2 million, excess revenue goes to the unemployment compensation fund. [Section 8-77-109(2)(a.9)(II)(A), C.R.S.] | Technology automation efforts to support the unemployment insurance program. |
| Petroleum Storage Tank, Boiler Inspection, Conveyance Safety Funds | \$10,380,015 | ³ | Petroleum Storage Tank Fund: registration and annual renewal fees from owners or operators of petroleum storage tanks [Section 8-20.5-103, C.R.S.]. Boiler Inspection: inspection fees of commercial boilers in locations without an adequate municipal inspection process [Section 9-4-109, C.R.S.]. Conveyance Safety: inspection fees of commercial elevators and escalators in locations without an adequate local government inspection process. [Section 9-5.5-111, C.R.S.] | These funds are appropriated in the Division of Oil and Public Safety for their inspection programs and administration, and for related centrally appropriated costs. |

**Department of Labor and Employment
Cash Fund Detail**

| Fund Name | FY 2024-25 Approp. | Notes | Primary Revenue Sources | Primary Uses in Dept. |
|---------------------------|-----------------------|-------|---|--|
| Unemployment Revenue Fund | \$7,940,046 | | Penalties imposed on employers who fail to make timely payments to the unemployment insurance system required by law. [Section 8-77-106, C.R.S.] | Appropriated to the UI Division for enforcement costs |
| Disability Support Fund | \$5,538,925 | | Appropriations by the General Assembly, and revenue from the sale of select license plate registration numbers. Moved from the Department of Personnel to this section of the budget through H.B. 24-1360. [Section 24-30-2205.5, C.R.S.] | Administrative and program costs for the Colorado Disability Opportunity Office, created through H.B. 24-1360. |
| Various CF | \$31,485,840 | | Varies by cash fund. | Varies by cash fund. |
| Total | \$183,120,377 | | | |

¹ TABOR exempt.

² Continuously appropriated, amounts shown in Long Bill are for informational purposes only.

³ The Petroleum Storage Tank Fund is TABOR exempt and continuously appropriated for corrective actions purposes.

General Factors Driving the Budget

Vocational Rehabilitation and Independent Living

The Division of Vocational Rehabilitation and Independent Living Services accounts for 17.8 percent of the Department's annual appropriation and 35.0 percent of the Department's General Fund. The budget consists of 55.8 percent federal funds, 27.6 percent reappropriated funds, 15.5 percent General Fund, and 1.1 percent cash funds. The Department annually submits a detailed report on Vocational Rehabilitation and Independent Living Center funding and services; this is located in the Requests for Information section of this document.

Vocational Rehabilitation Programs

Historically, demand for vocational rehabilitation services has driven the Division's programming budget. Recently, the budget has also been impacted by discretionary decisions of the General Assembly, the amount school districts match for federal vocational rehabilitation funds, and the amount of federal funding available. The subdivision accounts for 90.1 percent of Division funding. The programs assist individuals whose disabilities result in barriers to employment or independent living with attaining and maintaining employment or independent living. Most vocational rehabilitation program services are funded through a 78.7 percent federal funds to 21.3 percent state funds rate.

Office of Independent Living Services

Independent Living Centers (ILCs) account for 9.9 percent of Division funding and receive the largest amount of General Fund for the Division. Section 8-85-103, C.R.S. specifies the block distribution of state money to the ILCs to be: (a) a base amount of not less than \$600,000; and (b) other factors agreed to by the ILCs, which may include a per capita, per county, or other adjustments. The Office distributes funding to the nine ILCs in Colorado that provide services to individuals with significant disabilities. These services include, among others:

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

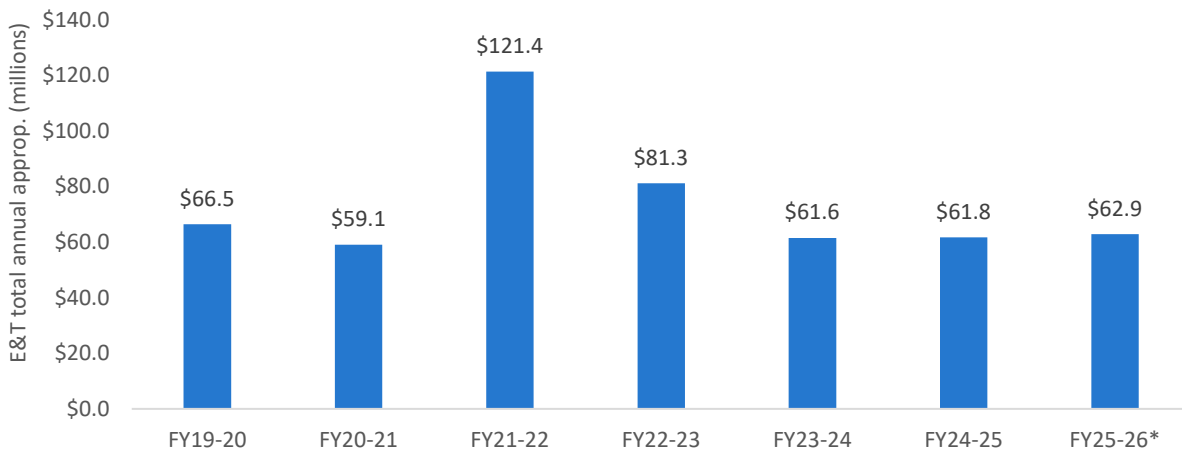
Workforce Development

Workforce development programs reside in the Division of Employment and Training. These programs provide employment services for businesses, and job training and placement services for job seekers through a network of state- and county-run workforce centers. They account for 22.7 percent of the Department’s budget and are primarily driven by funding from the U.S. Department of Labor (DOL) and cash funds. The Division’s budget is made up of 72.3 percent federal funds and 23.6 percent cash funds, mainly from the Workforce Development Fund created through H.B. 24-1409 (Employment-Related Funding & Workforce Enterprise).

Employment and Training programs in the state saw a significant shift in funding during the last few years. This was due to an influx of pandemic relief funding and increased revenue projections. Additional appropriations in the last few years included:

- \$60.0 million in American Rescue Plan Act (ARPA) funds via the Workers, Employers, and Workforce Centers Cash Fund to support employment and training (H.B. 21-1264);
- \$30.0 million General Fund for the Office of Just Transition (H.B. 21-1290, H.B. 22-1193, H.B. 22-1394); and
- \$6.1 million General Fund for the expansion of experiential learning opportunities (S.B. 22-140).

Funding for the Division of Employment and Training nearly doubled in FY 2021-22, but is now normalizing.



*FY 2025-26 appropriation based on request.

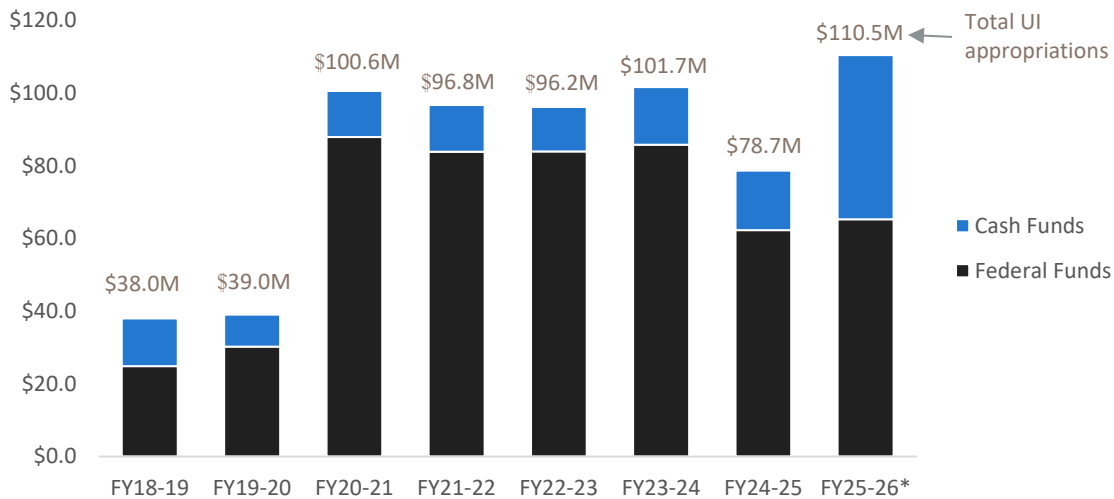
Unemployment Insurance

Unemployment Insurance (UI) programs provide temporary compensation to individuals eligible for benefits, and account for 17.3 percent of the Department’s entire budget.

Administration of UI Benefits

The appropriation for UI programs in the Long Bill reflects the cost of administering those programs. Funding for UI administration has historically consisted of around one quarter cash funds and three quarters federal funds. During the COVID-19 pandemic, federal funds were made available to support additional administrative costs, which the Department has the ability to spend over several years. The cash funds that support UI administration are subject to annual appropriation by the General Assembly.

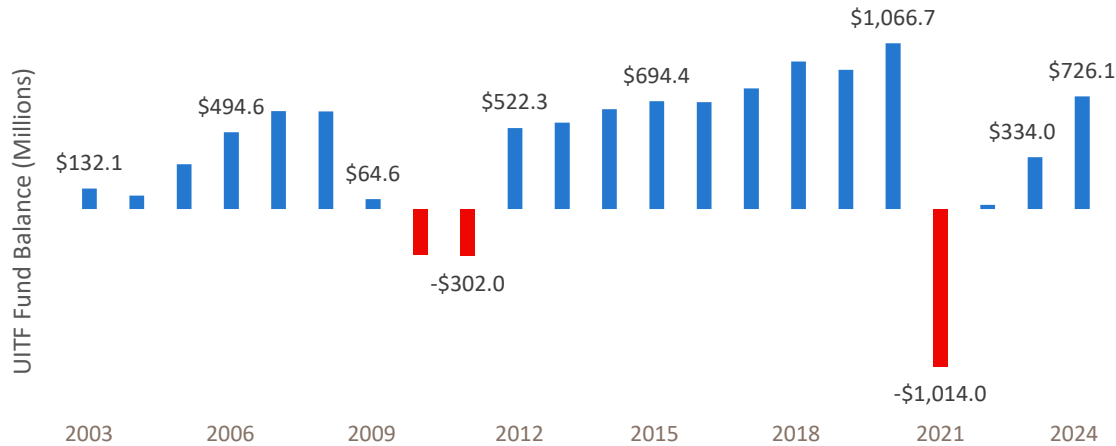
Total UI appropriations more than doubled during the pandemic, and now federal funding is decreasing.



Distribution of UI Benefits

UI claims are paid from the Unemployment Compensation Fund, also referred to as the Unemployment Insurance Trust Fund (UITF). Pursuant to statute, these funds are continuously appropriated to the Department and do not appear in the Long Bill. The trust fund is funded through employer premiums and is driven by economic cycles. The UI program is a federal-state partnership and is located in the federal treasury. In a growing economy, the number of claims is lower, resulting in fewer benefits being paid out. This both reduces the demand for state administrative activities and increases the balance of the UITF. When the economy contracts, the number of claims increases and administration costs rise.

The Unemployment Insurance Trust Fund reached a positive balance of \$736 million in September 2024, after a \$1.0 billion negative balance in 2021.



Labor Standards

Labor Standards programs account for 2.7 percent of annual appropriations to the Department and are responsible for regulating employers' compliance with state labor laws. While this represents a relatively small percentage of Departmental funding, this amount has steadily increased since 2015 as a result of new or enhanced programs for worker protections and benefits, mainly supported by General Fund. These expansions were enacted via legislation and budget decisions, beginning with the Wage Protection Act in 2014 and including the following in recent sessions:

- **2019 Session:** Equal Pay for Equal Work (S.B. 19-085), Quality Apprenticeship Training (S.B. 19-196)
- **2020 Session:** Sick Leave for Employees (S.B. 20-205), Colorado Partnership for Quality Jobs and Services (H.B. 20-1153), Public Health Whistleblower Protections (H.B. 20-1415)
- **2021 Session:** Agricultural Worker's Rights (S.B. 21-087), JBC budget decision to strengthen enforcement of Colorado labor law
- **2022 Session:** Whistleblower Protection (S.B. 22-097), Wage Theft Employee Misclassification (S.B. 22-161), License Supplemental Health-care Staffing Agencies (S.B. 22-210), Collective Bargaining for Counties (S.B. 22-230)
- **2023 Session:** Additional uses Paid Sick Leave (SB23-017), Job Application Fairness Act (S.B. 23-058), Ensure Equal Pay For Equal Work (S.B. 23-105), Public Employees' Workplace Protection (S.B. 23-111), Labor Requirements For Energy Sector Construction (S.B. 23-292), Amend Fund To Allow Payment Overdue Wage Claims (S.B. 23-231)
- **2024 Session:** Transportation Network Company Transparency (S.B. 24-075), Increasing Protections for Minor Workers (H.B. 24-1095), Protections for Delivery Network Company Drivers (H.B. 24-1129)

Summary of Request

Department of Labor and Employment

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|----------------------|---------------------|----------------------|---------------------|----------------------|----------------|
| FY 2024-25 Appropriation | | | | | | |
| HB 24-1430 (Long Bill) | \$431,159,368 | \$35,302,969 | \$159,744,815 | \$24,708,795 | \$211,402,789 | 1,690.8 |
| Other legislation | 24,049,808 | 674,246 | 23,375,562 | 0 | 0 | 72.6 |
| Total | \$455,209,176 | \$35,977,215 | \$183,120,377 | \$24,708,795 | \$211,402,789 | 1,763.4 |
| FY 2025-26 Requested Appropriation | | | | | | |
| FY 2024-25 Appropriation | \$455,209,176 | \$35,977,215 | \$183,120,377 | \$24,708,795 | \$211,402,789 | 1,763.4 |
| R1 UI funding expand and realign | 30,000,000 | 0 | 30,000,000 | 0 | 0 | 0.0 |
| R2 Workers' Comp cash sweep | 0 | 0 | 0 | 0 | 0 | 0.0 |
| R3 PSTF spending increase | 100,000 | 0 | 100,000 | 0 | 0 | 0.0 |
| R4 Hospitality Edu grant reduce | -504,535 | -504,535 | 0 | 0 | 0 | -0.5 |
| Non-prioritized decision items | 209,541 | 4,327 | 181,747 | 505 | 22,962 | 0.0 |
| Centrally appropriated line items | 26,886,988 | 1,875,997 | 15,607,833 | 259,318 | 9,143,840 | 0.0 |
| Technical adjustments | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Annualize prior budget actions | -2,276,044 | -364,057 | -1,940,288 | 6,133 | 22,168 | -13.2 |
| Annualize prior year legislation | -979,109 | -469,193 | -2,559,182 | 0 | 2,049,266 | -5.8 |
| Indirect cost assessment | -847,486 | 0 | -223,106 | -3,257 | -621,123 | 0.0 |
| Total | \$507,798,531 | \$36,519,754 | \$224,287,381 | \$24,971,494 | \$222,019,902 | 1,743.9 |
| Increase/-Decrease | \$52,589,355 | \$542,539 | \$41,167,004 | \$262,699 | \$10,617,113 | -19.5 |
| Percentage Change | 11.6% | 1.5% | 22.5% | 1.1% | 5.0% | 0.0 |

R1 Unemployment Insurance funding expansion and realignment [Requires Legislation]: The Department requests a number of changes to improve implementation of UI enterprise fund changes under H.B. 24-1409 (Employment-Related Funding and Workforce Enterprise). The Department requests to move administrative costs from the Employment Support Fund to the Workforce Development Fund and a new UI Administration Fund, which are both enterprise funds. The Department also requests \$20.0 million in increased spending authority to the Tech Fund to cover increasing technology costs, and \$10.0 million in increased spending authority to the UI Administration Fund. Finally, the Department requests legislation to update the allowable uses of the Tech Fund, correct for believed oversights in the drafting of H.B. 24-1409, and implement changes in this request. *This request is further discussed in the R1 issue brief.*

R2 Worker's Compensation cash fund sweep [Requires Legislation]: For budget balancing, the Department requests a \$15.0 million fund transfer from the Major Medical Insurance Fund to the General Fund. This will be a one-time transfer for FY 2025-26, with no fee impact. The fund covers claims for those injured before 1981, and is estimated to have a \$15.0 million excess reserve in 15 years. *This request is further discussed in the budget reduction issue brief.*

R3 Petroleum Storage Tank Fund spending increase: The Department requests a \$100,000 cash fund spending authority increase in FY 2025-26 and ongoing from the Petroleum Storage Tank cash fund (PSTF) to address rising costs due to inflation. With this request, the Department will invest in maintenance and equipment replacement for the petroleum laboratory and in FTE training within the Petroleum Inspection Program.

