

SMART Act Presentation

**The House Committee on Business, Labor
and Economic and Workforce
Development**

**The Senate Committee on Business, Labor
and Technology**

January 21, 2022



COLORADO
Department of
Labor and Employment





CDLE Mission & Vision

Vision

A working economy that elevates all of Colorado.

Mission

Working together to promote a thriving employment environment with opportunity for every Coloradan to prosper.

CDLE Priorities



Model Employer

Lead the state in
becoming a model
employer



Workers Prosper

Through
meaningful
employment,
every Coloradan
prosper



Exceptional Services

Exceptional
execution of core
services in
collaboration with
partners and
stakeholders



Future of Work

Ensure Colorado
is prepared for
the Future of
Work



Employers Thrive

Cultivate policies
and processes
that help
Colorado
employers thrive



CDLE Serves Colorado by:

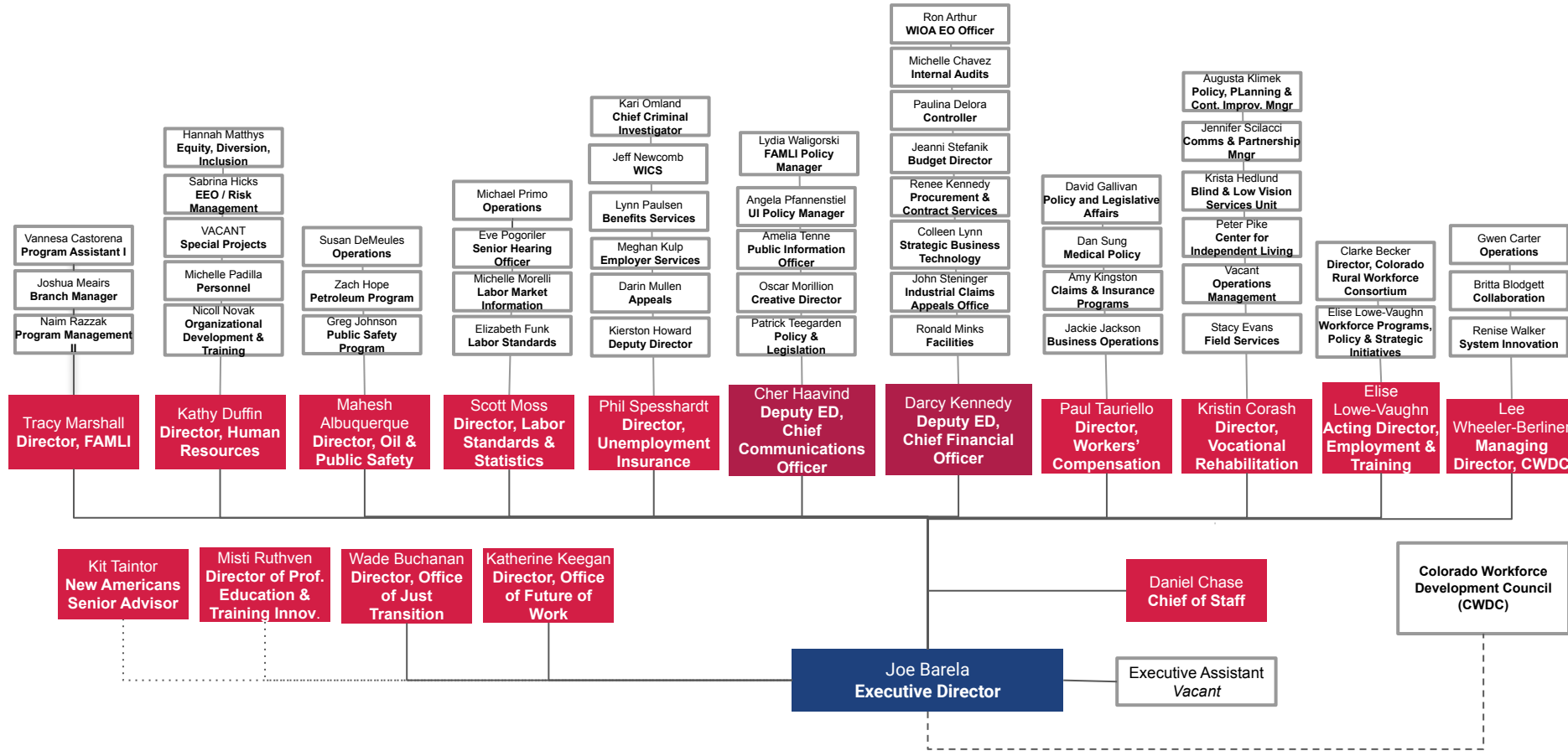
- Building Colorado's talent pipeline
- Ensuring fair labor practices
- Making investments in human capital and strategic workforce development
- Helping businesses recruit employees
- Presenting an up-to-date and accurate picture of the economy
- Protecting our communities with a variety of consumer protection and safety programs
- Ensuring benefits to injured workers
- Contributing to a stable economy by providing temporary wage replacement
- Helping individuals with disabilities obtain, maintain, or regain employment

