# Colorado Department of Labor and Employment SMART Act Hearing

Senate Committee on Business, Labor and Technology House Committee on Business Affairs & Labor

**January 23, 2024** 







#### **CDLE Mission & Vision**

#### Our Mission:

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

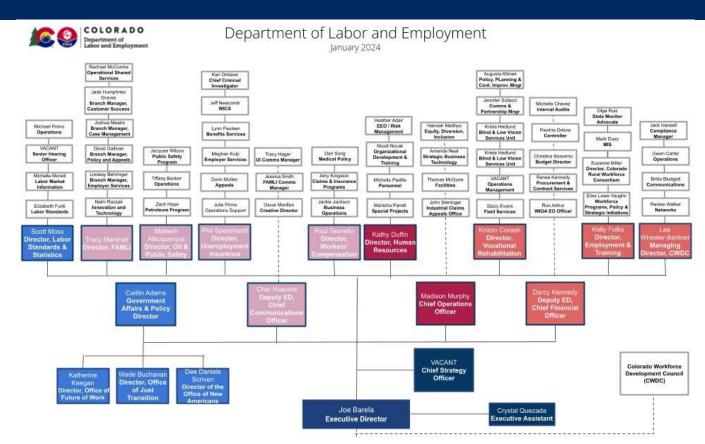
#### Our Vision:

A working economy that elevates all of Colorado.





# **CDLE Organizational Chart**



#### About CDLE

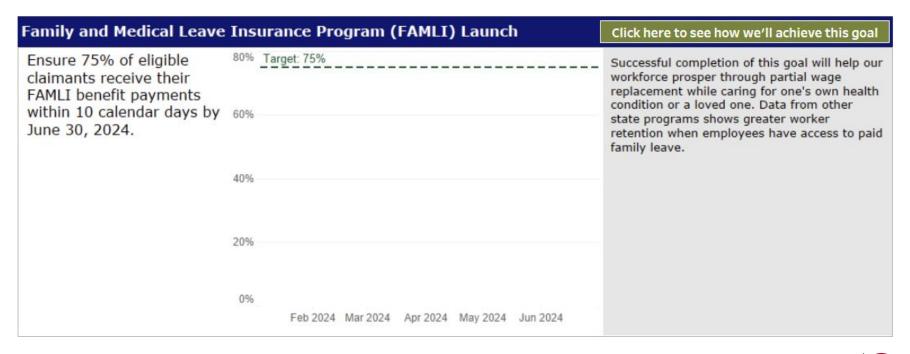
#### We Keep Colorado Working by:

- building Colorado's talent pipeline
- ensuring fair labor practices
- 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 people with disabilities to obtain, maintain or regain employment





# CDLE's FY 2023-24 Wildly Important Goals (WIGs)

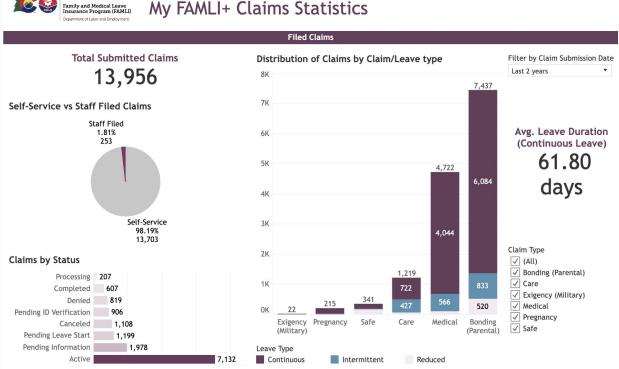






### Family and Medical Leave Insurance (FAMLI) Update

COLORADO







### Family and Medical Leave Insurance (FAMLI) Update







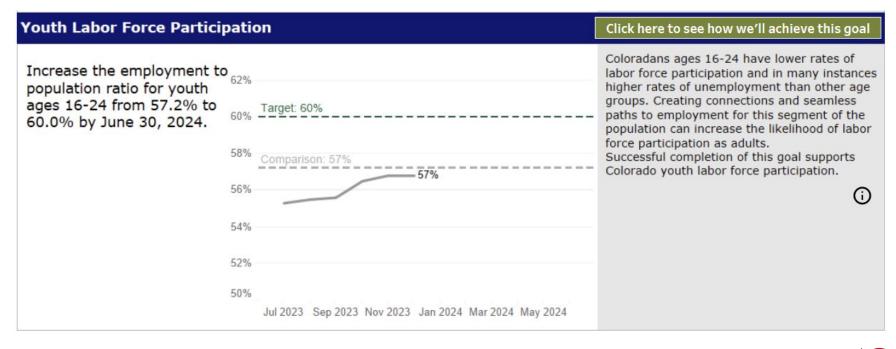
# CDLE's FY 2023-24 Wildly Important Goals (WIGs)