R4 Hospitality Education Grant Program reduction: For budget balancing, the Department requests to reduce \$504,545 General Fund and 0.5 FTE from the Hospitality Education Grant Program for FY 2025-26 and ongoing, effectively pausing the program. The grant funds program development in existing high school hospitality programs. The Department believes this request will have limited state workforce impact, due to the existence of other statewide workforce programs. *This request is further discussed in the budget reduction issue brief.*

Non-prioritized decision items: The Department also submitted two non-prioritized requests for an increase of \$209,541 in total funds for FY 2025-26, including a \$4,327 General Fund increase and a \$181,747 cash fund increase, to finance the annual fleet vehicle request and Office of Administrative Courts (OAC) staffing. Missing from the Department’s non-prioritized requests is the Department of Treasury’s R3 request for SecureSavings enforcement compliance, in which the Department of Labor and Employment would conduct compliance enforcement through an agreement with Treasury.

| Non-prioritized decision items | | | | | | |
|--------------------------------|------------------|----------------|------------------|-----------------|-----------------|------------|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| NP02 OAC Staffing | \$165,514 | \$456 | \$163,834 | \$0 | \$1,224 | 0.0 |
| NP01 Annual Fleet Vehicle | 44,027 | 3,871 | 17,913 | 505 | 21,738 | 0.0 |
| Total | \$209,541 | \$4,327 | \$181,747 | \$505 | \$22,962 | 0.0 |

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following line items.

| Centrally appropriated line items | | | | | | |
|---------------------------------------|--------------|--------------|-------------|-----------------|---------------|-----|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Leased space | \$10,738,853 | \$1,095,227 | \$4,675,403 | \$0 | \$4,968,223 | 0.0 |
| Payments to OIT | 8,715,060 | 300,000 | 5,357,802 | 139,436 | 2,917,822 | 0.0 |
| Salary survey | 3,916,935 | 337,803 | 1,961,126 | 24,145 | 1,593,861 | 0.0 |
| ALJ services | 1,790,328 | 4,934 | 1,772,154 | 0 | 13,240 | 0.0 |
| Step Plan | 1,077,654 | 61,384 | 420,371 | 3,658 | 592,241 | 0.0 |
| Health, life, and dental | 586,166 | 187,566 | 401,259 | 69,152 | -71,811 | 0.0 |
| AED and SAED adjustment | 422,103 | 19,472 | 967,812 | 18,562 | -583,743 | 0.0 |
| PERA direct distribution | 214,224 | 15,599 | 234,691 | 4,010 | -40,076 | 0.0 |
| CORE operations | 184,044 | 1,090 | 51,711 | 347 | 130,896 | 0.0 |
| Paid Family & Medical Leave Insurance | 18,993 | 876 | 43,550 | 836 | -26,269 | 0.0 |
| Short-term disability | 6,332 | 292 | 14,517 | 279 | -8,756 | 0.0 |
| Capitol Complex leased space | 4,937 | 2,023 | 2,249 | 0 | 665 | 0.0 |

| Centrally appropriated line items | | | | | | |
|-----------------------------------|---------------------|--------------------|---------------------|------------------|--------------------|------------|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Prior year salary survey | 0 | 0 | 0 | 0 | 0 | 0.0 |
| FY 2024-25 Step Plan | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Legal services | -586,780 | -138,597 | -230,018 | 0 | -218,165 | 0.0 |
| Risk management & property | -100,967 | -6,851 | -33,914 | -742 | -59,460 | 0.0 |
| Workers' compensation | -100,894 | -4,821 | -30,880 | -365 | -64,828 | 0.0 |
| Total | \$26,886,988 | \$1,875,997 | \$15,607,833 | \$259,318 | \$9,143,840 | 0.0 |

Technical adjustments: The request includes one net-neutral technical adjustment to fund source allocations.

| Technical adjustments | | | | | | |
|-----------------------------|-------------|--------------|------------|-----------------|---------------|------------|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| Dept Fund Source Adjustment | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

Annualize prior year budget actions: The request includes a net decrease of \$2,274,044 in total funds and 13.2 FTE to reflect the FY 2025-26 impact of prior year budget actions. This decrease is primarily the result of eliminating term-limited funding and FTE associated with the FY 2023-24 R2 request (Unemployment Insurance Fraud Prevention).

| Annualize prior year budget actions | | | | | | |
|-------------------------------------|---------------------|-------------------|---------------------|-----------------|-----------------|--------------|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
| FY24-25 R4 Disability Prog Navig | \$34,172 | \$0 | \$5,377 | \$6,133 | \$22,662 | 0.0 |
| FY24-25 R2 OFW Annualize | 25,382 | 0 | 25,382 | 0 | 0 | 0.3 |
| FY24-25 R3 Labor Stands SWEEP | 3,007 | 0 | 3,007 | 0 | 0 | 0.2 |
| FY23-24 BA1 Ride & Devices Prog | 0 | -70,000 | 70,000 | 0 | 0 | 0.0 |
| FY23-24 R2 UI Fraud Prev | -2,044,054 | 0 | -2,044,054 | 0 | 0 | -12.0 |
| FY23-24 BA2 Disability EFI | -288,410 | -288,410 | 0 | 0 | 0 | -2.0 |
| FY24-25 R1 ONA Annualize | -5,513 | -5,513 | 0 | 0 | 0 | 0.1 |
| FY24-25 R5 Blind & Low Vis | -628 | -134 | 0 | 0 | -494 | 0.2 |
| Total | -\$2,276,044 | -\$364,057 | -\$1,940,288 | \$6,133 | \$22,168 | -13.2 |

Annualize prior year legislation: The request includes a net decrease of \$979,109 total funds and 5.8 FTE to reflect the FY 2025-26 impact of prior year legislation.

| Annualize prior year legislation | | | | | |
|---------------------------------------|-------------|--------------|------------|---------------|-----|
| Item | Total Funds | General Fund | Cash Funds | Federal Funds | FTE |
| HB23-1283 Transfer Ref Serv to ONA | \$2,049,266 | \$0 | \$0 | \$2,049,266 | 0.0 |
| HB24-1364 Edu Based Workforce Ready | 250,000 | 250,000 | \$0 | \$0 | 0.0 |
| SB24-143 Appren Classification Annual | 49,169 | 49,169 | \$0 | \$0 | 0.5 |
| SB24-104 Tech Edu Appren Annualize | 13,239 | 13,239 | \$0 | \$0 | 0.2 |

| Annualize prior year legislation | | | | | |
|---------------------------------------|-------------------|-------------------|---------------------|--------------------|-------------|
| Item | Total Funds | General Fund | Cash Funds | Federal Funds | FTE |
| HB24-1439 Expand Appren Annualize | 3,882 | 3,882 | \$0 | \$0 | 0.0 |
| HB24-1280 Welcome, Rec, Int Annual | -2,421,726 | 0 | -2,421,726 | 0 | 0.2 |
| HB24-1430 Imm Legal Defense Fund | -350,000 | -350,000 | 0 | 0 | 0.0 |
| HB23-1212 Promotion Apprentice | -200,604 | -200,604 | 0 | 0 | -2.6 |
| HB23-1198 STEM Teacher Extern | -99,564 | -99,564 | 0 | 0 | -1.1 |
| HB24-1149 Energy Sect Career Pathway | -97,436 | 0 | -97,436 | 0 | -2.0 |
| SB24-075 Transport Network Comp | -54,380 | -54,380 | 0 | 0 | -0.4 |
| HB23-1360 CO Disability Opp Annualize | -40,020 | 0 | -40,020 | 0 | 0.0 |
| HB24-1129 Protect Delivery Network | -34,266 | -34,266 | 0 | 0 | -0.1 |
| HB24-1095 Protect for Minor Workers | -23,579 | -23,579 | 0 | 0 | -0.2 |
| HB23-1074 Study Workforce Transition | -23,090 | -23,090 | 0 | 0 | -0.3 |
| Total | -\$979,109 | -\$469,193 | -\$2,559,182 | \$2,049,266 | -5.8 |

Indirect cost assessment: The request includes a net decrease of \$847,486 total funds, including a decrease of \$223,106 cash funds and \$621,123 federal funds related to indirect cost assessments.

Budget Reduction Options

The Executive Budget Request for the Department of Labor and Employment includes proposals that it assumes would make an additional \$49,992,950 General Fund available for other uses in FY 2025-26. The proposals include a total of approximately \$0.5 million in General Fund appropriation/expenditure reductions, representing 1.5 percent of the Department's FY 2024-25 General Fund appropriation. However, the request also proposes \$45.5 million in revenue enhancements that would make General Fund available through other mechanisms. This issue brief reviews these proposals and additional options identified by staff.

Summary

- With a FY 2024-25 General Fund appropriation of about \$36.0 million, the Department of Labor and Employment represents 0.2 percent of total state General Fund appropriations in the current year.
- The Executive budget request includes proposed reductions of \$530,152 in General Fund appropriations for balancing purposes, representing 1.5 percent of the Department's current appropriation. The largest reduction would pause the Hospitality Education Grant Program for an ongoing reduction of \$504,535 per year. These reductions are offset by proposed increases, so that the Department's total General Fund appropriation is requested to increase by \$516,922 (1.4 percent) for FY 2025-26.
- In addition to the appropriations reductions, the Department is proposing a number of revenue enhancements estimated to make \$49.5 million General Fund available. Major changes include adjustments to increase the use of TABOR-exempt funds for unemployment insurance programs (an estimated \$28.8 million) and a \$15.0 million transfer from the Major Medical Fund to the General Fund.
- JBC Staff provide options for one-time cash fund transfers totaling \$1,800,000, as well as an option for an estimated \$450,000 ongoing General Fund reduction through refinancing General Fund appropriations using the Workforce Development Fund.

Recommendation

- Staff recommends that the Committee discuss the Department proposals and staff options in its budget hearing, focusing particularly on:
 - A reduction estimate for the Statewide R6 request (Correction to Accounting of Merchandise Sales)
 - Long-term risks of a \$15 million transfer from the Major Medical Fund, and
 - Existing Department workforce development programs with General Fund appropriations that could be funded with the Workforce Development Fund.

Discussion

Funding History FY 2018-19 to FY 2024-25

The Department of Labor and Employment represents 0.2 percent of total state General Fund appropriations in FY 2024-25. As reflected in the table below, General Fund in this section of the budget has increased by 45.9 percent since FY 2018-19 after adjustments for inflation. This is more than the statewide increase in General Fund appropriations of 11.3 percent over the same period after adjustments.¹ Over the same period, total funding in this Department has changed by 38.5 percent, after adjustments.

| Fund | FY 2018-19 | | FY 2024-25 | Increase/ -Decrease after inflation adjustment | |
|--------------|---------------|------------------|---------------|--|---------|
| | Nominal | FY 24-25 Dollars | | Amount | Percent |
| General Fund | \$19,475,174 | \$24,666,025 | \$35,977,215 | \$11,311,190 | 45.9% |
| Total Funds | \$259,549,084 | \$328,728,474 | \$455,209,176 | \$126,480,702 | 38.5% |

Two divisions in the Department have had the largest increase in General Fund appropriations since FY 2018-19, after adjusting for inflation: (1) The Division of Labor Standards and Statistics, which increased by \$3,797,701 or 493.3 percent, and (2) the Executive Director’s Office, which increased by \$10,952,410 or 183.7 percent.

| Division | Fund | FY 2018-19 | | FY 2024-25 | Increase/ -Decrease after inflation adjustment | |
|--------------------------------|--------------|--------------|------------------|---------------|--|---------|
| | | Nominal | FY 24-25 Dollars | | Amount | Percent |
| Executive Director's Office | General Fund | \$4,706,324 | \$5,960,733 | \$16,913,143 | \$10,952,410 | 183.7% |
| | Total Funds | \$56,004,714 | \$70,932,033 | \$149,701,343 | \$78,769,310 | 111.0% |
| Unemployment Insurance | General Fund | \$38,361 | \$48,586 | \$0 | -\$48,586 | -100.0% |
| | Total Funds | \$45,673,931 | \$57,847,716 | \$78,665,197 | \$20,817,481 | 36.0% |
| Employment and Training | General Fund | \$2,576,819 | \$3,263,636 | \$1,656,562 | -\$1,607,074 | -49.2% |
| | Total Funds | \$67,355,284 | \$85,307,948 | \$61,798,025 | -\$23,509,923 | -27.6% |
| Labor Standards and Statistics | General Fund | \$607,823 | \$769,830 | \$4,567,531 | \$3,797,701 | 493.3% |
| | Total Funds | \$4,094,954 | \$5,186,410 | \$12,098,079 | \$6,911,669 | 133.3% |

¹ FY 2024-25 appropriations are adjusted to *exclude* the impact of H.B. 24-1466 (Refinance Federal Coronavirus Recovery Funds) which provided for a one-time decrease of \$587.2 million in General Fund appropriations for FY 2024-25, spread across the Corrections, Human Services, and Judicial Departments. Temporary personal services reductions in these departments were backfilled with federal funds from the American Rescue Plan Act (ARPA). Fiscal year 2018-19 appropriations are adjusted for inflation, calculated based on the Legislative Council Staff September 2024 forecast, which reflects an increase in the Denver-Aurora-Lakewood consumer price index of 26.7 percent between FY 2018-19 and FY 2024-25.

FY 2018-19 to FY 2024-25 Appropriations Comparison by Division - Adjusted for Inflation

| Division | Fund | FY 2018-19 | | FY 2024-25 | Increase/ -Decrease after inflation adjustment | |
|--|--------------|--------------|------------------|--------------|--|---------|
| | | Nominal | FY 24-25 Dollars | | Amount | Percent |
| Oil and Public Safety | General Fund | \$69,054 | \$87,459 | \$253,468 | \$166,009 | 189.8% |
| | Total Funds | \$6,074,921 | \$7,694,111 | \$7,414,416 | -\$279,695 | -3.6% |
| Vocational Rehab & Ind Living Services | General Fund | \$11,476,793 | \$14,535,781 | \$12,586,511 | -\$1,949,270 | -13.4% |
| | Total Funds | \$58,974,425 | \$74,693,281 | \$81,104,370 | \$6,411,089 | 8.6% |

*Divisions of Workers' Compensation and Family and Medical Leave are excluded, as neither have had General Fund appropriations.

The Division of Labor Standards and Statistics has mainly grown through worker protection legislation passed since the 2022 legislative session. In total, those bills have accounted for a \$2,788,668 increase in General Fund appropriations in FY 2024-25 to the Labor Standards subdivision. Those bills and their General Fund appropriations to the Division of Labor Standards and Statistics are listed in the table below. Aside from General Fund, the Labor Standards subdivision is funded by two cash funds: the Employment Support Fund and the Wage Theft Enforcement Fund.

General Fund Appropriations to Labor Standards due to Recent Legislation*

| Bill | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 (Requested) & Ongoing |
|--|--------------------|--------------------|--------------------|----------------------------------|
| SB22-097 (Whistleblower Protection Health & Safety) | \$386,579 | \$386,793 | \$386,793 | \$386,793 |
| SB22-161 (Wage Theft Employee Misclassification Enforcement) | \$314,019 | \$371,795 | \$371,795 | \$371,795 |
| SB22-210 (License Supplemental Health-care Staffing) | \$427,591 | \$189,368 | \$189,368 | \$189,368 |
| SB22-230 (Collective Bargaining for Counties) | \$266,950 | \$288,902 | \$288,902 | \$288,902 |
| HB22-1308 (Agricultural Workforce Services Programs) | \$42,859 | \$24,948 | \$24,948 | \$24,948 |
| SB23-017 (Additional Uses Paid Sick Leave) | | \$74,927 | \$57,724 | \$57,724 |
| SB23-058 (Job Application Fairness Act) | | \$56,468 | \$135,680 | \$135,680 |
| SB23-105 (Ensure Equal Pay for Equal Work) | | \$250,294 | \$601,044 | \$601,044 |
| SB23-111 (Public Employees' Workplace Protection) | | \$94,651 | \$197,790 | \$197,790 |
| SB23-292 (Labor Requirements for Energy Sector Construction) | | \$108,401 | \$81,219 | \$81,219 |
| SB24-075 (Transportation Network Company Transparency) | | | \$164,741 | \$110,361 |
| HB24-1095 (Increasing Protections for Minor Workers) | | | \$125,255 | \$101,676 |
| HB24-1129 (Protections for Delivery Network Company Drivers) | | | \$163,409 | \$129,143 |
| Total | \$1,437,998 | \$1,846,547 | \$2,788,668 | \$2,676,443 |

*Excludes centrally appropriated costs appropriated to the EDO.

General Fund appropriation increases within the Executive Director's Office are mainly driven by increased costs for common policy items, such as payments to OIT. However, this Office has also seen increases due to work added from the Office of Future Work (\$1,790,475 General Fund appropriated in FY 2024-25), Office of New Americans (\$1,166,332 General Fund appropriated in FY 2024-25), and Office of Just Transition (\$400,885 General Fund appropriated in FY 2024-25).