[We Keep Colorado Working](#)

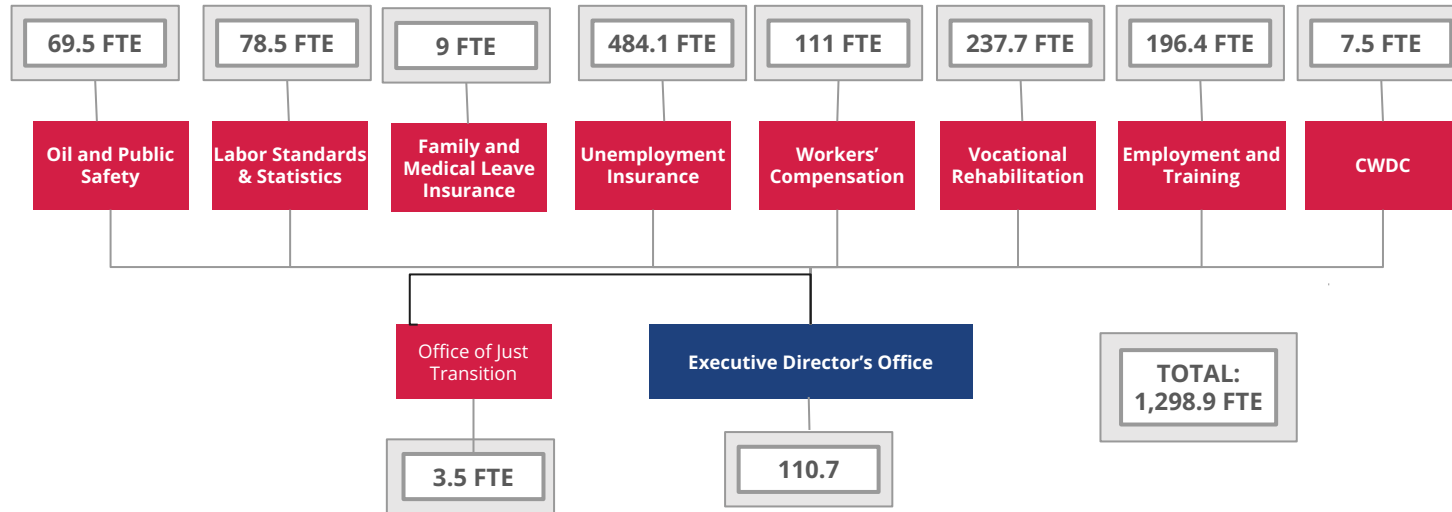


Department of Labor and Employment

January 2022



Department of Labor & Employment (SB21-205)

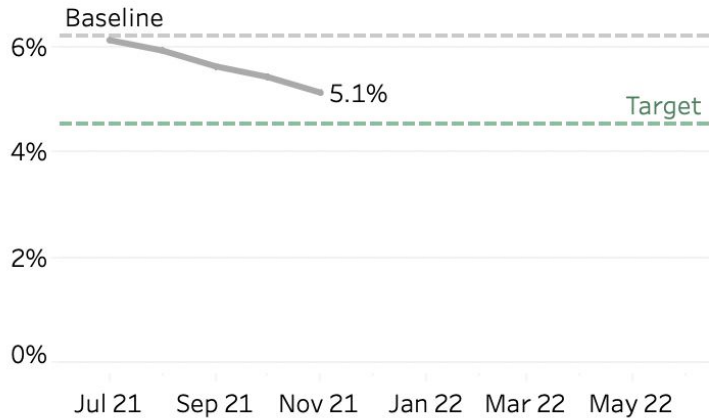


CDLE 2022 Top Issues

- Disaster Unemployment Assistance (DUA) to Marshall Fire Victims
- Family and Medical Leave Insurance (FAMLI)
- Recovery Agenda - Worker Shortages, the Great Resignation, and Career Transitions
- Modernization of Unemployment Insurance (UI) Benefit System; Future Modernization of UI Tax System
- Continued Unemployment Benefits for Pandemic-Impacted Workers
- Colorado Worker Wage Rights and Protections
- Just Transitions from Coal
- Future of Work
- Office of New Americans
- Unemployment Insurance Trust Fund (UITF)

CDLE's FY 2021-22 Wildly Important Goals

(Governor's Dashboard)



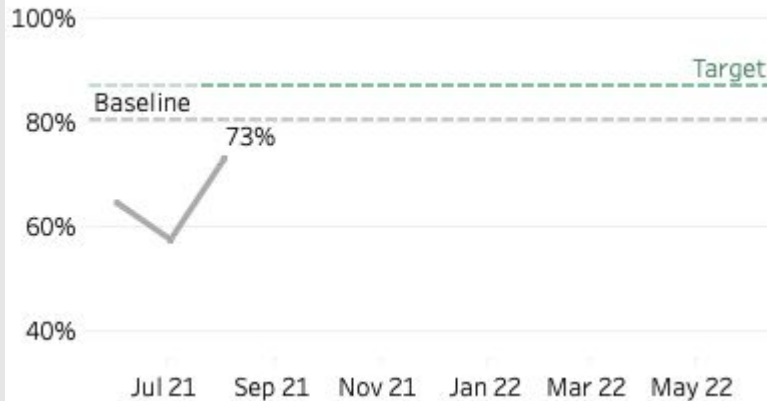
Full Employment

Reduce Colorado's Unemployment Rate of 6.2% to 4.5% by June 30, 2022

Successful completion of this goal will get Coloradans back to work, provide employers access to needed talent and foster a prosperous economy that works for all Coloradans.