#### **Energy and Infrastructure Jobs** Click here to see how we'll achieve this goal Enroll 3,000 Coloradans Successful completion of this goal will benefit communities, businesses, and un- or Target: 3,000 in training programs under-employed Coloradans by preparing the that prepare them for workforce needed to compete critical careers in energy and 2.500 infrastructure projects across Colorado and infrastructure-related capitalize on the once in a generation fields, enabled by new investments from the federal government in 2.000 these industries. federal funding, by June 30, 2024. 1.500 1,385 1.159 0 Sep 2023 Dec 2023 Mar 2024 Jun 2024





# CDLE's FY 2023-24 Wildly Important Goals (WIGs)







# **CDLE Performance Management**



#### Model Employer

Lead the state in becoming a model employer

#### Workers Prosper

Through meaningful employment, every Coloradan prospers

### 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



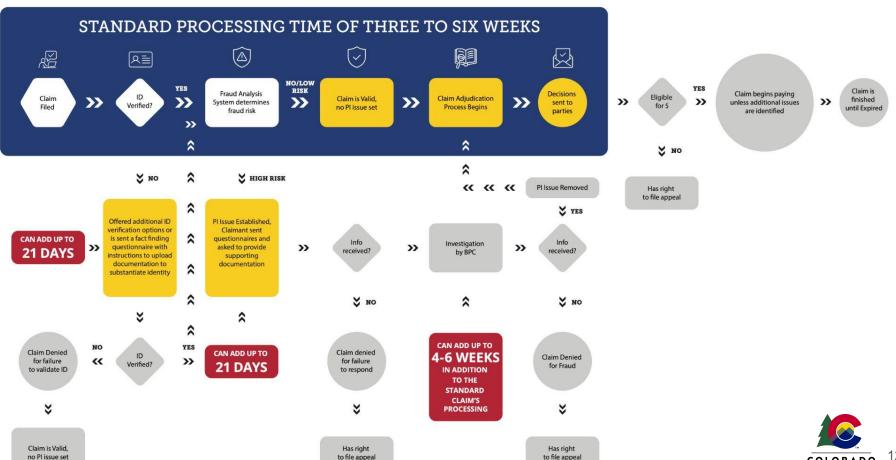
#### More information

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 <u>FY 2023-24 Performance Plan here</u>.



#### CLAIMS PROCESSING FLOW CHART



## State of Unemployment Insurance

#### UI claims volume:

	Dec 2019	Dec 2022	Dec 2023
Initial claims	10,316	13,633	30,936
Continued claims	96,240	96,469	123,131
Amount paid	\$37,154,288	\$39,803,239	\$60,415,770

#### Claims processing:

Currently, 86% of valid, ID verified claims are at 7 weeks or less processing time

Claims greater than 7 weeks have issues requiring additional information, fact finding, fraud investigation



### State of Unemployment Insurance

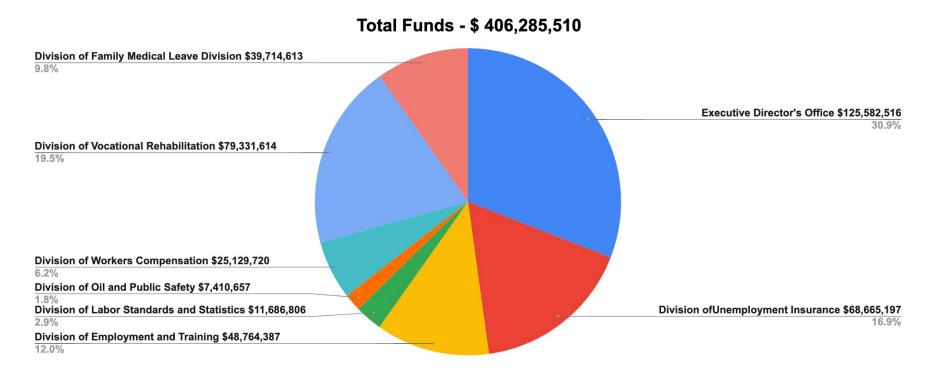
#### Customer service, claims processing and claimant information improvements:

- Retraining call center staff and third party call center (29 new call center staff starting February 1)
- Implementing lobby appointments to serve more claimants with complex claim issues
- Adding authentication to UI Virtual Assistant on both the Interactive Voice Response and Chatbot platforms
- Adding new claims status tracker to MyUI+
- Implementing real-time notification via email and other notifications via pop-ups and text messages as important updates happen to a claim
- Adding plain language, translation, accessibility and legibility improvements to written communications
- Added automation for resolving claim issues to reduce human intervention where possible and exploring integrating artificial intelligence to assist adjudicators with gathering information needed to process claims
- Integrated claim escalation/contact us functionality to identify claims that may be over the estimated processing time, to keep the claim moving forward
- Newest fraud tools in place helped prevent a series of recent fictitious employer fraud claim schemes that could have cost the Trust Fund an estimated \$600M
- Engaged an outside third-party to review and improve processes for Integrity Hold reviews with suggestions to be provided January 30



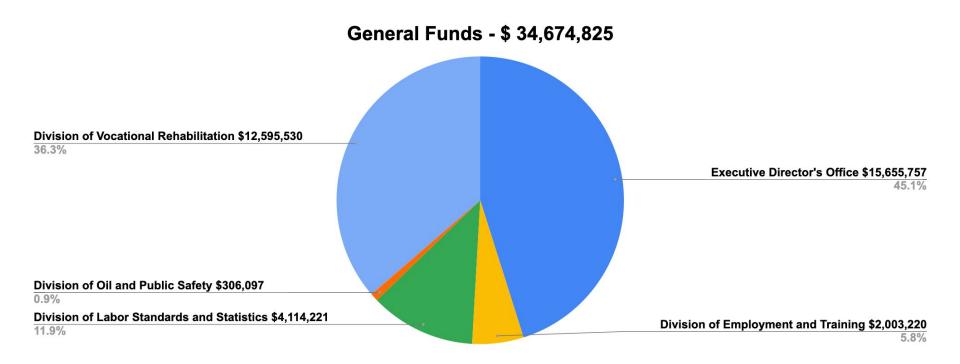


### CDLE FY 2024-25 Budget Request





### CDLE FY 2024-25 Budget Request





### CDLE Select FY 2024-25 Budget Requests

#### CDLE's FY 2024-25 Budget Request includes the following:

#### 10 Prioritized Operating Requests Total Funds:

- o R-01 ONA Program Expansion and Support for New Migrants \$150,425 (GF) 1.5 FTE
- R-02 Office of Future of Work Operations \$96,547(CF) 0.7 FTE
- R-03 DLSS SWEEP project \$203,132 (CF) 1.8 FTE
- R-04 Disability Program Navigator \$500,000 (CF) 1.0 FTE
- R-05 Blind and Low Vision Services \$35,069 (GF) \$129,574 (FF) 1.8 FTE
- R-06 Office of Just Transition Funding Category & Spend Date Alignment
- o R-07 Flexible Use of Federal Social Security Act Ticket to Work Reimbursement
- R-08 Division of Vocational Rehabilitation Adjustment to Employment First Appropriation
- R-09 Independent Living Services Provider Rate Increases \$132,085 (GF)
- BA-01 ESF Restructure and Workforce Support

#### • 1 Capital IT Request

CC-IT-01 CoCo Replacement System \$30.7M project- FY2024-25 \$8,626,812 (CF)



### Legislative Agenda - Workforce

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

- Scaling Up Apprenticeship
  - Establish a refundable tax credit to help subsidize the costs associated with starting and sustaining a registered apprenticeship program. Provide \$2M to renew the Scale Up Grants which provide up to \$50,000 and technical assistance to launch or expand a registered apprenticeship.
- Aligning CTE & Apprenticeship
  - Direct the Colorado Community College System's Career and Technical Education Department (CTE) and Apprenticeship Colorado (State Apprenticeship Agency) to develop a menu of stackable career-connected learning pathways, ranging from essential professional skills to full high school apprenticeship.