Budget Requests for General Fund Relief

For this section of the budget, the budget request includes proposals for General Fund relief totaling \$49,992,950. That total includes \$530,152 in appropriations reductions (1.5 percent of the Department’s FY 2024-25 General Fund appropriation) and \$49,462,798 in revenue enhancements. The appropriations reductions are offset by other increases, so the Department’s total FY 2025-26 request proposes an increase of \$516,922 General Fund (1.4 percent) above the FY 2024-25 appropriation. Including the revenue enhancements, the requests equate to 136.0 percent of the Department’s current General Fund appropriation. The proposals for General Fund relief are summarized in the table below. Some of the proposals require statutory change.

| Budget Requests for General Fund Relief | | | | |
|--|--------------|---------------|-----------|---|
| Option | General Fund | Other Funds | Bill? Y/N | Description |
| Revenue Enhancements | | | | |
| R1 Unemployment Insurance Funding Expansion and Realignment | \$28,761,900 | -\$30,000,000 | Y | This Department request proposes shifting centrally appropriated costs from the non-exempt Employment Support Fund to the exempt Workforce Development Enterprise Fund and UI Administration Fund, as well as updates to employer support surcharge distributions and balance caps. This will result in \$4.2 million General Fund relief in FY 2024-25 and \$24.5 million General Fund relief in FY 2025-26. |
| R2 Worker's Compensation Cash Fund Sweep | \$15,000,000 | -\$15,000,000 | Y | This Department request proposes a one-time transfer of \$15.0 million from the Major Medical Fund into the General Fund in FY 2025-26. The Major Medical Fund is used to pay claims for injuries sustained before 1981. Due to having a large cash balance, this fund no longer collects revenue from a surcharge. The Department anticipates having a \$15.0 million excess reserve balance in 15 years. This request sweeps that balance without reinstating a surcharge and without impact to Long Bill appropriations from the fund. |
| Statewide R1 Transfer Certain Interest Income Revenue Subject to TABOR | \$5,700,898 | -\$5,700,898 | Y | This statewide request proposes a one-time transfer of FY 2024-25 and FY 2025-26 interest revenue from multiple cash funds. From the Department of Labor and Employment and across both fiscal years, \$2,772,336 will be transferred from the Major Medical Fund, \$1,349,153 from the Just Transition Cash Fund, \$1,069,971 from the Workers' Compensation Cash Fund, and \$509,438 from the Subsequent Injury Cash Fund. The proposal also includes an ongoing 1.5 percent cap on interest income revenue beginning in FY 2026-27, but impacted cash funds and Department-specific fiscal impacts have not been identified. |

| Budget Requests for General Fund Relief | | | | |
|---|---------------------|----------------------|-----------|---|
| Option | General Fund | Other Funds | Bill? Y/N | Description |
| Statewide R6 Correction to Accounting of Merchandise Sales | N/A* | \$0 | Y | This statewide request proposes to exempt merchandise sales from being counted as TABOR revenue. For the Department of Labor and Employment, this includes merchandise revenue from the Business Enterprise Program sales, which gives priority to awarding state facility food and vending contracts to business owners who are blind. However, the request does not include an estimate of General Fund relief in the Department. |
| Subtotal - Revenue | \$49,462,798 | -\$50,700,898 | | |
| Expenditure Reductions | | | | |
| R4 Hospitality Education Grant Program Reduction | -\$504,535 | \$0 | N | This Department request proposes reducing appropriations to the Hospitality Education Grant program to \$0 starting in FY 2025-26 and ongoing. The program is entirely funded by General Fund and is used to fund hospitality education programs in high schools. This request impacts 0.5 FTE. |
| Statewide R4 1% GF Reduction for Program Lines | -\$4,648 | \$0 | N | The statewide request proposes to combine Personal Services and Operating Expenses line items into a single Program Line across all Departments, and reduce General Fund appropriation to those line items by 1%. For the Department of Labor and Employment, this will result in an ongoing General Fund reduction of \$4,648. The total statewide General Fund reduction is about \$5.5 million. |
| Statewide R5 Round to the Nearest \$1,000 | -20,969 | -62,399 | N | The statewide request is to round all appropriations to the nearest \$1,000 by rounding down General Fund and cash funds, rounding up federal funds, and rounding reappropriated funds using standard rounding rules. For the Department of Labor and Employment, this results in a \$83,368 ongoing total fund reduction. The total statewide reduction is \$829,174, including an ongoing \$449,396 General Fund reduction. |
| Subtotal - Expenditures | -\$530,152 | -\$62,399 | | |
| Net General Fund Relief | \$49,992,950 | | | |

R2 Worker's Compensation Cash Fund Sweep

The Major Medical Insurance Fund, found in Section 8-46-202, C.R.S., pays claims for workers injured before 1981. Therefore, the fund is only used to cover the life of claims for existing beneficiaries. The fund covers lifetime medical benefits, wage replacement, funeral benefits, and survivor benefits. As of October 2024, 623 workers or spouses are eligible for benefits from the fund, with 197 actively receiving benefits. The fund has continuous spending authority.

The Department anticipates the fund will start FY 2025-26 with a balance of \$30,721,272 and will have \$4.9 million in expenditures in FY 2025-26. This spending includes a Department request for a capital construction spending authority increase from the fund to cover an IT update. In addition, \$25.0 million of the fund’s balance is currently designated as part of the TABOR emergency reserve. After the proposed transfer and expenditures, the Department projects that the fund would end FY 2025-26 with a balance of \$10,866,014.

After accounting for estimated interest revenues, claims, and operating expenses, the Department’s projections anticipate a \$15.0 million excess reserve balance in 15 years. It is also important to note that the Department’s request considered the implications of the Statewide R1 request to transfer interest income from the Major Medical Fund and set a 1.5% interest cap on the fund, and still found a reserve excess.

Money from the fund has been transferred to the General Fund multiple times in the past:

| Prior Major Medical Fund Transfers to General Fund | |
|--|----------------------|
| Year | Transfer Amount |
| 2003 | \$140,000,000 |
| 2009 | \$69,500,000 |
| 2010 | \$26,500,000 |
| 2011 | \$10,000,000 |
| Total | \$246,000,000 |

The fund has historically collected revenue through a surcharge and interest, but the Department has not charged a surcharge since FY 2021-22 due to having high fund balances. The Department does not anticipate resuming a surcharge as a result of a \$15.0 million transfer. The Department would resume a surcharge if it determined that the Major Medical Fund lacked money to cover claims.

R4 Hospitality Education Grant Program Reduction

The Hospitality Education Grant Program was created in S.B. 14-015 (Hospitality Education Grant Program) to increase the number and quality of hospitality programs operating in high schools. Programs must have existed for at least three years to be eligible for grant funding.

The only grantee of this program is the Colorado Restaurant Foundation, due to strict program eligibility criteria. Grant funding is used towards the Foundation’s ProStart programs in schools. Colorado ProStart is a hospitality education program for high school students managed by the Colorado Restaurant Foundation, Colorado Restaurant Association, and the National Restaurant Association Education Foundation.² ProStart programs use grant funding for new equipment, curriculum materials, and experiential learning costs, as well as facility upgrades and professional development for teachers.

² <https://corerestaurant.org/colorado-prostart/>

In the 2023-24 academic year, there were 49 hospitality ProStart programs across 47 schools; 32 programs offer concurrent enrollment with Metropolitan State University of Denver. Currently 1,900 students are enrolled in the program. In total, 1,184 students have received ServSafe Food Handler certifications, and 123 have received secondary certifications like ServSafe Food Safety Manager. Forty-three percent of participating high school students work in hospitality while in the program, and the program has connected 28 students to apprenticeships. In 2023 and 2024, the program had a 10 percent increase in participating schools and a 50 percent increase in student enrollment.

The Department argues that there are other existing workforce development programs that serve a wider range of industries and connect high school students with workforce opportunities. While there are no other statewide hospitality programs, the Department argues those broader programs could include the hospitality industry. Additionally, the Department projects no impact to the current grantee as they existed for three years prior to their grant eligibility. Outside of grant funding, the Foundation receives revenue from sponsorships, special events, and fundraising.

Finally, this request eliminates 0.5 FTE from the Department.

Additional Options for JBC Consideration

The table below summarizes options identified by the JBC staff that the Committee could consider in addition to or instead of the options presented in the budget request.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this briefing would require a reduction of \$1,798,861.

| Additional Options for General Fund Relief | | | | |
|---|--------------|-------------|-----------|--|
| Option | General Fund | Other Funds | Bill? Y/N | Description |
| Revenue Enhancements | | | | |
| Petroleum Redevelopment Fund Transfer to General Fund | \$700,000 | -\$700,000 | Y | The Petroleum Redevelopment Fund was created to cover petroleum release expenses for releases not covered by the Petroleum Storage Tank Fund. It collects revenue from penalties, gifts, interest, and transfers from the Petroleum Storage Tank Fund. The fund has an excess reserve balance of \$1.2 million and average expenditure since FY 2022-24 of \$23,845. A one-time transfer will not have program or fee impacts. |
| Scale-up Grant Program and Qualified Apprenticeship Intermediary Grant Funds Transfer to General Fund | 400,000 | -400,000 | Y | The Scale-up Grant Program and Qualified Apprenticeship Intermediary Grant Program were created through HB 24-1439. Both grants were funded with \$2.0 million General Fund transfers, with authority to spend those funds through FY 2026-27 based on annual appropriations. This option transfers \$100,000 from each fund for FY 2025-26 and FY 2026-27, with a mirroring reduction in their annual appropriations, for a total General Fund transfer of \$400,000. These transfers will impact grant programs. |

| Additional Options for General Fund Relief | | | | |
|--|--------------------|---------------------|-----------|--|
| Option | General Fund | Other Funds | Bill? Y/N | Description |
| Uninsured Employer Fund Transfer to General Fund | 500,000 | -500,000 | Y | The Uninsured Employer Fund was created to cover workers' compensation benefits for employees of employers who do not offer workers' compensation. The fund collects revenue from fines, gifts, interest, and appropriations. It has an excess balance of \$6,598,388 and made an average annual expenditure of \$693,953 since FY 2022-23. A transfer may impact programs. |
| Workers' Compensation Immediate Payment Fund | 200,000 | -200,000 | Y | The Workers' Compensation Immediate Payment Fund was created to cover compensation claims for employees whose self-insurance ends or benefits are delayed. The fund gains revenue through interest, and fees. The fund has a balance of \$764,081. A one-time transfer will not impact programs but may affect fees. |
| Subtotal - Revenue | \$1,800,000 | -\$1,800,000 | | |
| Expenditure Reductions | | | | |
| Expand Uses of Workforce Development Fund and Remove Balance Cap | -\$450,000 | \$450,000 | Y | This option proposes to shift some of the current workforce development costs covered by the General Fund to the Workforce Development Fund and remove the existing balance cap on the fund to support increased expenditures. An ongoing General Fund reduction of \$450,000 is an estimated placeholder pending discussion with the Department on legal and financial feasibility. |
| Subtotal - Expenditures | -\$450,000 | \$450,000 | | |
| Net General Fund Relief | \$2,250,000 | | | |

Revenue Enhancements

Petroleum Redevelopment Fund Transfer to GF

Description: Bill to transfer \$700,000 from the Petroleum Redevelopment Fund to the General Fund.

Key Considerations: The transfer does not negatively affect any existing program though it could risk less funding for any active clean-up sites. This is a one-time option.

Additional background: The Petroleum Cleanup and Redevelopment Fund, also known as the Petroleum Redevelopment Fund, consists of civil penalties, gifts and donations, any legislative appropriations, interest, and transfers of up to \$500,000 from the Petroleum Storage Tank Fund (PSTF) at the discretion of the Division of Oil and Public Safety Director as permitted through S.B. 23-280 (Hazardous Material Mitigation). The PSTF is an enterprise fund. The Petroleum Redevelopment Fund is not an enterprise, and is used for administration, investigation, abatement action, and corrective action plan preparation and implementation for petroleum releases not covered by the PSTF, as determined by the Division of Oil and Public

Safety’s Director to have environmental and property benefit. As of FY 2024-25, the fund’s estimated excess reserve balance is \$1,184,426, and the fund has made an average expenditure of \$23,845 from FY 2022-23 through FY 2024-25.

The fund, created at Section 8-20.5-103(9), C.R.S. is continuously appropriated to the Department.

| Petroleum Redevelopment Fund | | | | |
|------------------------------------|-------------------|---------------------|---------------------|---------------------|
| | FY 2023-24 Actual | FY 2024-25 Estimate | FY 2025-26 Estimate | FY 2026-27 Estimate |
| Beginning FY Balance | \$532,898 | \$624,707 | \$467,318 | \$488,495 |
| Revenues | 133,417 | 557,574 | 36,141 | 5,430 |
| Expenditures | -41,608 | -14,963 | -14,964 | -1,500 |
| Ending FY Balance without transfer | \$624,707 | \$1,167,318 | \$488,495 | \$492,425 |
| Transfer Option | | -700,000 | | |
| Ending FY Balance after transfer | | \$467,318 | | |

Fee impact: None. Revenue is from penalties, gifts, transfers, and interest.

Scale-up Grant Program and Qualified Apprenticeship Intermediary Grant funds Transfer to General Fund

Description: Transfer \$100,000 in FY 2025-26 and FY 2026-27 from both the Scale-up Grant Fund and the Qualified Apprenticeship Intermediary Grant Fund, for a total transfer of \$400,000 over two years.

Key Considerations: This transfer will reduce the number of grants awarded in both programs, but to an unknown degree.

Additional background: House Bill 24-1439 (Financial Incentives Expand Apprenticeship Programs) established a refundable income tax credit program from tax years 2025 through 2034 to incentivize employers to employ apprentices for at least six months and be registered as an apprenticeship program or be registered in the Colorado State Apprenticeship Resource Directory. The act also created two grant programs: (1) the Scale-Up Grant program funds new or expanding registered apprenticeship programs, and (2) the Qualified Apprenticeship Intermediary Grant program supports qualified apprenticeship intermediaries who connect employers to registered apprenticeship programs or convene stakeholders to develop registered apprenticeship programs. Both grant programs received \$2.0 million General Fund transfers to spend from FY 2024-25 through FY 2026-27, as annually appropriated. The Department’s FY 2025-26 request includes a \$673,321 appropriation for the Scale-Up grant fund and \$678,312 for the Qualified Apprenticeship Intermediary grant program.

Separately, the General Assembly passed two other apprenticeship-related bills during the 2024 session. Senate Bill 24-104 (Career & Technical Education & Apprenticeship) requires the Department to align high school career and technical education systems and registered apprenticeship programs in infrastructure, advanced manufacturing, education, or health care industries, to ultimately expand pathways for students into registered apprenticeship programs. Senate Bill 24-143 (Credential Quality Apprenticeship Classification) requires the Department to develop quality standards to evaluate non-degree credentials like

apprenticeship programs and evaluate existing programs against this framework. While neither bill directly funds registered apprenticeship programs, they help increase the footprint of such programs in the state’s workforce development efforts.

Reducing the grant programs will decrease the number of possible awards. However, it will not impact the tax credit program, as the tax credit’s fiscal analysis was calculated independently of the grant programs. The Department is required to announce and start accepting applications for both grant programs by January 1, 2025. Staff is still working with the Department to understand the impact of a \$100,000 cut to both programs over two fiscal years, but **also recommends the Committee add this to the written hearing agenda.**

Uninsured Employer Fund Transfer to GF

Description: Bill to transfer \$500,000 from the Unemployed Insurer Fund to the General Fund.

Key Considerations: The transfer could result in benefit reduction to injured workers. This is a one-time option.

Additional background: The Uninsured Employer Fund gains revenue from penalties and fines, gifts and donations, interest, and any appropriations. The Fund is used to pay workers’ compensation benefits to employees whose employer does not carry workers’ compensation. An independent board oversees the fund. To qualify, a worker must be injured on or after January 1, 2020 while working for an insured employer, and receive an order from a judge confirming they are owed workers’ compensation benefits. The fund has an estimated excess reserve balance of \$6,123,084. Since FY 2022-23, and it has expended an annual average of \$693,953 yet gained an annual average revenue of \$1.3 million.

According to the Department, a reduction may cause the board to reduce benefits to injured workers, including basic medical care. However, the extent of a benefits reduction was not shared and staff is uncertain why a transfer of this magnitude would impact benefits given the Department’s annual usage of the fund.

The fund, created at Section 8-67-105, C.R.S. is continuously appropriated to the Department.

| Uninsured Employer Fund | | | | |
|------------------------------------|----------------------|------------------------|------------------------|------------------------|
| | FY 2023-24 Actual | FY 2024-25 Estimate | FY 2025-26 Estimate | FY 2026-27 Estimate |
| Beginning FY Balance | \$4,851,621 | \$6,392,886 | \$6,598,388 | \$7,033,829 |
| Revenues | 1,681,920 | 1,003,310 | 1,434,217 | 1,373,149 |
| Expenditures | -106,665 | -976,418 | -998,776 | -1,023,745 |
| Ending FY Balance without transfer | \$6,392,886 | \$7,098,388 | \$7,033,829 | \$7,383,233 |
| Transfer Option | | -500,000 | | |
| Ending FY Balance after transfer | | \$6,598,388 | | |

Fee impact: None. Fund revenue comes from fines, donations, interest, and appropriations.

Workers’ Compensation Immediate Payment Fund Transfer to GF

Description: Bill to transfer \$200,000 from the Workers’ Compensation Immediate Payment Fund to the General Fund.

Key Considerations: The transfer does not negatively affect any existing program. This is a one-time option.

Additional background: The Workers' Compensation Immediate Payment Fund, also known as the Immediate Payment Fund, gains revenue from interest and assessment fees on self-insured employers. The fund is used to pay workers' compensation benefits to employees covered by self-insurers who go out of business or delay payments, as well as administrative costs of the fund. Per statute, the fund must have a minimum balance of \$300,000. If the fund's total balance exceeds \$1.0 million, it must refund excess funds to self-insured employers based on their contribution into the fund. The fund's estimated balance is \$764,081, and while it has grown by an average of \$22,788 per year since FY 2022-23, it has only made an average expenditure of \$102. The fund has not collected fee revenue since at least FY 2016-17.

The fund, created at Section 8-44-206(3), C.R.S. is annually appropriated to the Department for administrative costs and continuously appropriated to pay benefits.

| Workers' Compensation Immediate Payment Fund | | | | |
|--|----------------------|------------------------|------------------------|------------------------|
| | FY 2023-24 Actual | FY 2024-25 Estimate | FY 2025-26 Estimate | FY 2026-27 Estimate |
| Beginning FY Balance | \$715,558 | \$734,911 | \$556,254 | \$574,146 |
| Revenues | 19,625 | 21,451 | 18,000 | 18,000 |
| Expenditures | -90 | -108 | -108 | -108 |
| Ending FY Balance without transfer | \$734,911 | \$756,254 | \$574,146 | \$592,038 |
| Transfer Option | | -200,000 | | |
| Ending FY Balance after transfer | | \$556,254 | | |

Fee impact: Yes, the Department indicates it will collect fees to refund the transferred amount.

Expenditure Reductions

Expand Uses of Workforce Development Fund and Remove Balance Cap

Description: Replace some General Fund appropriations to existing workforce development programs with appropriations from the Workforce Development Fund, an enterprise fund created by H.B. 24-1409. To support increased expenditures from the fund, remove its balance cap and possibly expand allowable uses of the fund in statute.