CDLE's FY 2021-22 Wildly Important Goals

(Governor's Dashboard)



Unemployment Insurance Payment Speed

Increase the percentage of Coloradans who receive their first their first payment from Unemployment Insurance within three weeks, from 80.4% to 87% June 30, 2022.

Successful completion of this goal will result in faster turnaround times for payment out to claimants.

CDLE's FY 2021-22 Wildly Important Goals

(Governor's Dashboard)



Upskilling

Support 5000 COVID-19 impacted Coloradans to complete training opportunities by June 30, 2022.

Successful completion of this goal will help more Coloradans to find meaningful employment and create the opportunity to prosper professionally. Work-based and learn & earn training and credentialing will create opportunities for Coloradans to access skills and competencies while on the job and ensure no worker is left behind.

Commitment to Process Improvement

CDLE Performance Management

Our performance management approach focuses on increasing efficiency and improving the overall customer experience. The department uses the performance plan developed every year to guide decision making and provide accountability for reaching our short and long term goals.

Our process improvement efforts illustrated in the [CDLE Performance Plan](#) focused on:

- Providing virtual services and adopting paperless processes
- Using automation to improve systems and processes
- Increasing access to resources and information in multiple formats and languages to ensure accessibility



Process Improvement

- The **Division of Workers' Compensation** implemented new rules of procedure and processes to align with legislative changes that improved timely payment of benefits to injured workers.
- The **Division of Unemployment Insurance** implemented robotic process automation (RBA) technology for a number of processes including monetary redetermination and PUA identification verification in cases where we have not received the identification. The monetary redetermination bot can process in one day what would take a staff person a full week, freeing up staff to work on more complicated redeterminations.
- The **Division of Employment and Training** developed an Electronic Worker Adjustment and Retraining Notice (e-WARN), to streamline the WARN filing process for employers by eliminating or reducing the use of paper notifications.



More Information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

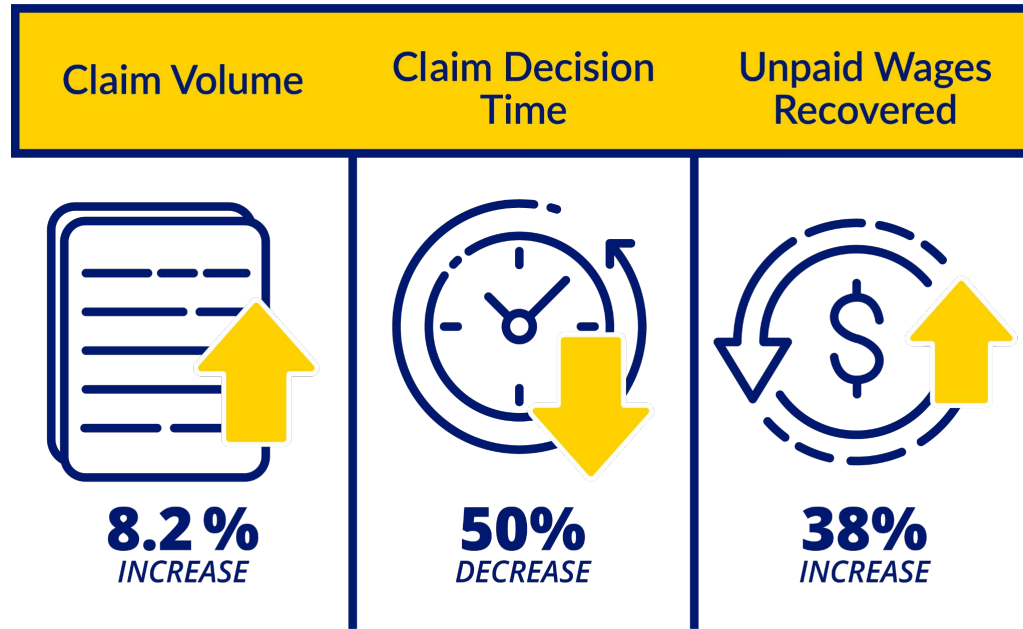
For more information on additional CDLE goals, view our FY 2021-22 Performance Plan at:

operations.colorado.gov/performance-management/department-performance-plans



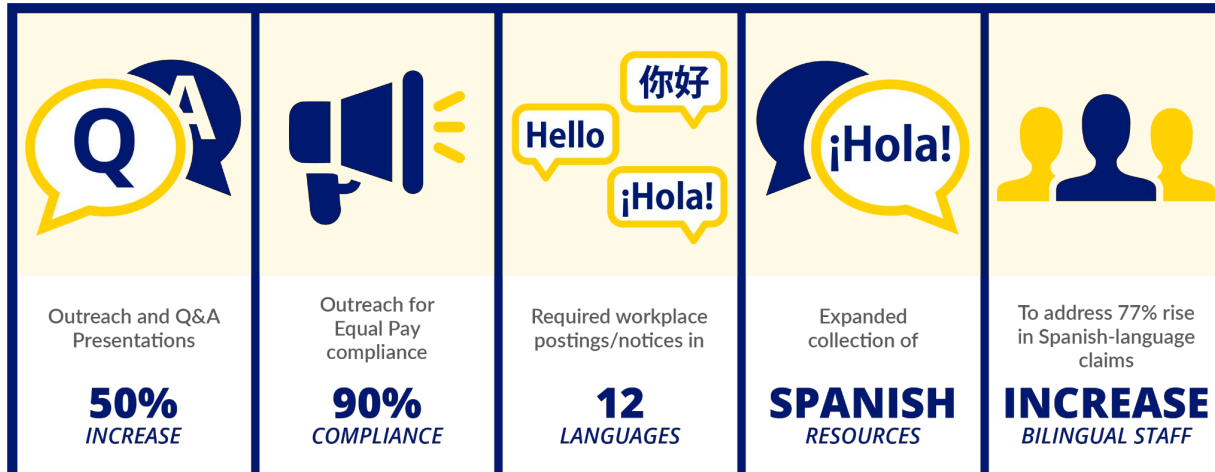
Labor Standards and Statistics

Efficient Resolution of Claims of Wage-and-Hour Violations



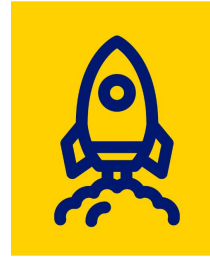
Labor Standards and Statistics

Informational Presentations, Publications, and Outreach



Oil and Public Safety

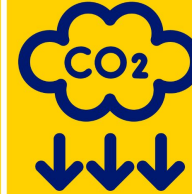
- Launched new COSTIS-inter-Active database
- Conducted 52,000 field inspection in 2021
- Engaged with industry stakeholders and interagency partners on:
 - Low Carbon Hydrogen Roadmap
 - Implementation of HB21-1095



LAUNCHED
new database



52,000
field inspections



LOW CARBON
hydrogen roadmap



HB21-1095
implementation

Workers' Compensation

- The Division of Workers' Compensation formalized the DOWC Spanish Translation Team who released an Employer Guide in Spanish. This guide is the first time the Division has provided an employer resource in a language other than English. Creating resources in multiple languages ensures that all employers in Colorado are able to thrive and that workers can prosper in a safe work environment.
- As of December 31, 2021, the Division of Workers' Compensation has received 10,255 COVID-19-related claims since March 9, 2020.