### Legislative Agenda - New Americans

- Enhancement of Immigration Legal Assistance for Coloradans
  - Update the ILDF to enhance the ILDF's benefit to the state's economy by keeping
     Colorado families together, benefiting underserved and high-need areas of the state,
     and enhancing stability and financial health in rural communities.
- Migrant Support Network
  - Invest in and build the capacity of Colorado's migrant-serving community-based organizations (CBOs) that do not currently have the staff or financial capacity to welcome, orient, or launch individuals and families who are awaiting their immigration proceedings; Create the Welcome, Reception and Integration (WRI) Program for newly arrived migrants which includes the Community Relief Fund (CRF).



### Legislative Agenda

- Family and Medical Leave Insurance Updates
  - Make two changes to statute: (1) Allow the Department of Revenue to share data with the FAMLI Division, specifically information regarding existing employers; and (2) Allow the FAMLI Division to obtain reimbursement from a Workers' Compensation insurer in the event an employee received both FAMLI benefits and temporary indemnity benefits for the same absence and allow the insurer to offset benefits in that amount.
- Retail EV Charging Station Regulation
  - Ofive CDLE the statutory authority to regulate the weights and measures of EV Charging Stations to the Division of Oil and Public Safety's current authority over the liquid fuel market. This oversight will ensure (1) there is equity in the sale and the purchase (both buyer and seller are getting or giving what they expect), and (2) that EV supply equipment (EVSE) used for commercial purposes will be safe, accurate, and durable to meet the needs of a quickly expanding EVSE infrastructure in Colorado.



### Legislative Agenda

- Just Transition Office Funding Alignment
  - Align the myriad of eligible spending categories and obligation deadlines to ensure that the
    funding for community assistance projects and worker transition assistance programs have
    consistent spending deadlines, continuity, and clarity for coal transition communities and
    workers. This proposal would simply set a common end date for those existing appropriations
    and aligns the purposes for which they can be used.
- Payroll Alignment
  - Eliminate the two statutory requirements which currently prevent employees these employees from taking advantage of biweekly payroll.
- Creation of the Colorado Disability Opportunity Office
  - Establish a Colorado Disability Opportunity Office (CDOO) in the Department's Executive Director's Office.
- Unemployment Insurance Updates



## 2024 Regulatory Agenda

- Division of Family and Medical Leave Insurance
  - Amend Benefits & Employer Participation (Fall 2024)
- Office of the Future of Work
  - Amend State Apprenticeship Agency Regulations (10/24)
- Division of Workers' Compensation
  - Mandatory annual review of surcharge rates (04/24)
  - Mandatory review of fee schedule (09/24)
  - Update DIME procedures (Spring 2024)
  - Update CUE fund (09/24)
- Division of Oil and Public Safety
  - Amend Petroleum Storage Tank Regulations (TBD)
  - Amend Amusement Rides and Devices Regulations (TBD)



### 2024 Regulatory Agenda

#### Division of Unemployment Insurance

Amend: workshare (08/24); overpayments (08/24); continuing claims (08/24); and wage reporting (08/24)

#### Division of Labor Standards and Statistics

- Annual increase of minimum wage as mandated by the Colorado Constitution (Fall 2024)
- Colorado Whistleblower, Anti-Retaliation, Non-Interference, and Notice-Giving Rules (Spring 2024)
- Employment Opportunity Act (Spring 2024)
- Direct Investigation Program Rules (Spring 2024)
- Wage Protection Rules (02/24)
- County collective bargaining (Spring 2023)
- Colorado Labor Peace Act and Industrial Relations Act (Spring 2023)

#### Division of Vocational Rehabilitation

Ensure compliance and address inconsistencies (TBD)

Clarify services requiring financial need analysis (03/24)