Key Consideration: This option requires further analysis and discussion with the Department on their interpretation of statutory permissibility and financial feasibility. A \$450,000 General Fund reduction is an estimated placeholder to be amended pending Department conversations.

Additional background: The Workforce Development Fund was created as an enterprise fund through H.B. 24-1409. The act created the Workforce Development Enterprise to ensure state workers have access to workforce development services and workforce development centers. The Workforce Development Fund was created for use by the Enterprise to engage in and support statewide employment and training workforce initiatives. The act and its created statute did not further define or limit employment and training workforce initiatives. Therefore, it is possible that workforce development programs currently receiving General Fund appropriations in the Department could instead receive a part of their funding from this fund,

creating General Fund relief. Options for programs that could be partially funded through the Workforce Development Fund and their current General Fund appropriations are shared in the following table. This list is not comprehensive.

| Potential Line Items for Workforce Development Fund Approp. and their Existing General Fund | | |
|---|--------------------|--------------------|
| | FY 2024-25 Approp. | FY 2025-26 Request |
| Office of Future Work program costs | \$864,713 | \$768,996 |
| State Apprenticeship Agencies | \$925,762 | \$1,005,593 |
| Workforce Development Council | \$906,562 | \$881,385 |

Assuming stable existing revenue growth and expenditures, the Workforce Development Fund may start to reduce its reserve in the next few decades. Therefore, to allow increased spending from the fund, this option also considers removing the fund’s balance cap. Currently, the fund has a \$6.8 million balance cap; net revenue exceeding this cap is transferred to the Unemployment Insurance Trust Fund (UITF). In FY 2024-25, the Fund is estimated to transfer \$21 million to the UITF; however, this amount decreases in subsequent fiscal years as expenditures utilize the existing reserve balance. Given the fund is TABOR-exempt, a transfer to another TABOR-exempt fund does not result in General Fund relief. Therefore, removing the Fund’s balance cap does not have major impact aside from the Fund’s contribution to the UITF’s balance.

Unemployment Insurance Update

This issue provides background information on recent changes to and the current status of the State Unemployment Insurance program. Discussion on the Department's R1 (Unemployment Insurance Funding Expansion and Realignment) is found in the Issue Brief following this section.

Summary

- The Unemployment Insurance (UI) system has undergone significant changes in recent years, including last year through H.B. 24-1409 (Employment-Related Funding & Workforce Enterprise).
- The Department continues to address fraudulent claim filings and its work to expand customer services and decrease claim processing times.
- Recent updates to the state's UI system has resulted in issues to quarterly employment and wage statistics reports, used by LCS for economic forecasting.

Unemployment Insurance Trust Fund

Overview

Background

The Colorado Unemployment Insurance (UI) program provides temporary and partial wage replacement to workers who become unemployed through no fault of their own. UI benefits are paid from the Unemployment Compensation Fund, also referred to as the Unemployment Insurance Trust Fund (UITF), which is an enterprise fund continuously appropriated to the Department. The UITF is currently funded through employer premium and support surcharge rates, and a solvency surcharge. To further define those fund sources:

- **Employer premium:** Contributions paid by Colorado employers on the taxable wage base, calculated by considering all prior premium contributions paid by the employer, prior benefits charged to the employer, and the employer's previous three fiscal years' average annual payroll and comparing them against a defined premium rate schedule.
- **Support surcharge rates:** The support surcharge directly funds the Employment Support Fund (ESF), Benefit Recovery Fund (BRF), Employment and Training Technology Fund (Tech Fund), and Workforce Development Fund (Workforce Fund), but funds in excess of the Tech Fund's revenue cap and BRF and Workforce Fund's balance caps go to the UITF. The support surcharge is calculated in the same way as the employer premium, and compared to a defined support surcharge rate schedule.
- **Solvency surcharge:** A solvency surcharge is an additional charge to employers that applies when the UITF's fund balance is below 0.5 percent of total private wages. The UITF is considered fully funded, meaning without a need to borrow during typical recession

conditions, when its reserve ratio (which is trust fund balance divided by annual total private wages) is 1.4 percent. The solvency surcharge applies when the reserve ratio is under 0.7 percent. As the 2023 reserve ratio was below 0.7 percent, the solvency surcharge applies for 2024.

As a result of high unemployment levels and increased benefits during the COVID-19 pandemic, the UITF became insolvent in August 2020. To keep paying benefits, the state borrowed from the Federal Unemployment Account. In 2021, Colorado's federal loan balance peaked at \$1.014 billion but was repaid by the end of FY 2022-23 through a combination of declining benefits and legislative measures that suspended the solvency surcharge, increased the chargeable wage base, and allocated ARPA fund to loan and interest repayment. The UITF is no longer insolvent.

Current UITF Status

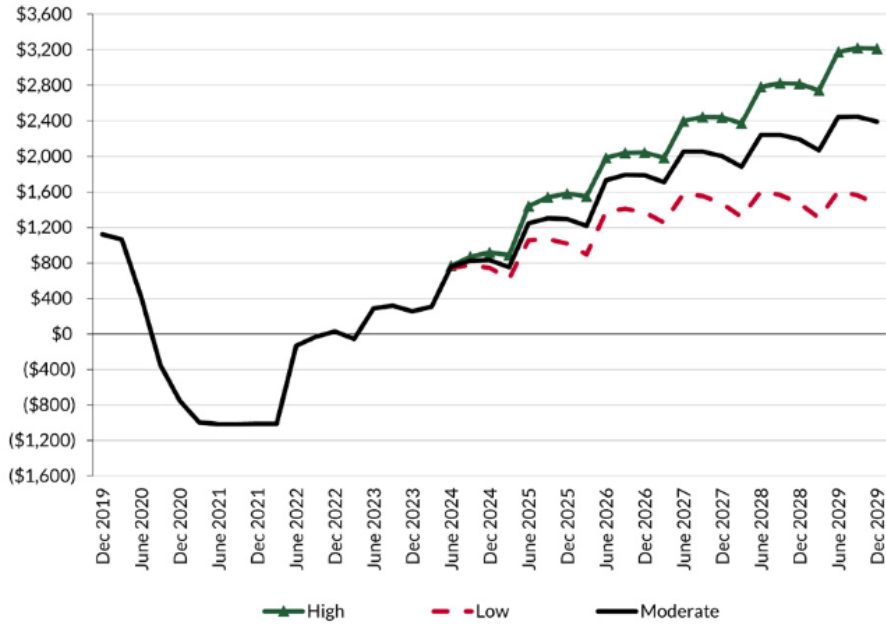
As of June 30, 2024, the UITF balance was \$726,130,684.³ The anticipated trust fund reserve is forecasted to be about \$830 million by the end of 2024, and increase to nearly \$2.4 billion by the end of 2029. This is due to a few factors:

- Between 2022 and 2023, the taxable wage base grew from \$17,000 to \$20,400,
- Employer premiums paid into the fund increased by \$758.1 million in 2022 to \$837.2 million in 2023,
- The solvency surcharge is currently in effect, and will be for 2025 and likely for 2026, generating roughly \$700 million in additional revenue over three years, and
- Interest earnings in the fund grew from a negligible amount in 2022 to \$4.9 million in 2023.

This growth is complemented by an increase in UI benefit payouts, nearly doubling between 2022 and 2023. The Department paid \$376.6 million in claims in 2022 whereas 2023 saw a total of \$632.9 million in pay outs; however, some of this growth may be due to releasing delayed payments in 2023. The total number of individuals receiving payment grew from 92,333 beneficiaries in 2022 to 102,335 in 2023. While the [2024 UITF Status Report](#) projects continuing fund growth over the next five years, under moderate growth conditions the UITF may not reach fully funded conditions by 2029.

³ <https://lmico.app.box.com/v/ui-trust-fund-report-2024>

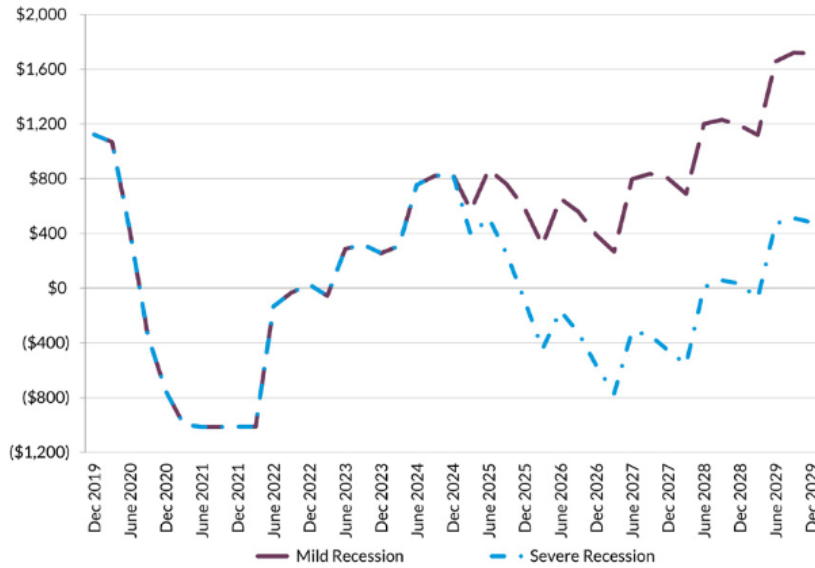
**Colorado Unemployment Insurance Trust Fund Balance (Millions)
(Growth Forecasts 2024- 2029)**



Source: 2024 Colorado Unemployment Insurance Trust Fund Status Report, Colorado Department of Labor and Employment.

The Department also estimates the impact of a moderate and severe recession, where the UITF would still grow under a moderate recession but decrease under a severe recession.

**Colorado Unemployment Insurance Trust Fund Balance (Millions)
(Recession Forecasts 2024- 2029)**



Source: 2024 Colorado Unemployment Insurance Trust Fund Status Report, Colorado Department of Labor and Employment.

UI Claims Processing

Claims Processing Times

Between November 2023 and September 2024, the Department took an average of 41 days (4 – 5 weeks) to process a claims application and issue a payment. In comparison, last year the Department reported taking 6-7 weeks to process a claim. The Department continues to reduce this processing time; the average processing period in September 2024 was 30 days.

Fraud and Improper Payments

The national rate of improper UI benefit payments in 2023 was 13.93 percent. In comparison, the Department’s 2023 improper payment rate was 5.01 percent, and has decreased since 2021. Between November 2023 and September 2024, 16.1 percent of claims, or 22,903, were flagged as fraudulent, of which 82.9 percent were confirmed fraudulent after investigation. Since December 2023, the Department has found over 500 fraudulent accounts.

Measures such as identity verification and fraud tools, regular messaging on reporting earnings, and stronger information sharing between quality assurance personnel and claims processing units have contributed to this decrease. The Department also updated its employer reporting UI system in October 2023, which is used to report wages and has helped to decrease fraud. The UI system has undergone modernization efforts over multiple years: it was appropriated \$6.3 million from the ESF in the FY 2018-19 Long Bill and \$28.4 million from the Tech Fund in the FY 2021-22 Long Bill, both towards UI system modernization.

However, this new system has also had a few issues. In June 2024, certain small business owners reported being incorrectly charged for more UI payments due issues in transferring and matching data within the old and new computer systems.⁴ The new system may also be contributing to confusion in the state’s job gains and unemployment rate data.⁵ On November 16, 2024, the U.S. Department of Labor announced that it is suspending publication of Colorado’s Quarterly Census of Employment and Wages data starting with Q2 2024 data, due to ongoing data issues stemming from the state’s UI system modernization.⁶ The Department hopes to resume publication of this data in early 2025. Legislative Council Staff uses this data to inform the economic forecast. The data is also used federally for employment and economic analysis by the Department of Labor and the Department of Commerce.⁷

⁴ <https://www.cpr.org/2024/06/26/colorado-small-businesses-unemployment-insurance-taxes/>

⁵ <https://coloradosun.com/2024/11/02/qcew-data-jobs-colorado-revision-modernization/>

⁶ <https://www.bls.gov/cew/notices/2024/suspension-of-publication-of-colorado-employment-and-wage-data.htm>

⁷ <https://cdle.colorado.gov/dlss/labor-market-information-lmi/quarterly-census-of-employment-and-wages-qcew>

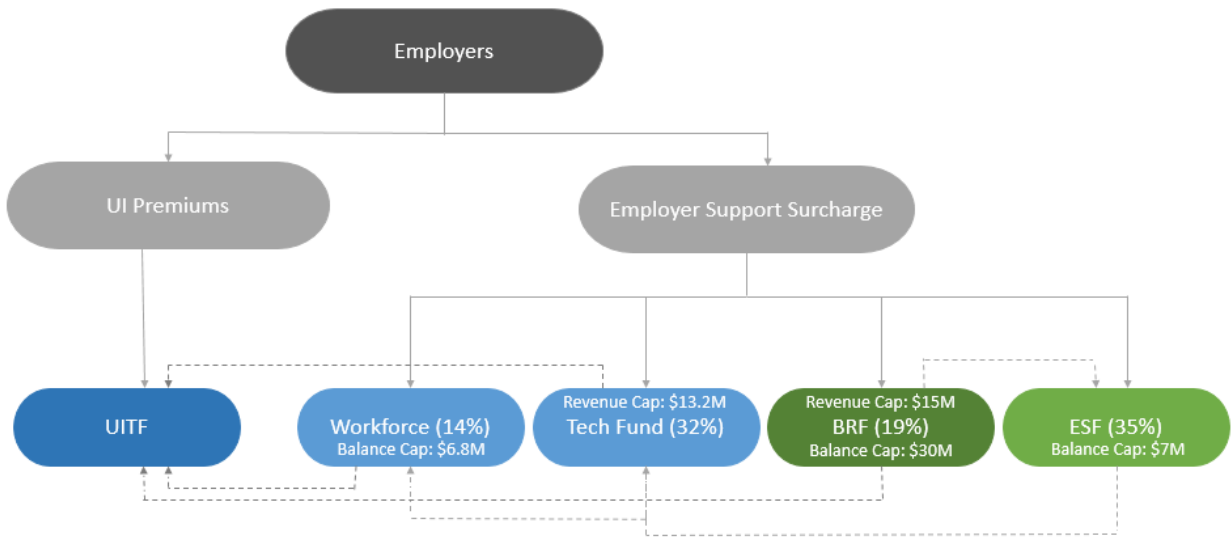
Recent Changes to the UI Enterprise

Senate Bill 23-232 (Unemployment Insurance Premiums Allocation Federal Law Compliance), changed how the state collected and allocated revenue between employment and workforce funds to bring the Department into compliance with federal law and avoid federal non-conformance penalties. Under federal law, any money deposited in the UITF must exclusively pay for UI benefits; prior to S.B. 23-232, the ESF received its revenue as a transfer from the UITF, essentially using employer premiums to fund programs outside of UI benefits. To bring funds into compliance, S.B. 23-232 reduced the employer premium rate by 10 percent and offset it with a corresponding increase to a new support surcharge rate schedule to fund the ESF, the Tech Fund, and the BRF. It also established a \$32.5 million cap in the ESF and diverted revenue beyond this cap to the UITF.

House Bill 09-1363 (Unemployment Compensation Enterprise) created the UI enterprise, yet excluded the Employment Support Fund (ESF) from the enterprise. As expenses from the ESF, as well as the BRF, are not TABOR-exempt and S.B. 23-232 increased their revenue and expenses, the act had large TABOR impact. To adjust this, H.B. 24-1409 (Employment-Related Funding & Workforce Enterprise) did the following:

- Created the Workforce Development Fund to fund Workforce Development Centers with enterprise funds instead of through the ESF, appropriated the new fund 14% of support surcharge revenue, and established a \$6.8 million balance cap on this fund,
- Reduced the ESF's balance cap to \$7.0 million and decreased revenue it received from the support surcharge to 35.0 percent (from 59.36 percent) and
- Decreased the Tech Fund balance cap to \$13.2 million but increased the revenue it received from the support surcharge to 32 percent (from 21.62 percent).

In total, H.B. 24-1409 diverted \$49.5 million in FY 2023-24 and \$24.5 million in FY 2024-25 and ongoing from the ESF through a one-time diversion in FY 2023-24 to the UITF and ongoing diversions to the Tech Fund and the Workforce Fund. The figure below visualizes the share of employer support surcharge each fund receives, as well as where revenue in excess of each fund's balance cap is transferred after adoption of H.B. 24-1409.



Source: OSPB/CDLE with JBC Staff edits. Funds in blue are exempt under an enterprise; funds in green are non-exempt. Dashed lines above funds indicate transfers of funds in excess of revenue caps. Dashed lines below funds indicate transfers of funds in excess of balance caps.

R1: Unemployment Insurance Funding Expansion and Realignment

This issue describes the Department’s R1 request to further change funding allocations in the UI enterprise.

