



# Budget & Legislative Requests - 2023

## Budget Requests - Decision Items

January 5, 2023

### Priority 1: R-01 Employment Support Fund (ESF)

**Summary:** The Department requests a statutory change to CRS § 8-77-109 to establish an enterprise status for the Employment Support Fund (ESF) and a cap mechanism to allow for opportunities for funds to be transferred to the Unemployment Insurance Trust Fund (UITF) to address federal conformity issues. These changes will aid in the recapitalization and long-term solvency of the Trust Fund and ensure the state can continue using the ESF to fund valuable workforce development programs.

### Priority 2: R-02 Unemployment Insurance Fraud Prevention

*Amount: \$2,391,856 of Cash Fund Spending Authority & 12.0 FTE*

**Summary:** In order to create a stable source of funding to allow the Division of Unemployment Insurance to fight fraud, the Department requests 12.0 FTE and increased spending authority in the Employment Revenue Fund. The FTE will be part of the UI BPC Invalid Claims Team, which is responsible for monitoring UI claims past and present to make sure benefits are properly paid. The Department anticipates costs for FTE in FY 2023-24 to be \$1,094,183 and \$1,040,308 in FY 2024-25 and ongoing.

In addition, the Department is requesting additional resources to maintain and enhance technologies used for ID proofing and fraud analytics. This software is estimated to cost \$750,584 annually.

Finally, the request includes funds for a vendor to work with the Invalid Claims Unit and the Fraud Analytics Unit within the Division on data analytics, such as skip tracing and the case management system for the investigation of fraudulent claims. The Department anticipates the total costs for the vendor to be \$547,089, with a 3.0% annual increase each year.

### Priority 3: R-03 Wage Theft Enforcement Workers Payment

*Amount: \$201,252 of Cash Fund Spending Authority & 1.2 FTE*

**Summary:** The Department requests an increase in cash fund spending authority and 1.2 FTE in FY 2022-23 and ongoing to fulfill the statutory obligation to wage complaints and allow the Division of Labor Standards and Statistics to pay victims of wage theft lost wages when employers failed to do so, with employers then required to reimburse the Division for wages paid. The request also includes a change in statutory language within CRS § 8-4-113 to transfer funds to a new fund to make payments to victims of wage theft.

### Priority 4: R-04 Business Enterprise Program for People Who are Blind

**Summary:** The Department requests an (I) notation within (7) Division of Vocational Rehabilitation and Independent Living Services (A) Vocational Rehabilitation Programs, within the Business Enterprise Program (BEP). The program is required to disburse funds from vending machine income from Federal locations to blind operators according to the Federal Code 34, Federal Regulations 395.32 (b). As the vending machine income can fluctuate, it is important that the long bill allows for flexibility to disburse these funds, otherwise it puts the State Licensing Agency at risk of non compliance with the Code of Federal Regulations.

### **Priority 5: R-05 Independent Living Services Provider Rate Increase**

*Amount: \$192,356 of General Fund Spending Authority*

**Summary:** The Department requests a 3.0% provider rate increase for the Independent Living Services providers to address the rising costs for labor and supplies.

### **Priority 6: BA-01 R-06 Amusement Rides and Devices Program**

*Amount: \$220,000 of General Fund Spending Authority & 2.0 FTE*

**Summary:** The Department requests an increase of \$220,000 in General Fund spending authority and 2.0 FTE in FY 2023-24 and \$145,000 in General Fund spending authority and 1.5 FTE in FY 2024-25 to allow for sufficient oversight of critical safety components within the Amusement Rides and Devices Program.

### **Priority 7: BA-02 R-07 Disability Employment First**

*Amount: \$312,653 of General Fund Spending Authority & 1.8 FTE*

**Summary:** The Department requests an increase of \$312,653 in General Fund spending authority and 1.8 FTE in FY 2023-24 and \$289,491 in General Fund spending authority and 2.0 FTE in FY 2024-25 with rollforward authority for \$40,000 for contracted services in the Division of Vocational Rehabilitation and Independent Living Services to expand disability employment first philosophy, policy, and practice across relevant state government agencies, work with the Employment First Advisory Partnership and communicate disability employment first philosophy to the public.

### **Priority 8: CC - IT-01 Vocational Rehabilitation Case Management Modernization**

*Amount: \$996,386 of Reappropriated and \$3,681,480 of Federal Funds Spending Authority*

**Summary:** The Department requests an increase of spending authority for a capital technology project, a full replacement of its AWARE legacy case management system used by the Division of Vocational Rehabilitation (DVR) for vocational rehabilitation case management and vendor services. The current system does not have any advantages to address the new digital reality, streamline any processes, or bring real attention to the future of work.

### **Priority 9: CC-IT 03 Conveyance Database**

*Amount: \$693,000 of Cash Fund Spending Authority*

**Summary:** The Department requests an increase of spending authority for a capital technology project to support the enhancements to the conveyance database system within the Division of Oil and Public Safety. The Division has had a digital conveyance system for about eight years, with the current iteration of the system in place since 2015. The current application is utilized to assist the Division in the regulation and enforcement of conveyance compliance and to track all conveyances in the state. The enhancements to the database will provide reconfiguration and additional integration of applications to ensure accurate information and timely processing, and will reduce disruptions in services to the customers.

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## **Contact Information**

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