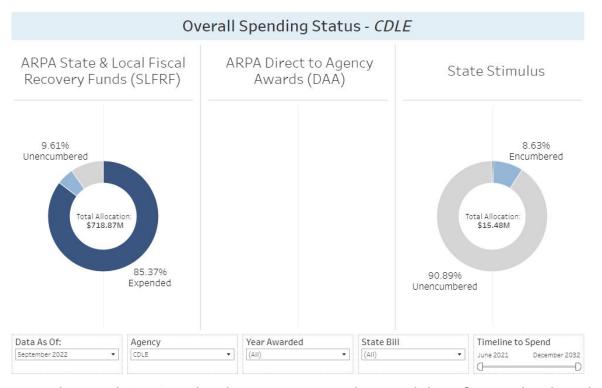


## Equity, Diversity, and Inclusion

- Added a OneCDLE group for a total of 6 EDI focused employee resource groups.
- The OneCDLE groups hosted events for staff and the community. OneCDLE groups led participation in Marade, Pride, and Juneteenth parades as well as the annual paint-a-thon, educational lunch and learns, and various community service events.
- 2023 OneCDLE survey found:
  - 83% said "OneCDLE groups increased the meaningful personal connection I have at work."
  - 71% said "OneCDLE groups have increased their engagement at work."
  - 79% said "OneCDLE initiatives increased their ability to have a positive impact on CDLE."
- CDLE is adding accessibility to EDI, launching as EDIA in partnership with CDLE's updated Digital Accessibility Policy



## Stimulus Funding Implementation







## Stimulus Funding Implementation

#### HB21-1264 Update on Statewide Initiatives:

- Career Coaching Collaborative: More than 1,500 Coloradans received career coaching support in 2023 from the 28 coaches in the Stimulus-funded Career Coaching Collaborative. 12 community-based organizations and the 10 workforce areas participated in delivering the range of services.
- **Nonprofit Partnership Development:** Grant Corps trains and consults with Colorado Nonprofits to develop grant applications and support ongoing management and compliance. Clients have applied for more than \$1,200,000 in grants and to date have been awarded \$378,500.
- **Business and Industry Support:** Three Construction industry trade associations were among those receiving grant support for industry specific training initiatives. During 2023, those three projects enrolled 1,280 in classes to start and advance careers in construction.
- Capacity Building for Partnership and Innovation: Among the accomplishments, the Global Talent Advisor in the Office of New Americans published a webinar series and playbook to support employers with New American workforce integration. The presentations and trainings were delivered in collaboration with the state workforce ecosystem and Apprenticeship Colorado.

For ongoing updates to stimulus programs, please visit *coforward.colorado.gov* 





# Reskilling, Upskilling, Next-skilling

 6,381 individuals enrolled in training programs through Reskilling, Upskilling, and Next-skilling grants with Colorado's local workforce centers, CBOs, and trade associations as 12/31/2023

#### Highest Attendance Programs

- Heavy and Tractor Trailer Truck Drivers
- Registered Nurse
- Nursing Assist
- Forest and Conservation Workers
- Construction Laborers
- Medical Assistants
- Education/Childcare/Admins/PreK DayCare



### Required SMART Act Reporting

- Employment Support & Job Retention Program Update (HB22-1230 (8-83-405(2)
- Work-Based Learning Incentive Program Report Update (SB22-140 (8-83-602(2)(h))
- Employment First Policies Update (8-84-303(7)(a)
- SPARC Annual Report (HB21-1149 (24-46.3-504(2))\*
- Colorado Call Center Job Losses (HB19-1306 (24-48.5-125(2))
- UI Trust Fund (8-72-101 (3)(b)\*
- Financing Components of the Office of Just Transition Plan & Expected Results (HB19-1314 (8-83-503(3)(c)\*
- Talent Pipeline Report Recommendations (24-46.3-103(3)(b))

\*All CDLE Reports submitted to the General Assembly and Office of the Governor can be found on the CDLE Stakeholder Website (<u>linked here</u>).