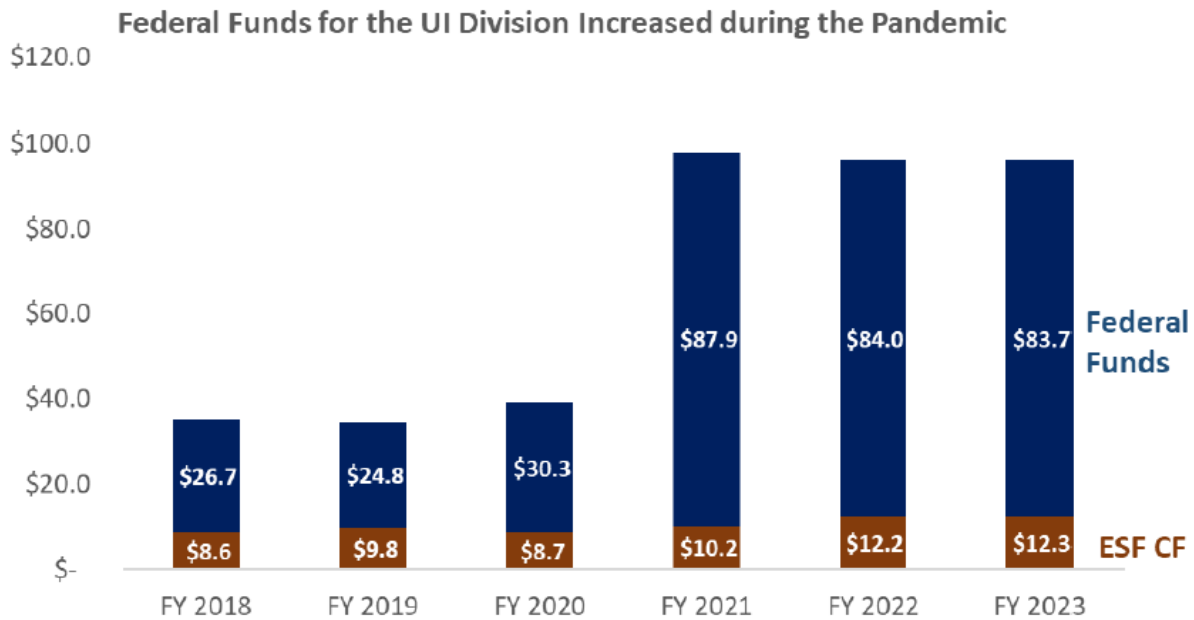
Summary

- House Bill 24-1409 decreased support surcharge revenues into the Employer Support Fund (ESF), and diverted them into the Tech Fund and a new Workforce Development Fund, which are both enterprise funds. It also amended and established revenue caps, balance caps, and allocations of funds in excess of those caps.
- The Department’s R1 request adjusts for believed oversights in the drafting of H.B. 24-1409, expands the uses and spending authority to the Tech Fund, and adjusts balance caps to ensure simpler administration.
- The Department will also submit this as a supplemental request to apply for FY 2024-25.

Proposed Changes by the Department

The Department’s R1 request proposes further changes to UI fund balances, caps, and revenue transfers after H.B. 24-1409. These changes stem from a desire to expand the available technology expenses that the Tech Fund can cover, move administrative costs for the UI program under the enterprise, clarify statutory language added through recent legislation, and adjust for rising operational costs and decreasing federal funding. Central to the administrative fund source changes is the Department’s interpretation that the intent of H.B. 09-1363 included work to support the UI program, such as administrative costs, as falling under the enterprise.

Underlying these changes is the decrease of federal funding to pre-pandemic levels. The chart below shows the Department’s federal funding from FY 2018 to FY 2023.



Source: CDLE

The components of this requested are described below, and will be replicated in the Department’s supplemental request to apply changes to FY 2024-25.

1. Administrative Fund Redistribution to Enterprise

The FY 2024-25 Long Bill appropriated \$20,432,737 in ESF funds to the EDO for centrally appropriated costs, including centrally appropriated costs attributable to the UI enterprise and the Workforce Development enterprise. The Department believes that not shifting those costs to enterprise funds was an oversight during drafting of H.B. 24-1409. To correct for this, the Department proposes the following:

- \$6.3 million decrease in ESF appropriations to the EDO
- \$6.7 million increase in Workforce Fund appropriations to the EDO
- **[Requires legislation]** Creation of new enterprise fund, the UI Administration Fund, to ensure administrative costs to the UI program are under an enterprise. According to the Department, this would be consistent with the intent of H.B. 09-1363 and H.B. 24-1409. UI administrative funds cannot come from the UITF as employer premiums can only be spent on UI benefits. The Tech Fund cannot cover all centrally appropriated costs for the program. For this new fund, the Department requests:
 - \$10 million spending authority with a \$8.9 million appropriation to the EDO
 - Receipt of 22% of the support surcharge
 - A \$10 million balance cap

The below table shows the total funding changes for FY 2025-26 centrally appropriated cost appropriations in the EDO.

| EDO Centrally Appropriated Cost Changes in FY 2025-26 | | | |
|---|-----------------------------|-----------------------|--------------------|
| | FY 2024-25 Appropriation | FY 2025-26 Request | Difference* |
| ESF | \$20,432,737 | \$6,307,196 | -\$14,125,541 |
| Workforce Fund | \$0 | \$6,690,327 | \$6,690,327 |
| UI Admin Fund | \$0 | \$8,928,791 | \$8,928,791 |
| Total | \$20,432,737 | \$21,926,314 | \$1,493,577 |

*Increase in total funding due to account step and salary survey changes.

2. Changes to the UI Tech Fund

Expand allowable uses of the Tech Fund [Requires legislation]: Currently, statute allows the UI Tech Fund to fund unemployment administration technology expenses, including automation. The Department requests broadening the definition of technology to increase the allowable uses of the Tech Fund, including its ability to fund technology related staff, maintenance, and fraud prevention. Appendix B contains a list of current UI technology programs and costs that are not covered under the current definition.

Replace revenue cap with an increased balance cap [Requires legislation]: Additionally, to increase available revenue in the fund and correct for a believed drafting oversight in H.B. 24-1409, the Department requests to eliminate the Fund’s revenue cap and replace it with a \$31 million balance cap. The Department intended the fund to have a balance cap (sometimes written as a “reserve cap” in last year’s requests) in conceptualizing H.B. 24-1409.

Spending authority increase: Finally, the Department requests a \$20 million spending authority increase to the Fund to cover its expenses after broadening the Fund’s allowable uses and taking into account decreasing federal funds. This would bring the fund’s total spending authority to \$30 million. The Department’s estimate of FY 2024-25 technology costs that would be newly covered under the expanded definition and spending authority is listed in Appendix B.

3. Technical Updates to Statute

Surcharge distribution adjustment [Requires legislation]: To implement the changes requested above, the Department requests the following changes to the support surcharge distribution:

- ESF: Decrease to 11% (from 35%)
- Workforce Development Fund: Increase to 20% (from 14%)
- Benefit Recovery Fund (BRF): Decrease to 15% (from 19%)
 - *Note:* The Department notes that a decrease to 15% will match the Fund to its \$15 million revenue cap, based on forecasted total support surcharge revenues of \$100 million. Therefore, this change will not change the actual amount of revenue received by the fund. JBC Staff note this only applies if support surcharge revenues perform as forecasted.
- Tech Fund: No change (stays at 32%)
- UI Administrative Fund: 22% (new fund)

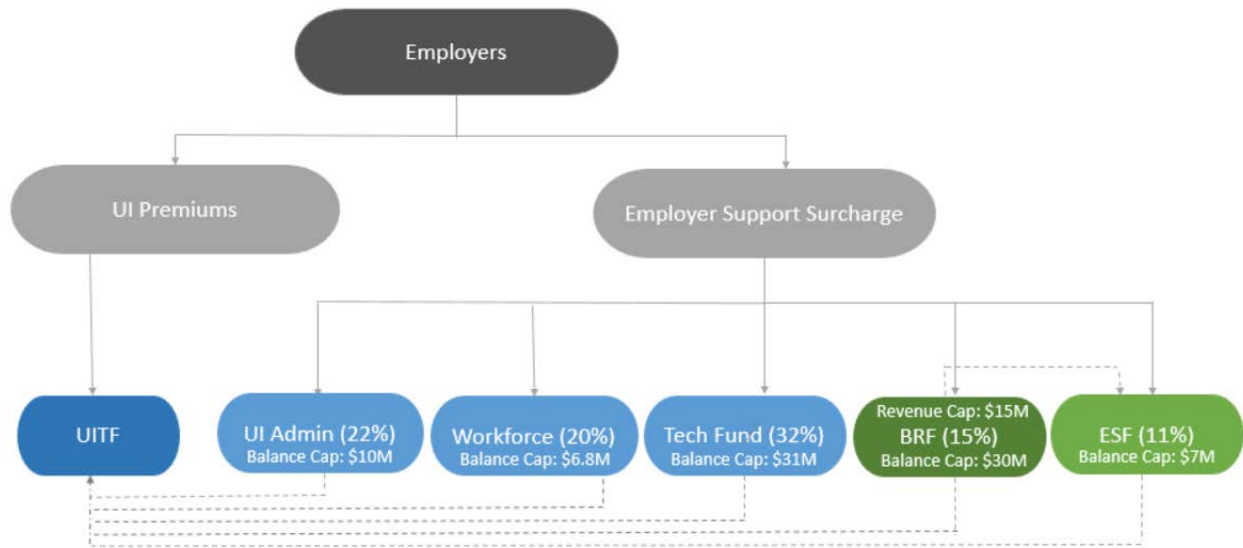
Balance cap standardization [Requires legislation]: The Department requests simplifying and standardizing balance cap language so that all revenue in excess of balance caps go to the UITF. This will simplify administration of funds.

Authority to utilize cash fund reserve balance [Requires legislation]: The Department requests statutory authority to use reserve balances when waiting for the award of federal funds. The federal fiscal year differs from the state’s fiscal year, federal budgeting decisions can be delayed, and there can be a lag between federal funds appropriations and actual disbursement. This creates circumstances when the Department does not have federal funds to pay administrative costs. Therefore, the Department requests to access its cash fund reserve balances to pay those expenses until federal funding is received.

Index balance caps [Requires legislation]: The support surcharge is adjusted based on average weekly wage (AWW), whereas fund balance caps and revenue caps are adjusted based on CPI. This request would change fund balance caps to be adjusted to AWW instead of CPI.

Summary of Requested Changes

In total, the Department’s R1 request proposes to modify the structure and amounts of support surcharge distributions, reserve caps, and balance caps to the visualization below.



Source: OSPB/CDLE with JBC Staff edits. Funds in blue are exempt under an enterprise; funds in green are non-exempt. Dashed lines above funds indicate transfers of funds in excess of revenue caps. Dashed lines below funds indicate transfers of funds in excess of balance caps.

Anticipated General Fund Relief from R1

Due to increasing revenue to TABOR exempt funds through decreasing revenue into the ESF and BRF, creating a new UI Administrative Fund, and increasing revenue into the new UI

Administrative Fund and Workforce Development Fund for FY 2024-25 and FY 2025-26, the Department estimates the following in General Fund relief:

- \$4.2 million in savings for FY 2024-25
- \$24.4 million in savings for FY 2025-26

The Department does not anticipate impacts to employers and how much they pay in premiums or the support surcharge as a result of these changes.

Points to Consider

- It seems like calculations on fund appropriations and support surcharge allocations were made assuming the support surcharge collects \$100 million or more in revenue per year. Is it possible for the surcharge to collect well under \$100 million, and what would be the implications to programs funded under this request?
- What are the long-term solvency considerations for the Workforce Development Fund, considering its \$6.8 million balance cap is below its annual expenditure of more than \$20 million?
- As part of this request, is the Department asking for continuous spending authority of its cash funds? If not, what is the Department's proposed verbiage to give it statutory authority to spend its cash fund reserve when federal funding payments are delayed?
- Given that this proposal requires updating legislation, should statute also be updated to ensure the Workforce Development Fund could cover other workforce development programs in the Department, such as the State Apprenticeship Agency, the Office of Future Work, and current General Fund appropriations to the state Workforce Development Council?
- How meaningful are excess balance cap transfers from the TABOR-exempt Tech Fund, Workforce Fund and UI Admin Fund towards UITF solvency, especially compared to UITF premium and solvency surcharge revenue sources?

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2024 Long Bill (H.B. 24-1430) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB24-1430> The Long Bill footnotes relevant to this document are listed below.

69 Department of Labor and Employment, Executive Director's Office, Office of Just Transition, Coal Transition Community Assistance; Coal Transition Worker Assistance -- This appropriation remains available until the close of the 2026-27 state fiscal year.

Comment: This footnote was first included in the FY 2024-25 Long Bill. It explains legislative intent to provide roll-forward authority to appropriations for Coal Transition Worker Assistance through FY 2026-27.

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

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

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

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

72 Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs, Personal Services; Administrative Law Judge Services; Vocational Rehabilitation Services; Disability Navigator Program -- Amounts in this line item are calculated based on the assumed federal match rate of 78.7 percent federal funds to 21.3 percent nonfederal funds which is assumed to be demonstrated on a federal fiscal year basis.

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

Update on Requests for Information

The Joint Budget Committee annually submits requests for information (RFIs) to executive departments and the judicial branch via letters to the Governor, other elected officials, and the Chief Justice. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as an Appendix in the annual Appropriations Report (Appendix H in the FY 2024-25 Report):

<https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The RFIs relevant to this document are listed below.

Department of Labor and Employment Requests

1 Department of Labor and Employment, Division Of Labor Standards and Statistics, Labor Standards -- For the new wage theft payment program established in S.B. 23-231 (Amend Fund To Allow Payment Overdue Wage Claims), the Department is requested to provide a report to the Joint Budget Committee by November 1st of each fiscal year with data on:

- The number of employees that received wage payments from the Wage Theft Enforcement Fund;
- The average amount per payment, and total amount of wages paid out from the Wage Theft Enforcement Fund; and
- Wage payments recouped by the Division from employers.

Comment: The Division's authority to make payments started April 1, 2024. By late fall 2024 or early winter 2025, the Division expects to pay more than \$600,000 to over 100 workers.

The Department's full response may be accessed from the OSPB website under FY 2025-26 Budget Request, All Budget Documents, Agency Budget Submissions, (10) CDLE, (7) RFIs and Long Range Financial Plan: <https://www.colorado.gov/governor/office-state-planning-budgeting>.

2 Department of Labor and Employment, Division Of Labor Standards and Statistics, Labor Standards -- For the new Strategic Wage Education with Employers Program (SWEET), the Department is requested to provide a report to the Joint Budget Committee by November 1st of each fiscal year with data on:

- Number of employers with apparent labor violations who are contacted to offer voluntary compliance assistance through the SWEET program;
- Number of employers curing violations in response to SWEET outreach;
- Percentage of employers contacted through SWEET who agree to cure violations through the offer of voluntary compliance assistance.

This annual report will also include analyses of:

- Number of employers curing violations through SWEEP versus through traditional enforcement;
- The outcomes of the SWEEP program across types of violations; and
- The outcomes of the SWEEP program across different industries.

Comment: The Division received its SWEEP funding in July 2024, and is developing and implementing compliance efforts through staff hiring, refining outreach strategies, and identifying industries and violation types where voluntary compliance will be most impactful. It anticipates launching its expanded SWEEP program in early 2025.

The Department’s full response may be accessed from the OSPB website under FY 2025-26 Budget Request, All Budget Documents, Agency Budget Submissions, (10) CDLE, (7) RFIs and Long Range Financial Plan: <https://www.colorado.gov/governor/office-state-planning-budgeting>.

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

Comment: For FY 2023-24, the Department reported 8,733 regular vocational rehabilitation (VR) clients on its rosters, including those who had completed eligibility determinations but were not yet receiving services. In addition, it served 2,416 students (YPs) through the School to Work Alliance Program who have not undergone full vocational assessments.

The Department’s full response may be accessed from the OSPB website under FY 2025-26 Budget Request, All Budget Documents, Agency Budget Submissions, (10) CDLE, (7) RFIs and Long Range Financial Plan: <https://www.colorado.gov/governor/office-state-planning-budgeting>.

| Vocational Rehabilitation RFI Data | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Caseloads | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
| VR Client caseload | 6,663 | 7,955 | 7,634 | 7,468 | 7,672 | 8,733 |
| YP Client caseload | - | 1,442 | 1,630 | 2,053 | 2,404 | 2,416 |
| Total caseloads | 6663.00 | 9397.00 | 9264.00 | 9521.00 | 10076.00 | 11149.00 |
| Costs | | | | | | |
| Average cost per VR client* | \$2,499 | \$3,799 | \$3,743 | \$4,637 | \$4,994 | \$4,598 |
| Average cost per VR and YP client* | - | \$3,216 | \$3,803 | \$4,694 | \$5,067 | \$4,870 |
| Total Expenditures | \$53,429,365 | \$52,281,392 | \$50,381,833 | \$50,972,945 | \$58,470,947 | \$54,295,630 |
| Outcomes | | | | | | |
| Successful closures | 2,009 | 1,946 | 1,515 | 1,855 | 1,875 | 1,845 |

| Vocational Rehabilitation RFI Data | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Caseloads | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
| Average exiting client wage | \$14.69/hour | \$15.61/hour | \$16.65/hour | \$17.53/hour | \$18.73/hour | \$20.05/hour |

*Excludes costs for VR staff

| Projected Balance of VR Grant | | | | | |
|-------------------------------|----------------|----------------------|----------------|---------------------|-------------|
| Federal Award | Award | Federal Expenditures | Match Required | Match 2 years Prior | MOE Penalty |
| FFY23 | \$51,750,757 | \$51,750,757 | \$14,006,240 | \$12,390,636 | \$0 |
| FFY24 | \$54,250,757 | \$18,095,433* | \$14,682,861 | \$13,878,207 | \$0 |
| FFY25 | \$54,297,366** | \$0 | \$14,695,475 | \$14,006,240 | \$0 |

* Expenditures through June 30, 2024; the full award amount is expected to fully expended by the end of the Period of Performance.

** Estimated award for FFY25. Grant Award Notification not yet received.

| Employment First Outcomes | | | | |
|---|-----------------|--------------------|---------------------------|---------------------------|
| | Served SFY 2020 | Served in SFY 2024 | Successful Closures SFY20 | Successful Closures SFY24 |
| Youth with Intellectual Disabilities | 769 | 687 | 141 | 95 |
| Youth with Behavioral Health Disabilities | 582 | 1,060 | 96 | 141 |
| Youth with Significant Disabilities | 4,329 | 3,786 | 878 | 569 |

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

Comment: The Department submitted a report on the distribution of funds and clients served by Independent Living Centers (ILCs) in FY 2023-24. The report indicated that the ILCs served an average of 2,878 individuals per month. Each ILC receives a) base funding pursuant to statute and b) an allocated share based on factors such as population.