Vocational Rehabilitation

Employment Support



14,694

People Served



1,517

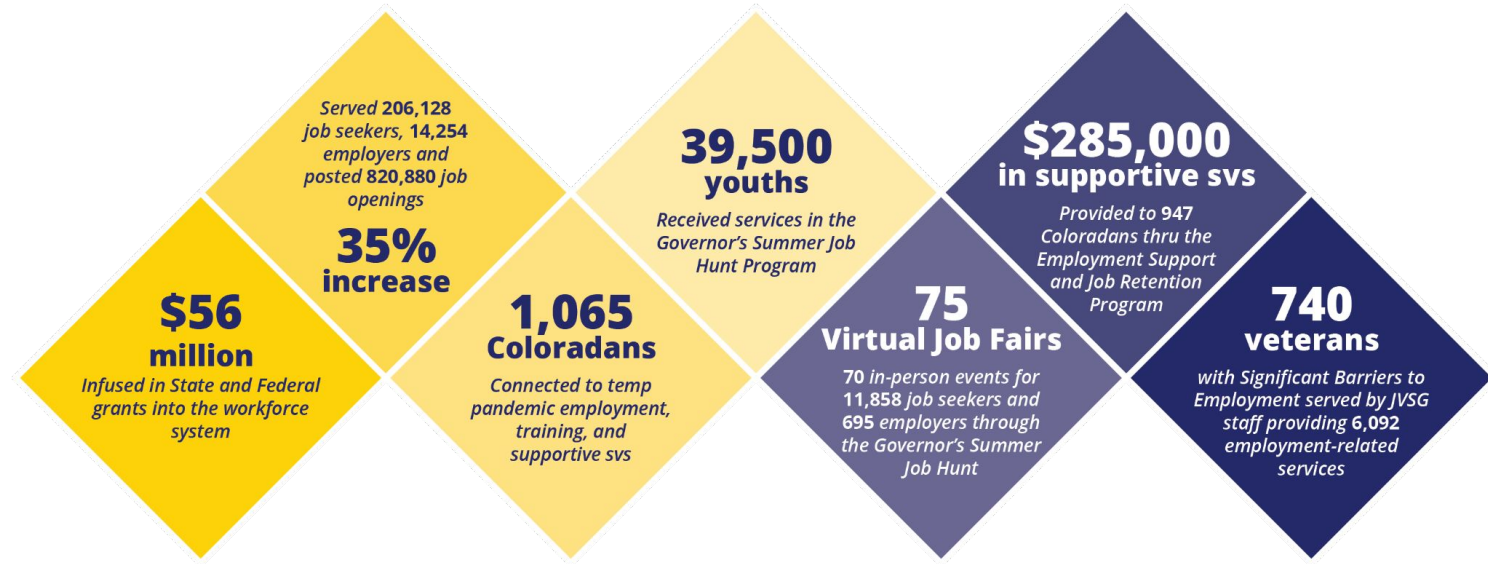
Cases Closed



\$16.68

Average Wage

Employment & Training



The Colorado Workforce Development Council

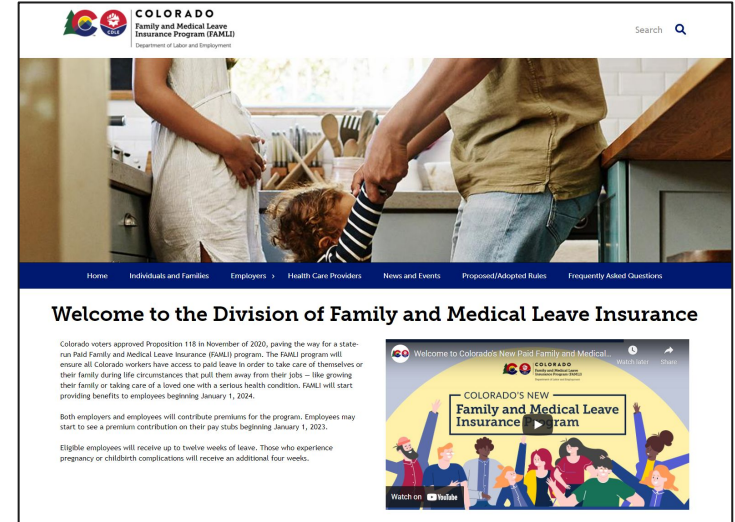
In collaboration with partners, the CWDC:

- Developed, published, and promoted the Colorado Job Quality Framework, identifying key components of job quality and steps individuals, businesses, and communities can take to enhance job quality.
- Implemented the Bridging the Talent Gap survey with nearly 600 employers to identify actionable insights on how companies want to support education of their existing workforce
- Developed the Ready to Rise campaign to raise awareness of stimulus opportunities related to talent development
- Convened a community of practice to equip employers with tools to implement the Talent Equity Agenda and increase the level of racial equity within Colorado's education and workforce landscape



Family and Medical Leave Insurance (FAMLI)

- The Family and Medical Leave Insurance division has been stood up within CDLE.
- Key positions within policy, technology and operations have been filled.
- Rulemaking is on schedule with the initial rules promulgated by 1/1/22 as required in the proposition. Next will be defining benefits and private plans.
- Initial funding came from a general fund transfer with additional funding being requested via legislation this year.
- Premium collection will start by 1/1/23 and individuals will be eligible to receive benefits on 1/1/24.
- We have selected our vendor to build the employer system, and are beginning to shift to the claimant system.
- Currently, we are on track to meet all deadlines.



Update on Unemployment Insurance

- Since March of 2020, CDLE has paid out \$11.6 billion in benefits to workers impacted by the pandemic (compared to \$779 million in 2018 and 2019 combined).
 - These payments were able to keep Coloradans whole while we fight the COVID-19 pandemic.
 - Successfully deployed 6 pandemic-era benefit programs, processing over 1 million legitimate claims.
 - On September 6th, 2021 all federal programs expired, including PUA, PEUC, FPUC, and MEUC.
-
- Since the expiration of federal programs:
 - CDLE has shifted staff to work all backdate requests made since January 2021, an effort near completion.
 - We continue to implement retroactive changes to federal program eligibility, which is resulting in retroactive overpayments for claimants.
 - Fraud continues to be a challenge:
 - Investigations are ongoing, with many moving to prosecution.
 - We also continue to find legitimate claimants unable to file due to a pandemic-era fraudulent claim blocking out their SSN.
 - Billions of dollars worth of fraudulent payments were prevented by our system.
 - We are moving quickly to implement the recommendations laid out in the December 2021 performance audit.
 - CDLE will continue processing retroactive federal claims as needed.