# HB22-1230: Employment Support & Retention Services Program

- **371** individuals served July 1, 2023 to Dec 1, 2023
  - 131(37%) Rural, 221(63%) Non-Rural
- Average Amount per Request: \$302.45 (\$400 cap)
- 27 Service Providers have active MOUs (an increase of 6 since Dec 2022)
- Top 3 Services Provided: Emergency Housing (36%), Transportation/Vehicle Maintenance (19%), Work Tools (19%)
- 547 individuals served July 1, 2022 to June 30, 2023
- Outreach conducted in the Northeast and Southeast areas of Colorado
- Average Amount per Request: \$320.58 (\$400 cap)
  - Increase of \$22.29 dollars compared to \$298.29 average in the previous year



### SB22-140: Work-Based Learning Incentive Program

- The Work-Based Learning Incentive (WBLI) Program issues monetary reimbursements to Colorado businesses for developing high quality work-based learning programs.
- Operations began in April 2023, with a period of performance ending May 2024.
- A Request for Applications resulted in five (5) intermediaries selected to administer the program, with contracts awarded in April 2023.
  - The total amount awarded to intermediaries was for 75% of the total grant appropriation.
- Intermediaries and CDLE have engaged with 227 businesses statewide to award Employer Reimbursements for creating high quality work-based learning activities as described in the <u>Work-Based Learning Quality</u> <u>Expectation Standards</u>.
  - Maximum amount paid to an employer: \$10,000. Total amount available for all Employers: \$2,193,954
  - Additional \$100 bonus money to small and/or rural businesses (up to \$10,200 maximum).
  - Industries engaged with the program: 35% from Leisure & Hospitality, 24% Education & Health Services,
     11% Professional and Business Services, 8% Construction, 6% Manufacturing, 5% Trade, Transportation,
     & Utilities.
  - Stats to date: 475 total program participants (119 youth, 356 adults), 236 from rural, 21 low-income,
     12 are 50 years or older, 5545.50 Work-Based hours completed, and 237 participants hired.

#### SB22-140: Digital Navigator Program & Career-Aligned ESL Program

- Digital Navigator Program
  - Hired Program Administrator to coordinate program with ServeColorado (March 2023)
  - Interagency agreement with ServeColorado for organizations to host Digital Navigator AmeriCorps members (\$1,700,000)
  - ServeColorado selected two grantees and AmeriCorps member Navigators are being recruited
  - Launched a statewide Community of Practice for digital navigators
  - CDLE hiring 18 temporary digital navigators in temporary positions to serve rural areas and New Americans
- Virtual, Career-Aligned ESL (VCESL) Program
  - ONA in partnership with vendors (Burlington English and EnGen) launched the VCESL in April 2023
  - Colorado map showing VCESL Program enrollees
  - 22 Partners, including employers and mid-sized businesses, community-based organizations, institutions of higher education, and public libraries
  - Approximately 500 VCESL Program licenses currently in use



#### Employment First Advisory Partnership C.R.S. 8-84-303(7)

- Appropriation for Disability Employment First Coordinator and funding of Disability Benefits 101 website.
   Position is filled.
- CDLE continues pilot of Disability Hiring Preference in partnership with DPA to increase employment of people with disabilities within the State of Colorado.
- Continuing training support for providers of Supported Employment, Customized Employment, and Benefits Counseling. Funding through SB18-145 ends June 30, 2024.
- Subminimum Wage Employment eliminated.
- Business Outreach Specialist focused on improving access to Registered Apprenticeships.
- DVR funded to further Employment First within Colorado
  - Disability Innovation Fund Pathways to Partnership Grant to expand pre-Employment Transition
     Services to students with disabilities in underserved communities
  - SSA Interventional Cooperative Agreement Program (ICAP) promoting self-sufficiency through work and benefits
  - National Expansion of Employment Opportunities Network (NEON) technical assistance award to
    - support expansion of benefits planning



#### HB21-1149: SPARC

The bill has two provisions: [a] It mandated the creation by CWDC of renewable energy career pathways, and [b] It established the <u>Strengthening Photovoltaic And Renewable Careers</u> (SPARC) Workforce Development Program, housed at CDLE, and provided funds for training program development by CCCS.

- (CWDC) Created energy-related career pathways maps describing 41 separate renewable and energy-related occupations. The CWDC spent the SPARC-allocated \$20,362 to fund .3 FTE designated for this purpose.
- (CDLE) spent \$50,000 on SPARC Navigators during 2023 and used \$20,000 for the development of materials to promote renewable energy careers
- (CCCS) SPARC-designated colleges: Northeastern Junior College, Pueblo Community College, Aurora
  Community College of Aurora, Arapahoe Community College; hiring appropriate staff, initiating
  program design, soliciting industry input, procuring equipment, and securing industry donations.
   CCCS spent \$1,068,092.30 of the \$1,724,590 allocated for these programs.