The Department's full response may be accessed from the OSPB website under FY 2025-26 Budget Request, All Budget Documents, Agency Budget Submissions, (10) CDLE, (7) RFIs and Long Range Financial Plan: <https://www.colorado.gov/governor/office-state-planning-budgeting>.

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

Comment: The Department shared the following table.

The Department’s full response may be accessed from the OSPB website under FY 2025-26 Budget Request, All Budget Documents, Agency Budget Submissions, (10) CDLE, (7) RFIs and Long Range Financial Plan: <https://www.colorado.gov/governor/office-state-planning-budgeting>.

| Five-Year Workers Comp Claim History | |
|--------------------------------------|------------------|
| Fiscal Year | Number of Claims |
| FY20 | 33,107 |
| FY21 | 36,875 |
| FY22 | 36,085 |
| FY23 | 36,920 |
| FY24 | 35,869 |

6 Colorado Department of Labor and Employment, Division of Unemployment Insurance -- The Division is requested to identify key performance indicators for the state’s unemployment insurance programs that indicates how promptly and effectively the Division is responding to the needs of unemployed Coloradans. The Department is encouraged to identify the report elements it believes would be most relevant and helpful for internal and external stakeholders and to work with the Governor’s Office, JBC staff, and other interested parties to develop report components. The Department is requested to provide the report to the Joint Budget Committee by November 1st of each fiscal year. The Division will report on:

- The total number of existing claims;
- The claims processing backlog;
- The mean and median processing times for UI claims;
- The percentage of claims flagging as fraudulent; and
- The percentage of claims investigated and found to be fraudulent.

Comment: As of September 21, 2024, the Division had 28,843 active claims. As of October 10, 2024 its claims backlog was 543 claims. The average time to process a claim was 41 days. From November 2023 to September 2024, 16.1% of claims were flagged as fraudulent, of which 82.9% were confirmed fraudulent upon investigation.

The Department’s full response may be accessed from the OSPB website under FY 2025-26 Budget Request, All Budget Documents, Agency Budget Submissions, (10) CDLE, (7) RFIs and Long Range Financial Plan: <https://www.colorado.gov/governor/office-state-planning-budgeting>.

7 Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs, Employment First Initiatives -- The Department is requested to update the Joint Budget Committee on the Employment First program and the work of the two individuals hired through the FY 2023-24 budget request with a preliminary report on January 2, 2024, and a final report on April 1, 2025, providing updates on the identified barriers within the state’s purview that limit employment opportunities for persons with disabilities; steps being taken to

resolve the barriers; and any legislative or budget requests needed to address the barriers.

Comment: The Department's deadline to share a final report is on April 1, 2025. The Department did not share a response in the November 1, 2024 submission.

Department Annual Performance Report

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Labor and Employment is required to publish an **Annual Performance Report** for the *previous state fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2025-26 budget request, the FY 2023-24 Annual Performance Report and the FY 2024-25 Performance Plan can be found at the following link:

<https://www.colorado.gov/pacific/performance/department-performance-plans>

Appendix A: Numbers Pages

Appendix A details actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source.

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

Department of Labor and Employment Joe Barela, Executive Director

(1) Executive Director's Office

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

(A) Executive Director's Office

| | | | | |
|--------------------------|-------------------|-------------------|-------------------|---------------------|
| Personal Services | <u>10,603,079</u> | <u>12,518,891</u> | <u>11,937,059</u> | <u>12,802,260</u> * |
| FTE | 112.2 | 113.5 | 113.2 | 113.2 |
| General Fund | 55,648 | 166,444 | 154,251 | 228,685 |
| Cash Funds | 4,648,335 | 5,796,886 | 5,990,867 | 6,241,249 |
| Reappropriated Funds | 174,800 | 240,417 | 922,054 | 921,498 |
| Federal Funds | 5,724,295 | 6,315,144 | 4,869,887 | 5,410,828 |
| Health, Life, and Dental | <u>3,295,928</u> | <u>8,648,744</u> | <u>27,012,036</u> | <u>27,598,202</u> * |
| General Fund | 1,013,465 | 2,097,484 | 2,177,241 | 2,364,807 |
| Cash Funds | 2,282,463 | 6,519,460 | 13,240,300 | 13,641,559 |
| Reappropriated Funds | 0 | 31,800 | 65,497 | 134,649 |
| Federal Funds | 0 | 0 | 11,528,998 | 11,457,187 |
| Short-term Disability | <u>37,296</u> | <u>70,174</u> | <u>208,041</u> | <u>214,373</u> * |
| General Fund | 8,494 | 13,535 | 18,164 | 18,456 |
| Cash Funds | 28,802 | 56,439 | 92,603 | 107,120 |
| Reappropriated Funds | 0 | 200 | 1,040 | 1,319 |
| Federal Funds | 0 | 0 | 96,234 | 87,478 |

NOTE: An asterisk (*) indicates that the FY 2025-26 request for a line item is affected by one or more decision items.

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Paid Family and Medical Leave Insurance | <u>0</u> | <u>0</u> | <u>624,127</u> | <u>643,120</u> | |
| General Fund | 0 | 0 | 54,492 | 55,368 | |
| Cash Funds | 0 | 0 | 277,811 | 321,361 | |
| Reappropriated Funds | 0 | 0 | 3,121 | 3,957 | |
| Federal Funds | 0 | 0 | 288,703 | 262,434 | |
| Unfunded Liability Amortization Equalization | | | | | |
| Disbursement Payments | <u>0</u> | <u>0</u> | <u>13,869,452</u> | <u>14,291,555</u> * | |
| General Fund | 0 | 0 | 1,210,932 | 1,230,404 | |
| Cash Funds | 0 | 0 | 6,173,552 | 7,141,364 | |
| Reappropriated Funds | 0 | 0 | 69,350 | 87,912 | |
| Federal Funds | 0 | 0 | 6,415,618 | 5,831,875 | |
| S.B. 04-257 Amortization Equalization Disbursement | <u>959,719</u> | <u>2,088,247</u> | <u>0</u> | <u>0</u> | |
| General Fund | 277,567 | 456,624 | 0 | 0 | |
| Cash Funds | 682,152 | 1,622,623 | 0 | 0 | |
| Reappropriated Funds | 0 | 9,000 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| S.B. 06-235 Supplemental Amortization Equalization | | | | | |
| Disbursement | <u>959,719</u> | <u>2,088,247</u> | <u>0</u> | <u>0</u> | |
| General Fund | 277,567 | 456,624 | 0 | 0 | |
| Cash Funds | 682,152 | 1,622,623 | 0 | 0 | |
| Reappropriated Funds | 0 | 9,000 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Salary Survey | <u>2,467,807</u> | <u>3,958,559</u> | <u>5,332,685</u> | <u>3,916,935</u> | * |
| General Fund | 457,965 | 578,352 | 472,001 | 337,803 | |
| Cash Funds | 2,009,842 | 3,342,269 | 2,408,701 | 1,961,126 | |
| Reappropriated Funds | 0 | 37,938 | 27,277 | 24,145 | |
| Federal Funds | 0 | 0 | 2,424,706 | 1,593,861 | |
| Step Increases | <u>0</u> | <u>0</u> | <u>7,404,256</u> | <u>1,077,654</u> | * |
| General Fund | 0 | 0 | 398,876 | 61,384 | |
| Cash Funds | 0 | 0 | 2,301,694 | 420,371 | |
| Reappropriated Funds | 0 | 0 | 16,765 | 3,658 | |
| Federal Funds | 0 | 0 | 4,686,921 | 592,241 | |
| PERA Direct Distribution | <u>2,058,182</u> | <u>359,402</u> | <u>2,339,000</u> | <u>2,553,224</u> | |
| General Fund | 0 | 25,182 | 204,216 | 219,815 | |
| Cash Funds | 853,594 | 159,109 | 1,041,133 | 1,275,824 | |
| Reappropriated Funds | 16,587 | 1,944 | 11,695 | 15,705 | |
| Federal Funds | 1,188,001 | 173,167 | 1,081,956 | 1,041,880 | |
| Temporary Employees Related to Authorized Leave | <u>0</u> | <u>0</u> | <u>371,656</u> | <u>371,656</u> | * |
| General Fund | 0 | 0 | 13,654 | 13,654 | |
| Cash Funds | 0 | 0 | 97,950 | 97,950 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 260,052 | 260,052 | |
| Workers' Compensation | <u>552,714</u> | <u>544,909</u> | <u>589,017</u> | <u>488,123</u> | * |
| General Fund | 27,376 | 22,777 | 28,144 | 23,323 | |
| Cash Funds | 137,916 | 135,507 | 180,281 | 149,401 | |
| Reappropriated Funds | 1,418 | 1,603 | 2,129 | 1,764 | |
| Federal Funds | 386,004 | 385,022 | 378,463 | 313,635 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Operating Expenses | <u>2,220,912</u> | <u>1,727,900</u> | <u>2,004,121</u> | <u>2,004,121</u> | * |
| General Fund | 13,352 | 93,191 | 125,628 | 125,628 | |
| Cash Funds | 206,856 | 467,711 | 810,505 | 810,505 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 2,000,704 | 1,166,998 | 1,067,988 | 1,067,988 | |
| Legal Services | <u>964,654</u> | <u>1,828,234</u> | <u>1,777,056</u> | <u>1,190,276</u> | * |
| General Fund | 25,059 | 373,690 | 515,674 | 320,787 | |
| Cash Funds | 462,117 | 675,533 | 621,521 | 447,793 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 477,478 | 779,011 | 639,861 | 421,696 | |
| Payment to Risk Management and Property Funds | <u>388,193</u> | <u>589,386</u> | <u>417,709</u> | <u>316,742</u> | * |
| General Fund | 19,035 | 23,727 | 28,345 | 21,494 | |
| Cash Funds | 90,286 | 136,733 | 140,306 | 106,392 | |
| Reappropriated Funds | 1,341 | 1,380 | 3,069 | 2,327 | |
| Federal Funds | 277,531 | 427,546 | 245,989 | 186,529 | |
| Vehicle Lease Payments | <u>167,847</u> | <u>160,992</u> | <u>250,133</u> | <u>294,160</u> | * |
| General Fund | 1,183 | 6,981 | 19,633 | 23,504 | |
| Cash Funds | 93,260 | 92,793 | 140,242 | 158,155 | |
| Reappropriated Funds | 0 | 0 | 835 | 1,340 | |
| Federal Funds | 73,405 | 61,218 | 89,423 | 111,161 | |
| Leased Space | <u>6,170,941</u> | <u>5,816,403</u> | <u>8,601,338</u> | <u>19,340,191</u> | * |
| General Fund | 481,974 | 320,936 | 643,575 | 1,738,802 | |
| Cash Funds | 2,647,675 | 2,626,226 | 3,893,264 | 8,568,667 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 3,041,292 | 2,869,241 | 4,064,499 | 9,032,722 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Capitol Complex Leased Space | <u>40,488</u> | <u>18,460</u> | <u>61,605</u> | <u>66,542</u> | * |
| General Fund | 4,943 | 5,025 | 25,243 | 27,266 | |
| Cash Funds | 27,729 | 13,435 | 28,062 | 30,311 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 7,816 | 0 | 8,300 | 8,965 | |
| Payments to OIT | <u>19,297,956</u> | <u>18,860,504</u> | <u>30,897,318</u> | <u>39,612,378</u> | * |
| General Fund | 598,579 | 6,012,400 | 7,464,824 | 7,764,824 | |
| Cash Funds | 9,550,838 | 10,520,314 | 13,905,439 | 19,263,241 | |
| Reappropriated Funds | 14,372 | 0 | 331,619 | 471,055 | |
| Federal Funds | 9,134,167 | 2,327,790 | 9,195,436 | 12,113,258 | |
| IT Accessibility | <u>0</u> | <u>127,181</u> | <u>0</u> | <u>0</u> | |
| FTE | 0.0 | 1.0 | 0.0 | 0.0 | |
| General Fund | 0 | 110,176 | 0 | 0 | |
| Cash Funds | 0 | 17,005 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| CORE Operations | <u>428,802</u> | <u>277,190</u> | <u>94,194</u> | <u>278,238</u> | |
| General Fund | 2,604 | 2,057 | 558 | 1,648 | |
| Cash Funds | 131,323 | 58,159 | 26,466 | 78,177 | |
| Reappropriated Funds | 339 | 374 | 177 | 524 | |
| Federal Funds | 294,536 | 216,600 | 66,993 | 197,889 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Utilities | <u>187,916</u> | <u>158,500</u> | <u>260,309</u> | <u>260,309</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 187,916 | 158,500 | 260,309 | 260,309 | |
| Information Technology Asset Maintenance | <u>253</u> | <u>0</u> | <u>218,626</u> | <u>218,626</u> | * |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 2 | 0 | 69,243 | 69,243 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 251 | 0 | 149,383 | 149,383 | |
| Statewide Indirect Cost Assessment | <u>1,125,851</u> | <u>0</u> | <u>1,459,055</u> | <u>611,569</u> | * |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 699,788 | 0 | 576,659 | 353,553 | |
| Reappropriated Funds | 8,087 | 0 | 6,311 | 3,054 | |
| Federal Funds | 417,976 | 0 | 876,085 | 254,962 | |
| DPA Administration Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Office of the State Architect | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--------------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| DHR State Agency Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| DHR Training Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| DHR Labor Relations Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Financial Ops and Reporting Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Procurement and Contracts Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Appropriation to the Immigration Legal Defense Fund | <u>576,480</u> 0.1 | <u>775,696</u> 0.1 | 0 | 0 | |
| General Fund | 348,653 | 348,653 | 0 | 0 | |
| Cash Funds | 227,827 | 427,043 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| State Apprenticeship Agency | <u>737,935</u> | <u>785,498</u> | 0 | 0 | |
| FTE | 8.0 | 8.0 | 0.0 | 0.0 | |
| General Fund | 737,935 | 785,498 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Program Costs | <u>445,772</u> | <u>904,061</u> | 0 | 0 | |
| FTE | 3.1 | 1.4 | 0.0 | 0.0 | |
| General Fund | 445,772 | 904,061 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Program Costs | <u>116,314</u> | <u>515,251</u> | 0 | 0 | |
| FTE | 0.9 | 3.3 | 0.0 | 0.0 | |
| General Fund | 116,314 | 515,251 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| SUBTOTAL - (A) Executive Director's Office | 53,804,759 | 62,822,429 | 115,728,793 | 128,150,254 | 10.7% |
| <i>FTE</i> | <u>124.3</u> | <u>127.3</u> | <u>113.2</u> | <u>113.2</u> | <u>0.0%</u> |
| General Fund | 4,913,485 | 13,318,668 | 13,555,451 | 14,577,652 | 7.5% |
| Cash Funds | 25,462,958 | 34,289,868 | 52,016,599 | 61,243,362 | 17.7% |
| Reappropriated Funds | 216,944 | 333,656 | 1,460,939 | 1,672,907 | 14.5% |
| Federal Funds | 23,211,372 | 14,880,237 | 48,695,804 | 50,656,333 | 4.0% |

(B) Office of New Americans

| | | |
|---|--------------------|------------------|
| Program Costs | <u>380,100</u> | <u>78,010</u> |
| FTE | 5.4 | 5.5 |
| General Fund | 365,100 | 58,574 |
| Cash Funds | 15,000 | 19,436 |
| Federal Funds | 0 | 0 |
| Colorado Refugee Services Program | <u>6,249,032</u> | <u>8,363,735</u> |
| FTE | 7.5 | 7.5 |
| General Fund | 101,232 | 101,232 |
| Federal Funds | 6,147,800 | 8,262,503 |
| Appropriation to the Immigration Legal Defense Fund | <u>700,000</u> 0.0 | <u>700,000</u> |
| General Fund | 700,000 | 700,000 |
| Statewide Welcome, Reception, and Integration Grant Program | <u>2,500,000</u> | <u>78,274</u> |
| FTE | 0.8 | 1.0 |
| Cash Funds | 2,500,000 | 78,274 |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

| | | | | | |
|---|-------------|-------------|-------------|--|--|
| SUBTOTAL - (B) Office of New Americans | 9,829,132 | 9,220,019 | (6.2%) | | |
| <i>FTE</i> | <u>13.7</u> | <u>14.0</u> | <u>2.2%</u> | | |
| General Fund | 1,166,332 | 859,806 | (26.3%) | | |
| Cash Funds | 2,515,000 | 97,710 | (96.1%) | | |
| Federal Funds | 6,147,800 | 8,262,503 | 34.4% | | |

(C) Office of Future of Work

| | | | | | |
|--|------------------|------------------|----------------|--|--|
| Program Costs | <u>2,277,846</u> | <u>2,229,693</u> | | | |
| <i>FTE</i> | 10.0 | 8.1 | | | |
| General Fund | 864,713 | 768,996 | | | |
| Cash Funds | 1,413,133 | 1,460,697 | | | |
| State Apprenticeship Agency | <u>925,762</u> | <u>1,005,593</u> | | | |
| <i>FTE</i> | 8.8 | 8.8 | | | |
| General Fund | 925,762 | 1,005,593 | | | |
| SUBTOTAL - (C) Office of Future of Work | 3,203,608 | 3,235,286 | 1.0% | | |
| <i>FTE</i> | <u>18.8</u> | <u>16.9</u> | <u>(10.1%)</u> | | |
| General Fund | 1,790,475 | 1,774,589 | (0.9%) | | |
| Cash Funds | 1,413,133 | 1,460,697 | 3.4% | | |