Disaster Unemployment Assistance (DUA)

- On January 3rd, President Biden formally authorized Disaster Unemployment Assistance (DUA) for victims impacted by the Marshall Fire in Boulder County
- On January 5th, CDLE deployed DUA programming into MYUI+
- Claimants are able to file for DUA claims until February 3rd
- DUA is similar to PUA, as you must exhaust any State UI prior to receiving DUA compensation
- CDLE has had staff at the Disaster Assistance Center and is working to process DUA claims quickly
- DUA can provide up to 26 additional weeks of benefits for eligible claimants
- NOTE: Per federal law, in order to qualify for DUA, claimants must submit proof of identity and proof of employment prior to any payments being made
- For more information: <https://cdle.colorado.gov/unemployment/disaster-unemployment-assistance>

Status of the Unemployment Insurance Trust Fund (UITF)

[*Please see 2020 Colorado UITF Status Report here](#)

- Prior to the pandemic, Colorado's UI trust fund had a positive balance of approximately \$1.1 billion
- Approximately \$3.4 billion in regular UI benefits have been paid out since March 2020 and the UI trust fund became insolvent in on August 18, 2020
- CDLE began borrowing from the Federal Unemployment Account (FUA) on August 18th and to-date (1/25/2021) over \$1.014 billion has been borrowed to pay regular UI benefits. **NOTE: No borrowing has been needed since April 2021**
- The FUA loans were interest-free until September 7th
- The UI trust fund is anticipated to remain insolvent through 2025 before regaining solvency in 2026
- Due to the current trust fund levels:
 - Employer base premiums will jump to the highest possible levels under state law
 - The solvency surcharge will trigger on in 2023, after SB20-207 no longer suspends it
 - \$44,000 owed daily in interest payments
 - The FUTA credit that employers currently receive will be reduced annually until the loan is fully repaid
- The Governor's budget proposal recommends \$600 million of ARPA be used for trust fund relief
 - These funds would also be paired with a legislative action to keep the solvency surcharge off in 2023
- Ultimately, the Legislature will decide if any UITF relief is necessary, or if the burden should be on employers alone



Talent Pipeline Report

[2021 Talent Pipeline Report](#) published on Dec. 17, 2021 ([see overview here](#)). The report identifies:

- Top jobs
- Critical industries
- Key features of the current labor force
- Strategies to align supply with industry demand

Policy recommendations - Building on CO POWER 2021, the recommendations focus on three priorities:

- Enhance opportunities for employers to implement talent development strategies
- Strengthen critical industries so all businesses can thrive
- Structure supports necessary to enhance the participation of targeted populations in the labor force

2021 Talent Pipeline Report

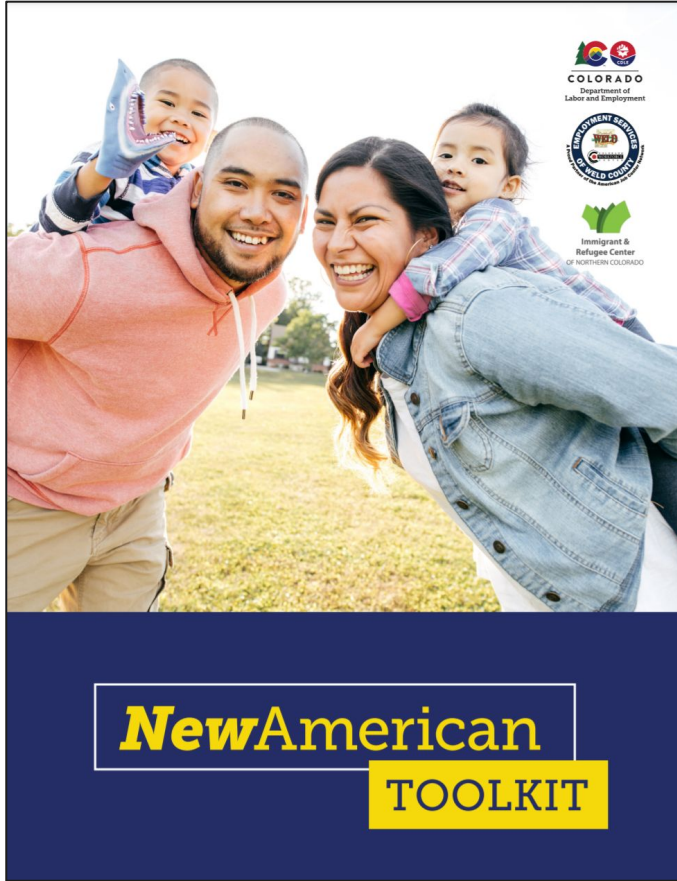


Office of Just Transition

In 2021, OJT focused on several key priorities:

- Establishing new programs and processes to use \$15 million in State stimulus funding from HB 21-1290, including:
 - \$8 million to begin implementing the [Colorado Just Transition Action Plan](#), including \$6 million in community grants (expecting first applications in January, 2022), funds to leverage private investment, and other strategic efforts
 - \$7 million to establish a new transition workforce assistance program (we are seeking an extension of the spending deadline in 2022 session, given the long-term nature of the challenges)
- Participating in Public Utilities Commission processes, as directed by HB 19-1314, affecting two major utilities, their plans for closure or conversion of four power plants, and how they can support transition efforts for communities and workers
- Expanded staff (from 1 FTE in FY 20-21 to 4 FTE in FY 21-22) to begin to implement Action Plan
- Took a lead role in national efforts to encourage and shape federal participation in and funding for Just Transitions for coal communities





Office of New Americans

- One in eight Colorado workers is an immigrant; one in four Coloradans live with an immigrant in their household
- 83% of immigrant Coloradans are of working-age as compared to 64% of U.S.-born Coloradans