#### HB19-1306: Colorado Call Center Job Losses

Call Centers Impacted from January 1 - December 31, 2023

WARN - TOTAL: 0\*

 No call centers reported layoffs under the WARN Act for NAICS: 561422 Telemarketing Bureaus and Other Contact Centers

Non-WARNs - TOTAL: 0\*

 No call centers with Unemployment Initial Claims of 20+ per month were reported in 2023 for NAICS: 561422 Telemarketing Bureaus and other Contact Centers

All companies were offered Rapid Response Services

\*Note: Totals for Dec 2023 are not included because the data is not yet available





### UI Trust Fund 8-72-101 (3)(b)\*

- Total fund
  - Revenues: \$764.9 Million in 2022
  - Expenditures \$376.8 million in 2022
- Highest Balance: \$364 million (August 2023)
- Lowest Balance: -\$133 million (July 2022)
- Reserve Ratio: 0.17% as of June 30, 2023
- Average high-cost multiple: 0.10 as of December 2023 (estimated)
- Total overpayments paid: \$181,225,035 between June 30 2022 and June 30 2023
- Total overpayments recovered: \$25,495,445 between June 30 2022 and June 30 2023

Analysis of funding mechanism, material concerns, and impact of premiums can be found in the <u>2023 Trust Fund Status</u>
Report



#### Office of Just Transition Plan (8-83-501 through 506)

- By 2031, all six remaining coal-fired power plants are scheduled to close or convert
- The Office of Just Transition was created to assist workers and communities that will be adversely affected by the loss of jobs and revenues due to the closure of coal mines and coal-fired power plants.
- Its purpose is to help workers transition to new, high-quality, jobs, to help communities continue to thrive by expanding and attracting diverse businesses, and to replace lost revenues.
- The Colorado Just Transition Action Plan anticipates two broad, long-term impacts from OJT funding:
  - Help each coal transition community end up with more jobs, more property taxes, and more economic diversity than in 2019
  - Help workers <u>laid off</u> from coal facilities due to these closures to secure good new jobs or achieve secure retirements.



#### Office of Just Transition Plan (8-83-501 through 506)

- Major tax losses to over 95 districts in Delta, Gunnison, La Plata, Moffat, Montrose, Morgan, Pueblo, Rio Blanco, and Routt.
  - It will require creation of at least \$3.2 billion in new commercial property value to replace this lost tax base (2019 rates). The vast majority of job and tax losses will occur <u>after</u> 2026.
- Funding to date:
  - Long Bill (office operations and partial staffing): \$393,332 FY24 (actual), \$416,493 FY25 (requested).
  - \$15M in General Funds for Action Plan implementation and Community Assistance (HB21-1290, HB22-1193, & HB22-1394).
    - \$11.46 M (76%) for community grants through 2026 (Goals: economic diversification, broaden property tax base).
      - \$5.8 M in grants approved through CY 2023, leveraging at least \$9M in federal and other funding.
    - \$2.79 M (18%) to Action Plan implementation efforts, including central community and investor projects.
      - \$675,000 committed by end of CY 2023.
  - \$15 M in GF for development and implementation of Worker Assistance Program (HB21-1290, HB22-1193, & HB22-1394).
    - Individualized assistance for transitioning coal and coal supply chain workers.
    - Implementation of *pre-closure assistance strategies* to begin in early 2024 first step is hiring a navigator for workers.
    - Post-closure strategies proposed by Advisory Committee may require additional funding and are still under consideration/development.



# Talent Pipeline Report CRS 24-46.3-103(3)(b)

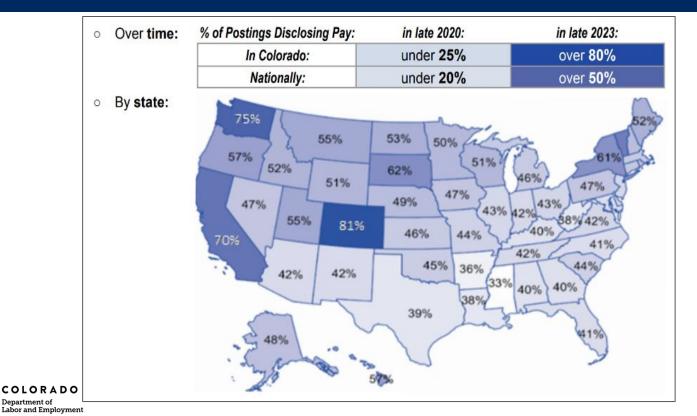
#### Policy Recommendations from 2023 Talent Report