(D) Office of Just Transition

| | | | | | |
|---------------------------|----------|----------------|----------------|--|--|
| Office of Just Transition | <u>0</u> | <u>400,885</u> | <u>432,635</u> | | |
| <i>FTE</i> | 0.0 | 3.5 | 3.5 | | |
| General Fund | 0 | 400,885 | 432,635 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Coal Transition Community Assistance | <u>0</u> | <u>10,000,000</u> | <u>10,000,000</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| Cash Funds | 0 | 10,000,000 | 10,000,000 | | |
| Coal Transition Worker Assistance | <u>0</u> | <u>5,000,000</u> | <u>5,000,000</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| Cash Funds | 0 | 5,000,000 | 5,000,000 | | |
| SUBTOTAL - (D) Office of Just Transition | 0 | 15,400,885 | 15,432,635 | 0.2% | |
| <i>FTE</i> | <u>0.0</u> | <u>3.5</u> | <u>3.5</u> | <u>0.0%</u> | |
| General Fund | 0 | 400,885 | 432,635 | 7.9% | |
| Cash Funds | 0 | 15,000,000 | 15,000,000 | 0.0% | |
| Reappropriated Funds | 0 | 0 | 0 | 0.0% | |
| Federal Funds | 0 | 0 | 0 | 0.0% | |
| (E) Colorado Disability Opportunity Office | | | | | |
| Colorado Disability Opportunity Office | <u>5,538,925</u> | <u>5,498,905</u> | | | |
| FTE | 6.0 | 6.0 | | | |
| Cash Funds | 5,538,925 | 5,498,905 | | | |
| SUBTOTAL - (E) Colorado Disability Opportunity Office | 5,538,925 | 5,498,905 | (0.7%) | | |
| <i>FTE</i> | <u>6.0</u> | <u>6.0</u> | <u>0.0%</u> | | |
| Cash Funds | 5,538,925 | 5,498,905 | (0.7%) | | |

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|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| TOTAL - (1) Executive Director's Office | 53,804,759 | 62,822,429 | 149,701,343 | 161,537,099 | 7.9% |
| <i>FTE</i> | <u>124.3</u> | <u>127.3</u> | <u>155.2</u> | <u>153.6</u> | (1.0%) |
| General Fund | 4,913,485 | 13,318,668 | 16,913,143 | 17,644,682 | 4.3% |
| Cash Funds | 25,462,958 | 34,289,868 | 76,483,657 | 83,300,674 | 8.9% |
| Reappropriated Funds | 216,944 | 333,656 | 1,460,939 | 1,672,907 | 14.5% |
| Federal Funds | 23,211,372 | 14,880,237 | 54,843,604 | 58,918,836 | 7.4% |

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|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(2) Division of Unemployment Insurance

skills to live independently in the community.

| | | | | |
|----------------------|-------------------|--------------------|-------------------|----------------------|
| Program Costs | <u>96,162,027</u> | <u>101,666,769</u> | <u>78,665,197</u> | <u>110,577,246</u> * |
| FTE | 484.7 | 496.7 | 496.7 | 484.7 |
| General Fund | 0 | 0 | 0 | 100,000 |
| Cash Funds | 12,246,865 | 15,828,543 | 16,404,109 | 45,192,997 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 83,915,162 | 85,838,226 | 62,261,088 | 65,284,249 |

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------|
| TOTAL - (2) Division of Unemployment Insurance | 96,162,027 | 101,666,769 | 78,665,197 | 110,577,246 | 40.6% |
| FTE | <u>484.7</u> | <u>496.7</u> | <u>496.7</u> | <u>484.7</u> | (2.4%) |
| General Fund | 0 | 0 | 0 | 100,000 | 0.0% |
| Cash Funds | 12,246,865 | 15,828,543 | 16,404,109 | 45,192,997 | 175.5% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 83,915,162 | 85,838,226 | 62,261,088 | 65,284,249 | 4.9% |

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|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(3) Employment and Training

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

(A) Division of Employment and Training

| | | | | |
|--|-------------------|-------------------|-------------------|--|
| State Operations and Program Costs | <u>9,485,086</u> | <u>4,190,287</u> | <u>4,730,281</u> | |
| FTE | 53.1 | 52.3 | 52.3 | |
| General Fund | 1,567,734 | 0 | 150,000 | |
| Cash Funds | (18,900) | 561,864 | 504,273 | |
| Reappropriated Funds | 0 | 0 | 0 | |
| Federal Funds | 7,936,252 | 3,628,423 | 4,076,008 | |
| Trade Adjustment Act Assistance | <u>931,286</u> | <u>2,000,000</u> | <u>2,000,000</u> | |
| FTE | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | |
| Federal Funds | 931,286 | 2,000,000 | 2,000,000 | |
| Workforce Innovation and Opportunity Act | <u>35,986,704</u> | <u>38,080,423</u> | <u>38,841,230</u> | |
| FTE | 87.2 | 87.2 | 87.2 | |
| General Fund | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | |
| Federal Funds | 35,986,704 | 38,080,423 | 38,841,230 | |

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|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Workforce Development Council | <u>1,396,144</u> | <u>1,524,011</u> | <u>1,516,173</u> | | |
| FTE | 12.5 | 12.5 | 9.4 | | |
| General Fund | 856,933 | 906,562 | 881,385 | | |
| Cash Funds | 25,091 | 28,923 | 1,664 | | |
| Reappropriated Funds | 222,699 | 588,526 | 633,124 | | |
| Federal Funds | 291,421 | 0 | 0 | | |
| Workforce Improvement Grants | <u>(-46)</u> | <u>1,000,000</u> | <u>1,000,000</u> | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | (46) | 1,000,000 | 1,000,000 | | |
| Hospitality Education Grant Program | <u>416,193 0.5</u> | <u>500,000 0.5</u> | <u>0 0.0</u> * | | |
| General Fund | 416,193 | 500,000 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| Employment Support and Job Retention Services | | | | | |
| Program Cash Fund | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 250,000 | 250,000 | 250,000 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |

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|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Employment Support and Job Retention Services | | | | | |
| Program | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 250,000 | 250,000 | 250,000 | | |
| Federal Funds | 0 | 0 | 0 | | |
| One-Stop Workforce Center Contracts | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| CWDC Reskilling, Upskilling and Next-skilling Workers | | | | | |
| Program | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| CWDC WorkForce Innovation Act - ARPA Money | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |

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|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Veterans Service-to-Career Program | <u>278,810</u> | <u>0</u> | <u>0</u> | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 278,810 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| Appropriation to the Skilled Worker Outreach and Key Training Program Fund | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| Skilled Worker Outreach, Recruitment and Training Program | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| STEM Teacher Externship Program | <u>223,039</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.8 | 0.0 | 0.0 | | |
| General Fund | 223,039 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |

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| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Grant Awards | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| Innovative Industry Workforce Development Program | <u>0</u> | <u>0</u> | <u>0</u> | | |
| FTE | 0.0 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| Veterans Pilot Program | <u>0</u> | <u>0</u> | <u>0</u> | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 0 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| SUBTOTAL - (A) Division of Employment and Training | 49,217,216 | 47,794,721 | 48,587,684 | 1.7% | |
| FTE | <u>154.1</u> | <u>152.5</u> | <u>148.9</u> | (2.4%) | |
| General Fund | 3,313,899 | 1,656,562 | 1,281,385 | (22.6%) | |
| Cash Funds | 285,001 | 590,787 | 505,937 | (14.4%) | |
| Reappropriated Funds | 472,699 | 838,526 | 883,124 | 5.3% | |
| Federal Funds | 45,145,617 | 44,708,846 | 45,917,238 | 2.7% | |

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| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| (B) Workforce Development Enterprise | | | | | |
| Workforce Development Enterprise | 0 | 14,003,304 | 14,321,619 | | |
| FTE | 0.0 | 57.4 | 57.4 | | |
| Cash Funds | 0 | 14,003,304 | 14,321,619 | | |
| Workforce Development Enterprise | 13,276,471 | 0 | 0 | | |
| FTE | 57.4 | 0.0 | 0.0 | | |
| General Fund | 0 | 0 | 0 | | |
| Cash Funds | 13,276,471 | 0 | 0 | | |
| Reappropriated Funds | 0 | 0 | 0 | | |
| Federal Funds | 0 | 0 | 0 | | |
| SUBTOTAL - (B) Workforce Development Enterprise | 13,276,471 | 14,003,304 | 14,321,619 | 2.3% | |
| FTE | 57.4 | 57.4 | 57.4 | 0.0% | |
| General Fund | 0 | 0 | 0 | 0.0% | |
| Cash Funds | 13,276,471 | 14,003,304 | 14,321,619 | 2.3% | |
| Reappropriated Funds | 0 | 0 | 0 | 0.0% | |
| Federal Funds | 0 | 0 | 0 | 0.0% | |
| TOTAL - (3) Employment and Training | 62,493,687 | 61,798,025 | 62,909,303 | 1.8% | |
| FTE | 211.5 | 209.9 | 206.3 | (1.7%) | |
| General Fund | 3,313,899 | 1,656,562 | 1,281,385 | (22.6%) | |
| Cash Funds | 13,561,472 | 14,594,091 | 14,827,556 | 1.6% | |
| Reappropriated Funds | 472,699 | 838,526 | 883,124 | 5.3% | |
| Federal Funds | 45,145,617 | 44,708,846 | 45,917,238 | 2.7% | |

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|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(4) Division of Labor Standards and Statistics

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

(A) Labor Standards

| | | | | | |
|--|-----------|-----------|-----------|-----------|--------|
| Labor Program Costs | 5,781,436 | 6,742,202 | 8,469,526 | 9,004,160 | |
| FTE | 64.8 | 73.7 | 85.7 | 85.2 | |
| General Fund | 2,715,848 | 3,334,249 | 4,567,531 | 4,886,209 | |
| Cash Funds | 2,972,592 | 3,314,956 | 3,901,995 | 4,117,951 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 92,997 | 92,997 | 0 | 0 | |
| Whistleblower Protection for Public Health Emergency | 0 | 0 | 0 | 0 | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| SUBTOTAL - (A) Labor Standards | 5,781,436 | 6,742,202 | 8,469,526 | 9,004,160 | 6.3% |
| FTE | 64.8 | 73.7 | 85.7 | 85.2 | (0.6%) |
| General Fund | 2,715,848 | 3,334,249 | 4,567,531 | 4,886,209 | 7.0% |
| Cash Funds | 2,972,592 | 3,314,956 | 3,901,995 | 4,117,951 | 5.5% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 92,997 | 92,997 | 0 | 0 | 0.0% |

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| (B) Labor Statistics | | | | | |
| Labor Market Information Program Costs | 3,276,559 | 4,053,820 | 3,628,553 | 3,892,916 | |
| FTE | 30.3 | 30.3 | 30.3 | 30.3 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 3,276,559 | 4,053,820 | 3,628,553 | 3,892,916 | |
| SUBTOTAL - (B) Labor Statistics | 3,276,559 | 4,053,820 | 3,628,553 | 3,892,916 | 7.3% |
| FTE | 30.3 | 30.3 | 30.3 | 30.3 | 0.0% |
| General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Cash Funds | 0 | 0 | 0 | 0 | 0.0% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 3,276,559 | 4,053,820 | 3,628,553 | 3,892,916 | 7.3% |
| TOTAL - (4) Division of Labor Standards and Statistics | 9,057,995 | 10,796,022 | 12,098,079 | 12,897,076 | 6.6% |
| FTE | 95.1 | 104.0 | 116.0 | 115.5 | (0.4%) |
| General Fund | 2,715,848 | 3,334,249 | 4,567,531 | 4,886,209 | 7.0% |
| Cash Funds | 2,972,592 | 3,314,956 | 3,901,995 | 4,117,951 | 5.5% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 3,369,556 | 4,146,817 | 3,628,553 | 3,892,916 | 7.3% |

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| (5) Division of Oil and Public Safety | | | | | |
| sement of cleanup costs to qualifying storage tank owners/operators. | | | | | |
| Personal Services | <u>6,068,209</u> | <u>6,125,250</u> | <u>6,458,501</u> | <u>6,846,690</u> | |
| FTE | 68.0 | 70.0 | 70.0 | 70.0 | |
| General Fund | 0 | 130,097 | 108,886 | 38,886 | |
| Cash Funds | 4,932,322 | 4,922,794 | 5,765,897 | 6,224,086 | |
| Reappropriated Funds | 0 | 0 | 19,318 | 19,318 | |
| Federal Funds | 1,135,887 | 1,072,359 | 564,400 | 564,400 | |
| Operating Expenses | <u>568,193</u> | <u>559,281</u> | <u>811,122</u> | <u>911,122</u> * | |
| General Fund | 0 | 12,221 | 19,789 | 19,789 | |
| Cash Funds | 519,660 | 525,010 | 646,312 | 746,312 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 48,533 | 22,050 | 145,021 | 145,021 | |
| Underground Damage Prevention Safety Commission | <u>105,811</u> | <u>114,975</u> | <u>144,793</u> | <u>158,400</u> | |
| FTE | 1.5 | 1.5 | 1.5 | 1.5 | |
| General Fund | 105,811 | 114,867 | 124,793 | 138,400 | |
| Cash Funds | 0 | 108 | 20,000 | 20,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| TOTAL - (5) Division of Oil and Public Safety | 6,742,213 | 6,799,506 | 7,414,416 | 7,916,212 | 6.8% |
| FTE | <u>69.5</u> | <u>71.5</u> | <u>71.5</u> | <u>71.5</u> | <u>0.0%</u> |
| General Fund | 105,811 | 257,185 | 253,468 | 197,075 | (22.2%) |
| Cash Funds | 5,451,982 | 5,447,912 | 6,432,209 | 6,990,398 | 8.7% |
| Reappropriated Funds | 0 | 0 | 19,318 | 19,318 | 0.0% |
| Federal Funds | 1,184,421 | 1,094,409 | 709,421 | 709,421 | 0.0% |

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|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(6) Division of Workers' Compensation

r injury at more than one employer) Insurance Programs.

(A) Workers' Compensation

| | | | | | |
|-----------------------------------|------------------|------------------|------------------|-------------------|--|
| Personal Services | <u>7,403,597</u> | <u>8,679,127</u> | <u>9,765,284</u> | <u>10,342,021</u> | |
| FTE | 95.0 | 102.4 | 104.0 | 104.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 7,403,597 | 8,679,127 | 9,765,284 | 10,342,021 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Operating Expenses | <u>502,363</u> | <u>687,166</u> | <u>671,295</u> | <u>671,295</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 502,363 | 687,166 | 671,295 | 671,295 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Administrative Law Judge Services | <u>4,089,852</u> | <u>3,561,452</u> | <u>4,427,576</u> | <u>6,363,564</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 4,089,852 | 3,561,452 | 4,427,576 | 6,363,564 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Physicians Accreditation | <u>67,170</u> | <u>138,925</u> | <u>120,000</u> | <u>120,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 67,170 | 138,925 | 120,000 | 120,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

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|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Utilization Review | <u>0</u> | <u>0</u> | <u>35,000</u> | <u>35,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 35,000 | 35,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Immediate Payment | <u>90</u> | <u>108</u> | <u>1,000</u> | <u>1,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 90 | 108 | 1,000 | 1,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| SUBTOTAL - (A) Workers' Compensation | 12,063,072 | 13,066,778 | 15,020,155 | 17,532,880 | 16.7% |
| <i>FTE</i> | <u>95.0</u> | <u>102.4</u> | <u>104.0</u> | <u>104.0</u> | <u>0.0%</u> |
| General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Cash Funds | 12,063,072 | 13,066,778 | 15,020,155 | 17,532,880 | 16.7% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 0 | 0 | 0 | 0 | 0.0% |

(B) Major Medical Insurance and Subsequent Injury Funds

| | | | | |
|----------------------|------------------|----------------|------------------|------------------|
| Personal Services | <u>1,153,776</u> | <u>954,909</u> | <u>1,603,654</u> | <u>1,692,383</u> |
| FTE | 16.0 | 16.0 | 16.0 | 16.0 |
| General Fund | 0 | 0 | 0 | 0 |
| Cash Funds | 1,153,776 | 954,909 | 1,603,654 | 1,692,383 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |

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| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|------------------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Operating Expenses | <u>49,460</u> | <u>88,286</u> | <u>88,324</u> | <u>88,324</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 49,460 | 88,286 | 88,324 | 88,324 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Major Medical Benefits | <u>1,537,664</u> | <u>1,535,183</u> | <u>6,000,000</u> | <u>6,000,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 1,537,664 | 1,535,183 | 6,000,000 | 6,000,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Subsequent Injury Benefits | <u>714,562</u> | <u>708,345</u> | <u>2,000,000</u> | <u>2,000,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 714,562 | 708,345 | 2,000,000 | 2,000,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Medical Disaster | <u>90</u> | <u>114</u> | <u>1,000</u> | <u>1,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 90 | 114 | 1,000 | 1,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Major Medical Legal Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Subsequent Injury Legal Services | 0 | 0 | 0 | 0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| SUBTOTAL - (B) Major Medical Insurance and Subsequent Injury Funds | 3,455,552 | 3,286,837 | 9,692,978 | 9,781,707 | 0.9% |
| <i>FTE</i> | <u>16.0</u> | <u>16.0</u> | <u>16.0</u> | <u>16.0</u> | <u>0.0%</u> |
| General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Cash Funds | 3,455,552 | 3,286,837 | 9,692,978 | 9,781,707 | 0.9% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 0 | 0 | 0 | 0 | 0.0% |
| TOTAL - (6) Division of Workers' Compensation | 15,518,624 | 16,353,615 | 24,713,133 | 27,314,587 | 10.5% |
| <i>FTE</i> | <u>111.0</u> | <u>118.4</u> | <u>120.0</u> | <u>120.0</u> | <u>0.0%</u> |
| General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Cash Funds | 15,518,624 | 16,353,615 | 24,713,133 | 27,314,587 | 10.5% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 0 | 0 | 0 | 0 | 0.0% |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(7) Division of Vocational Rehabilitation and Independent Living Services

skills to live independently in the community.