In 2021, the Office:

- Was codified through HB 21-1150
- Produced the [New American Workforce Toolkit](#) and trained frontline workforce staff across the state
- In partnership with DORA, developed recommendations for the integration of foreign-trained physicians in the Colorado workforce
- Conducted research into access issues New Americans face in connecting with state services in order to identify impactful resolutions to challenges
- Established the New American Community Advisory Committee comprised of 20 Coloradans with lived experience as New Americans
- Began collecting data through Connecting Colorado to understand the engagement of New Americans in the workforce system

Office of the Future of Work

- **Raising Awareness and Alignment:** Published the second [Office of the Future of Work Annual Report](#) and gave 33 presentations on the future of work to over 1,400 Coloradans and wrote 22 articles that were viewed by more than 3,200 people. The OFOW managed the launch of [OnwardCO](#) in April 2020 which has connected more than 129,000 COVID-19-impacted workers in all Colorado counties to essential services, training, and/or work. Partnered and participated in the creation and implementation of CO POWER '21, Colorado Resiliency Framework Action Plan, Remote Work Initiative, and Colorado Talent Equity Agenda.
- **[State Apprenticeship Agency](#):** The OFOW leads the implementation of HB21-1007: State Apprenticeship Agency and the apprenticeship expansion efforts currently funded through over \$11 million in USDOL grants. With oversight of the SAA and expansion of registered apprenticeships, the OFOW plays a direct role in ensuring more Coloradan workers and businesses have access to high-quality apprenticeship programs that create a future-ready talent pipeline.
- **[Digital Literacy and Inclusion](#):** The OFOW leads the Digital Literacy and Inclusion Initiative which includes coordination, research, and policy development to ensure all Coloradans are prepared to participate in the future of work, learning, and daily life. As part of this effort the OFOW leads the Broadband Advisory Board Subcommittee on Digital Literacy and Inclusion (SDLI) In 2021, the OFOW published a [Digital Literacy and Inclusion report](#), [Digital Skill Catalog](#), and a [Digital Equity Framework](#) with the Colorado Center on Law and Policy (CCLP) and its Skills2Compete Coalition. The OFOW also audited and updated 195 resources in 2-1-1 and built a new digital citizenship course in partnership with Fort Lewis College.

FY 2022-23 Budget Request

1328.2

Total FTEs (full time equivalent)

FY 2022-23 Budget Snapshot

\$317,752,258

Total Funds

\$23,461,853

General Fund

\$101,873,067

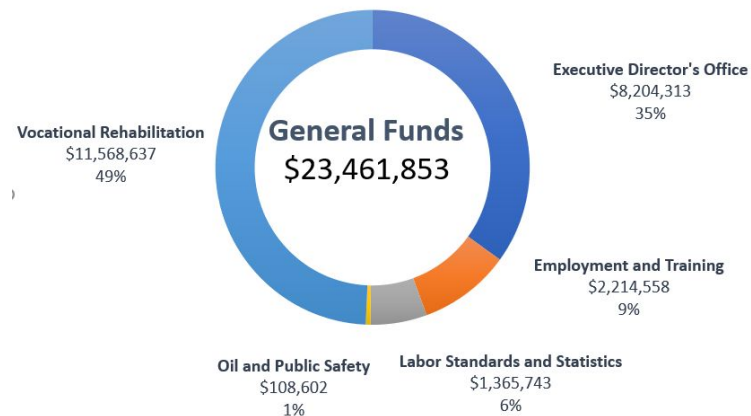
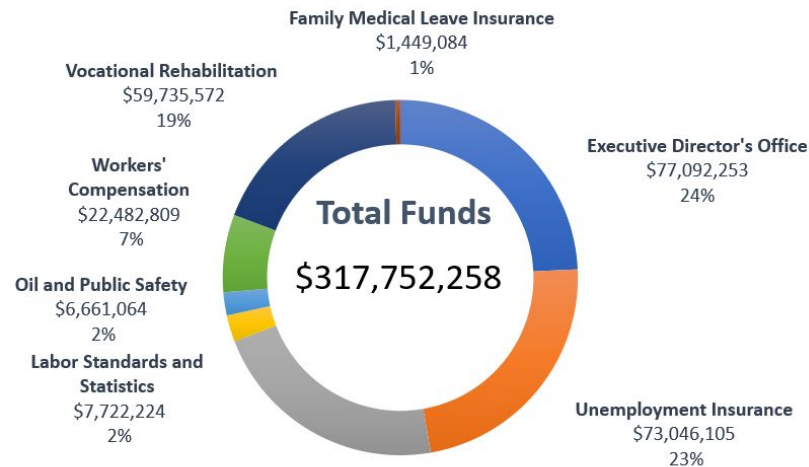
Cash Funds

\$6,517,658

Reappropriated Funds

\$185,899,680

Federal Funds





FY 2022-23 Budget Requests

FY 2022-23 Budget Request includes the following:

- R-01 Wage Theft Enforcement Spending Authority
 - R-02 Employment First Initiatives Continuation
 - R-03 Underground Damage Prevention Fund Spending Authority
 - R-04 Veteran's Services to Career Program Refinance
 - IT Cap - IT-01 - Workforce Case Management and Labor Exchange Modernization
-
- S-01 Just Transition Office Spending Extension
 - BA-01 State of Colorado Skills-based Hiring
 - BA-02 Office of New Americans Implementation
 - BA-03 Chief Operating Officer



Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Family and Medical Leave Insurance Funding
 - State of Colorado Pre-Pay
 - Employer Incentive
- Unemployment Insurance Trust Fund
- Consolidation of Public Safety Cash Fund
- Division of Vocational Rehabilitation (DVR) Financial Needs Analysis



Regulatory Agenda

Summary:

- 2021 Regulatory Activity Report: 20 separate rulemakings
- 2022 Regulatory Agenda: 11 rulemaking hearings anticipated
- [2022 Regulatory Agenda and 2021 Regulatory and Compliance Reports](#)

Equity, Diversity, and Inclusion (EDI)

- Delivered workshops on building inclusive teams for all CDLE employees February - April, 2021 and led by managers and supervisors
- Improved diversity in hiring and increase retention through our early adoption of the guides produced by the Colorado Equity Alliance and the advancement of **Skills-Based Hiring Practices**
- Achieved 98% participation rate in taking the **Intercultural Development Inventory (IDI)** assessment which will create a baseline for CDLE and each division, and inform future trainings and development opportunities for all of CDLE
- Created and currently conducting “Diving Deeper” workshops for all supervisors and managers to accompany DPA0required EDI workshops for supervisors



Outstanding Audit Findings

2020-025 B, C & D: CUBS, CATS, & CLEAR IT Internal Controls: Work with OIT and the CLEAR vendor, as applicable, to improve controls over CUBS, CATS, and CLEAR by developing and establishing adequate processes to comply with Security and OIT Cyber Policies and IRS Publication 1075, as applicable.

2019-028 B & C: CUBS & CATS IT Internal Controls: Work with OIT, to improve controls over CUBS and CATS by developing and establishing adequate processes to comply with Security and OIT Cyber Policies and IRS Publication 1075, as applicable.

2018-025 CUBS & CATS IT Internal Controls : Work with OIT to ensure compliance with Colorado Information Security Policies and improve information technology general controls over the CUBS and CATS by ensuring that audit logging is designed, built, implemented, and operational as part of the Unemployment Insurance Modernization project

2017-027 A & E: CUBS, CATS, & CLEAR IT Internal Controls: Work with OIT and the CLEAR vendor, as applicable, to improve controls over CUBS, CATS, and CLEAR by developing and establishing adequate processes to comply with Security and OIT Cyber Policies and IRS Publication 1075, as applicable.

All findings are being addressed with the modernization of the unemployment insurance systems in cooperation with OIT.

- The updates to the systems will address the internal security issues and anomalous activity identified in these findings.
- We have fully updated the claimant benefits system (CUBS), and secured funding from the JBC in 2021 legislative session to implement the final phase of modernization, which is the employer services premiums collection system (CATS).
- CDLE has also secured ARPA funding to consolidate financial reporting into MYUI+, which will eliminate CLEAR from CDLE Operations.

Call Center Job Losses

Call Centers Impacted from Jan 1 - Dec 31, 2021

WARN - TOTAL: 0

- No call centers reported layoffs under WARN for NAICS: 561422 Telemarketing Bureaus and other Contact Centers

Non-WARNs - TOTAL: 657*

- **Call Centers with Unemployment Initial Claims of 20+ layoffs per month**
 - Concentrix CVG Customer Management - **143** (Westminster)
 - Ascenda USA - **176** (Aurora)
 - Qualfon Data Services - **45** (Ft Collins)
 - Signia Marketing LTD - **53** (Westminster)
 - SynQ3 Restaurant Solutions - **195** (Colo Springs)
 - Tek Experts - **24** (Colo Springs)
 - First Source Transaction Services - **21** (Colo Springs)

All companies were offered Rapid Response Services

**Note: Totals for Dec 2021 are not included because the data is not yet available*

STIMULUS UPDATE

- \$38.5M allocated to local workforce boards who have begun enrolling individuals into short-term training programs leading to industry recognized credentials
- \$2.5M awarded to 10 nonprofit organizations
- Funds are supporting training for critical industries in targeted areas, including law enforcement, healthcare, and early childhood education
- Funds are also going to organizations working with targeted populations including veterans, individuals involved with the justice system, and recipients of public housing assistance
- Training and support for organizations and additional funding will be allocated throughout the state in the first half of 2022

Reports and Resources

- [Colorado Unemployment Insurance Trust Fund Report 2021](#)
- [Long Range Financial Plan FY 2021-22](#)
- [Performance Plan FY 2021-2022](#)
- [Division of Vocational Rehabilitation Annual Report 2021](#)
- [DWC Injured Worker Guide 2021](#)
- [Guía del trabajador lesionado 2021](#)
- [Colorado Talent Pipeline Report 2021](#)

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