- Strengthen Support for Employers' Talent Development
- Increase the Availability of Career-connected Learning Opportunities
- Establish a Statewide Longitudinal Data System
- Invest in High-impact Opportunities





# Equal Pay for Equal Work Update





### Wage Theft Update

#### Wage Theft Enforcement Fund (WTEF)

- SB23-231 allows DLSS to use WTEF to make whole any victims of wage theft who remain unpaid after the employer is ordered to pay
- Implementation on track; rules take effect April 1 2024

#### Wage & hour complaints, investigations, & orders

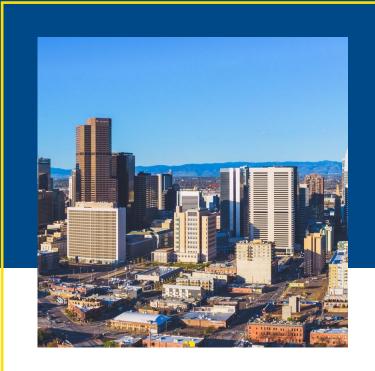
- Complaints have risen significantly:
  - 2021: 2710
  - 2022: 3265
  - 2023: 3400 (estimate as of January)
- Other related work has also grown significantly:
  - New laws (agriculture, construction, and wage theft generally) with increasing direct investigations -- workplace-wide investigations based on tips, leads, and research.
  - Nearly **500 wage transparency complaints** annually, requiring additional resources
- Current median time to resolution is 8 months for wage & hour complaints: lower than some prior peaks, higher than previous year, higher than under 6 month target.



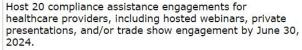
# Colorado Department of Labor and Employment SMART Act Hearing

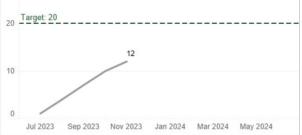
Senate Committee on Business, Labor and Technology House Committee on Business Affairs & Labor



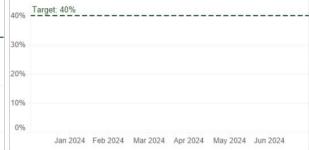


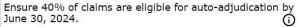
### How CDLE will accomplish the WIG:





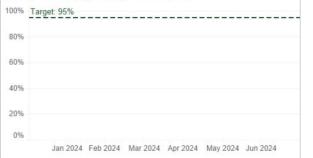
Leverage MyFamli+ portal and virtual assistant to ensure 40% of claims are processed through self-service without agent intervention by June 30, 2024.







#### Enroll 95% of eligible Colorado workers in an eligible paid family leave program by June 30, 2024.





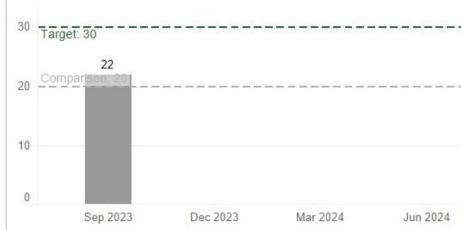


# How CDLE will accomplish the WIG:

Add five workforce center training programs related to construction, advanced manufacturing, and IT fields by June 30, 2024.

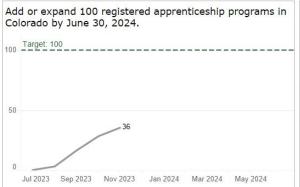


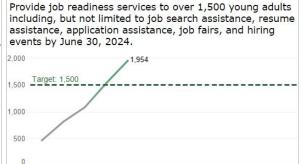
Increase the number of new community partner grants that include workforce funding from 20 to 30 by June 30, 2024.





### How CDLE will accomplish the WIG:





Jul 2023 Sep 2023 Nov 2023 Jan 2024 Mar 2024 May 2024

Support 20 youth-focused career events to increase awareness of career opportunities for Coloradans age 16-24 by June 30, 2024.