(A) Vocational Rehabilitation Programs

| | | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|--|
| Personal Services | <u>17,838,554</u> | <u>18,737,563</u> | <u>19,916,099</u> | <u>21,937,979</u> | |
| FTE | 223.7 | 227.7 | 229.5 | 229.7 | |
| General Fund | 3,800,289 | 4,020,695 | 4,089,892 | 4,160,517 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 14,038,265 | 14,716,868 | 15,826,207 | 17,777,462 | |
| Operating Expenses | <u>2,117,717</u> | <u>2,115,509</u> | <u>2,539,404</u> | <u>2,539,404</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 414,659 | 662,329 | 540,893 | 540,893 | |
| Federal Funds | 1,703,058 | 1,453,180 | 1,998,511 | 1,998,511 | |
| Administrative Law Judge Services | <u>41,943</u> | <u>36,524</u> | <u>45,406</u> | <u>65,260</u> * | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 11,386 | 9,915 | 12,326 | 17,716 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 30,557 | 26,609 | 33,080 | 47,544 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|---|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| Voc Rehab Services | <u>18,378,413</u> | <u>22,049,352</u> | <u>17,007,172</u> | <u>17,007,172</u> | |
| General Fund | 1,143,950 | 1,143,950 | 1,143,950 | 1,143,950 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 1,028,180 | 5,825,860 | 3,821,251 | 3,821,251 | |
| Federal Funds | 16,206,283 | 15,079,542 | 12,041,971 | 12,041,971 | |
| Disability Navigator Program | <u>0</u> | <u>0</u> | <u>1,813,924</u> | <u>1,847,954</u> | |
| FTE | 0.0 | 0.0 | 0.6 | 0.6 | |
| Reappropriated Funds | 0 | 0 | 386,366 | 392,499 | |
| Federal Funds | 0 | 0 | 1,427,558 | 1,455,455 | |
| School to Work Alliance Program | <u>15,296,145</u> | <u>15,181,670</u> | <u>25,419,022</u> | <u>25,419,022</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 3,601,573 | 4,190,607 | 17,269,139 | 17,269,139 | |
| Federal Funds | 11,694,572 | 10,991,063 | 8,149,883 | 8,149,883 | |
| Voc Rehab Mental Health Services | <u>1,635,632</u> | <u>1,739,599</u> | <u>1,748,180</u> | <u>1,748,180</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 344,820 | 190,456 | 372,363 | 372,363 | |
| Federal Funds | 1,290,812 | 1,549,143 | 1,375,817 | 1,375,817 | |
| Business Enterprises Program for People Who Are Blind | <u>767,298</u> | <u>689,123</u> | <u>1,636,468</u> | <u>1,688,817</u> | |
| FTE | 6.0 | 6.0 | 6.0 | 6.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 172,596 | 218,939 | 338,935 | 338,935 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 594,702 | 470,184 | 1,297,533 | 1,349,882 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Business Enterprises Program | <u>142,773</u> | <u>136,908</u> | <u>500,000</u> | <u>500,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 142,773 | 136,908 | 500,000 | 500,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Federal Social Security Reimbursements | <u>2,745,922</u> | <u>3,475,415</u> | <u>1,631,992</u> | <u>1,631,992</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 2,745,922 | 3,475,415 | 1,631,992 | 1,631,992 | |
| Older Blind Grants | <u>469,321</u> | <u>490,978</u> | <u>462,000</u> | <u>462,000</u> | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 469,321 | 490,978 | 462,000 | 462,000 | |
| Employment First Initiatives | <u>273,886</u> | <u>171,413</u> | <u>326,790</u> | <u>38,380</u> | |
| FTE | 4.0 | 1.8 | 2.0 | 0.0 | |
| General Fund | 63,382 | 171,413 | 326,790 | 38,380 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 210,504 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| SUBTOTAL - (A) Vocational Rehabilitation Programs | 59,707,604 | 64,824,054 | 73,046,457 | 74,886,160 | 2.5% |
| <i>FTE</i> | <u>233.7</u> | <u>235.5</u> | <u>238.1</u> | <u>236.3</u> | (0.8%) |
| General Fund | 5,019,007 | 5,345,973 | 5,572,958 | 5,360,563 | (3.8%) |
| Cash Funds | 315,369 | 355,847 | 838,935 | 838,935 | 0.0% |
| Reappropriated Funds | 5,389,233 | 10,869,252 | 22,390,012 | 22,396,145 | 0.0% |
| Federal Funds | 48,983,995 | 48,252,982 | 44,244,552 | 46,290,517 | 4.6% |

(B) Office of Independent Living Services

| | | | | | |
|---|------------------|------------------|------------------|------------------|------|
| Program Costs | <u>231,690</u> | <u>238,545</u> | <u>277,229</u> | <u>313,516</u> | |
| <i>FTE</i> | <u>4.0</u> | <u>4.0</u> | <u>4.0</u> | <u>4.0</u> | |
| General Fund | 234,053 | 238,545 | 277,229 | 313,516 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | (2,363) | 0 | 0 | 0 | |
| Independent Living Services | <u>6,843,774</u> | <u>6,793,798</u> | <u>7,780,684</u> | <u>7,780,684</u> | |
| General Fund | 6,411,883 | 6,393,803 | 6,736,324 | 6,736,324 | |
| Cash Funds | 0 | 0 | 37,635 | 37,635 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 431,891 | 399,995 | 1,006,725 | 1,006,725 | |
| SUBTOTAL - (B) Office of Independent Living Services | 7,075,463 | 7,032,343 | 8,057,913 | 8,094,200 | 0.5% |
| <i>FTE</i> | <u>4.0</u> | <u>4.0</u> | <u>4.0</u> | <u>4.0</u> | 0.0% |
| General Fund | 6,645,936 | 6,632,348 | 7,013,553 | 7,049,840 | 0.5% |
| Cash Funds | 0 | 0 | 37,635 | 37,635 | 0.0% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 429,527 | 399,995 | 1,006,725 | 1,006,725 | 0.0% |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| TOTAL - (7) Division of Vocational Rehabilitation and Independent Living Services | 66,783,068 | 71,856,397 | 81,104,370 | 82,980,360 | 2.3% |
| <i>FTE</i> | <u>237.7</u> | <u>239.5</u> | <u>242.1</u> | <u>240.3</u> | (0.7%) |
| General Fund | 11,664,943 | 11,978,321 | 12,586,511 | 12,410,403 | (1.4%) |
| Cash Funds | 315,369 | 355,847 | 876,570 | 876,570 | 0.0% |
| Reappropriated Funds | 5,389,233 | 10,869,252 | 22,390,012 | 22,396,145 | 0.0% |
| Federal Funds | 49,413,523 | 48,652,977 | 45,251,277 | 47,297,242 | 4.5% |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(8) Division of Family and Medical Leave Insurance

| | | | | | |
|----------------------|-------------------|--------------------|-------------------|-------------------|--|
| Program Costs | <u>39,754,541</u> | <u>405,755,347</u> | <u>39,714,613</u> | <u>41,666,648</u> | |
| FTE | 6.0 | 352.0 | 352.0 | 352.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 39,754,541 | 405,755,347 | 39,714,613 | 41,666,648 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

| | | | | | |
|---|------------|--------------|--------------|--------------|-------------|
| TOTAL - (8) Division of Family and Medical Leave Insurance | 39,754,541 | 405,755,347 | 39,714,613 | 41,666,648 | 4.9% |
| <i>FTE</i> | <u>6.0</u> | <u>352.0</u> | <u>352.0</u> | <u>352.0</u> | <u>0.0%</u> |
| General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Cash Funds | 39,754,541 | 405,755,347 | 39,714,613 | 41,666,648 | 4.9% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 0 | 0 | 0 | 0 | 0.0% |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(8) Division of Employment and Training

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

| | | | | | |
|--------------------------------------|------------------|----------|--|--|--|
| Coal Transition Community Assistance | <u>0</u> | <u>0</u> | | | |
| FTE | 0.0 | 0.0 | | | |
| General Fund | 0 | 0 | | | |
| Cash Funds | 0 | 0 | | | |
| Reappropriated Funds | 0 | 0 | | | |
| Federal Funds | 0 | 0 | | | |
| Coal Transition Worker Assistance | <u>0</u> | <u>0</u> | | | |
| FTE | 0.0 | 0.0 | | | |
| General Fund | 0 | 0 | | | |
| Cash Funds | 0 | 0 | | | |
| Reappropriated Funds | 0 | 0 | | | |
| Federal Funds | 0 | 0 | | | |
| Office of Just Transition | <u>1,256,794</u> | <u>0</u> | | | |
| FTE | 3.5 | 0.0 | | | |
| General Fund | 377,724 | 0 | | | |
| Cash Funds | 879,070 | 0 | | | |
| Reappropriated Funds | 0 | 0 | | | |
| Federal Funds | 0 | 0 | | | |

Appendix A: Numbers Pages

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Appropriation | FY 2025-26 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| TOTAL - (8) Division of Employment and Training | 1,256,794 | 0 | 0.0% | | |
| <i>FTE</i> | <u>3.5</u> | <u>0.0</u> | <u>0.0%</u> | | |
| General Fund | 377,724 | 0 | 0.0% | | |
| Cash Funds | 879,070 | 0 | 0.0% | | |
| Reappropriated Funds | 0 | 0 | 0.0% | | |
| Federal Funds | 0 | 0 | 0.0% | | |
| TOTAL - Department of Labor and Employment | 289,080,021 | 738,543,772 | 455,209,176 | 507,798,531 | 11.6% |
| <i>FTE</i> | <u>1,131.8</u> | <u>1,720.9</u> | <u>1,763.4</u> | <u>1,743.9</u> | <u>(1.1%)</u> |
| General Fund | 19,777,811 | 32,202,322 | 35,977,215 | 36,519,754 | 1.5% |
| Cash Funds | 102,602,001 | 494,907,560 | 183,120,377 | 224,287,381 | 22.5% |
| Reappropriated Funds | 5,606,177 | 11,675,607 | 24,708,795 | 24,971,494 | 1.1% |
| Federal Funds | 161,094,033 | 199,758,283 | 211,402,789 | 222,019,902 | 5.0% |

Appendix B: Technology Programs Excluded from the Tech Fund and Related Costs

The Department provided this list of programs and ongoing costs currently excluded from the UI Tech Fund in support of its R1 request:

- All technology-based fraud detection provisions
- All technology-based fraud prevention provisions
- All Cloud-based computing and storage used by the MyUI system
- All current hotfixes and process improvements to the existing system, such as:
 - Claims status tracker
 - The claimant's self-escalation button
 - The new MyUI+ Employer System
 - The new MyUI+ System
- All work and ongoing costs with the Virtual Agent for beneficiaries and employers
- All text message notifications and Multi-Factor Authentication
- All identity proofing

The Department also provided the following estimate for additional UI program technology costs that would be covered under the request.

| FY 2024-25 Projected Technology Costs for the UI Program | | | | | |
|--|--------------------|------------------------|---------------------|--------------------|---------------------|
| Item | Q1: July-September | Q2: October - November | Q3: January - March | Q4: April - June | FY 2024-25 Total |
| MyUI+ Maintenance and Operations | \$3,249,000 | \$3,249,000 | \$3,249,000 | \$3,249,000 | \$12,996,000 |
| Robotics Process Automation (RPA) | \$0 | \$325,000 | \$0 | \$0 | \$325,000 |
| Cloud Call Center Technology | \$828,000 | \$24,000 | \$24,000 | \$24,000 | \$900,000 |
| SMS and MFA | \$77,400 | \$77,400 | \$77,400 | \$77,400 | \$309,600 |
| Automated Logging | \$100,000 | \$0 | \$0 | \$0 | \$100,000 |
| Fraud Detection | \$648,000 | \$648,000 | \$648,000 | \$648,000 | \$2,592,000 |
| Cloud Infrastructure | \$567,000 | \$567,000 | \$567,000 | \$567,000 | \$2,268,000 |
| Database Licenses | \$320,000 | \$0 | \$0 | \$0 | \$320,000 |
| Lower Environment Data Obfuscation | \$190,000 | \$0 | \$0 | \$0 | \$190,000 |
| Requirements Traceability Matrix | \$0 | \$0 | \$0 | \$160,000 | \$160,000 |
| Integrated Development Environment Licenses | \$48,000 | \$0 | \$0 | \$0 | \$48,000 |
| Address Cleansing | \$0 | \$70,000 | \$0 | \$0 | \$70,000 |
| Mass Email Communications | \$3,990 | \$3,990 | \$3,990 | \$3,990 | \$15,960 |
| Identity Proofing | \$199,980 | \$199,980 | \$199,980 | \$199,980 | \$799,920 |
| Accessibility Testing | \$0 | \$0 | \$0 | \$150,000 | \$150,000 |
| Virtual Agent | \$62,400 | \$62,400 | \$62,400 | \$62,400 | \$249,600 |
| Document Management System | \$650,000 | \$0 | \$0 | \$0 | \$650,000 |
| Desk Management | \$0 | \$25,000 | \$0 | \$0 | \$25,000 |
| Lien Filing | \$4,740 | \$4,740 | \$4,740 | \$4,740 | \$18,960 |
| Total | \$6,948,510 | \$5,256,510 | \$4,836,510 | \$5,146,510 | \$22,188,040 |

Appendix C: Immigration Legal Defense Fund Report

House Bill 21-1194, amended by H.B. 23-1283, requires the Department to submit a consolidated report of each qualifying organization that receives a grant from the Immigration Legal Defense Fund to the Joint Budget Committee by September 1 of each year including: number of clients served, case outcomes, type of defense, type of case, location and court and judge for each case, client family data, client country of origin, client ethnicity, client zip code, client's duration in Colorado and the United States, whether bond or release was granted to client, cost of bond for client, income range of client, whether or not client had previous immigration status in the United States, and number of days spent in detention.

The Department submitted the following report on October 30, 2024, beginning on the next page.



HB 21-1194

Annual Report: Immigration Legal Defense Fund

ILDF legislation requires that 70% of ILDF funding goes to represent detained individuals and 30% to non-detained individuals, with 2/3 of the 30% going to serve those outside the Denver metro area.

In October 2023, the Office of New Americans (ONA) awarded the Immigration Legal Defense Fund (ILDF) to two grantees, the Rocky Mountain Immigration Advocacy Network (RMIAN) and International Rescue Committee (IRC), for a period of eight months through June 2024.¹

RMIAN immigration attorneys provide free legal representation to individuals in removal proceedings detained by Immigration and Customs Enforcement (ICE) at the GEO facility in Aurora. IRC immigration attorneys provide free legal representation to non-detained individuals facing removal proceedings in the Denver metro area, and in Summit, Eagle and Garfield counties.

From October 2023 - June 2024, 109 individuals facing deportation received free legal representation through the ILDF. Of these, 76 were non-detained, mainly in Summit, Eagle or Garfield counties, and 33 were detained by ICE at the GEO facility in Aurora. ILDF-funded attorneys secured the release of 20 (60%) of the detained individuals.

As immigration cases are often slow to process and immigration courts face significant backlogs, 77 of the 109 cases (71%) remain open as individuals await their immigration proceedings. In the interim, 12 of the 77 ILDF beneficiaries with open cases have received employment authorization as their asylum cases proceed. This has enabled them to participate in the formal economy and deepen their contributions to Colorado's prosperity.

¹ HB 23-1283 amended the ILDF to align the award period with the state fiscal year. Prior to HB 23-1283, the state legislature inadvertently established the program to be 6 months. As a result of HB 23-1283 becoming effective on July 1, 2023, SFY 24 ILDF awards were delayed until fall 2023. SFY 25 ILDF grants are expected to fund a full year of activities.

In order to avoid possible service disruptions in the transition to the new award timeline beginning SFY 2025 (July 1, 2024 - June 30, 2025), ONA extended RMIAN's existing SFY 23 contract by 6 months to June 30, 2024.

Success stories from this reporting period:

An asylum seeker from Nicaragua who lives in Summit County did his best to comply with the requirements of the Immigration Court. Unfortunately, with a pregnant wife experiencing health complications, he experienced severe financial hardship and was left temporarily unhoused. Because they did not have the means to travel to Denver for a scheduled court hearing, he and his wife were ordered to be deported in absentia by the immigration judge. An ILDF-funded attorney successfully petitioned to have his case reopened based on the political persecution he suffered in Nicaragua. His asylum application is now pending and he is awaiting the time when he can file for work authorization. He holds a 4-year university degree, has twenty years of experience working in regional government on development projects in his home country and was a leader in his community before being forced to flee. He and his wife now have a U.S. citizen child that he looks forward to better supporting once he is able to obtain a work permit.

An Afghan national with his wife and two minor children sought asylum because of fear of persecution by the Taliban. For nearly a year, the family relied on local faith organizations and social service providers to meet basic needs including housing, food, clothing, school enrollment, and other assistance. Despite frequent hardships, the family continually worked to integrate into local networks and give back to other community members, whether by organizing social gatherings or interpreting essential meetings for other Afghans. With ILDF support, the family was able to quickly submit an asylum application to the Denver Immigration Court, and subsequently filed and received Employment Authorization Documents for all family members. At present, the father, who is fluent in English and holds an advanced degree from Afghanistan, can finally pursue formal employment and contribute his talents to Colorado's economy.

As outlined in HB 21-1194, the information described in subsection (7) of C.R.S. 8-3.8-101 to be submitted to the Joint Budget Committee on September 1, 2023 is attached in Appendix 1.