Colorado Department of Labor and Employment SMART Act Hearing

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

January 9, 2025







CDLE Mission & Vision

Our Mission:

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

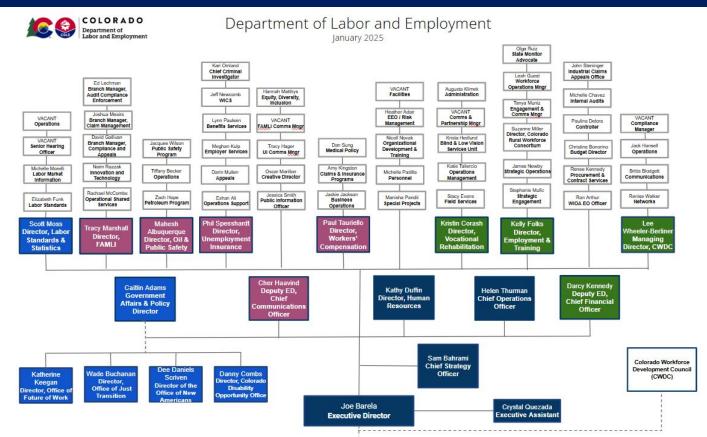
Our Vision:

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



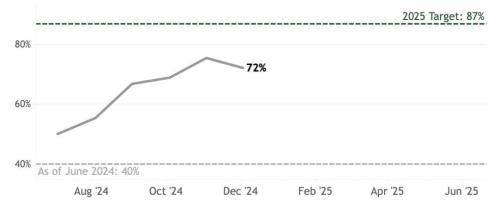


CDLE's FY 2024-25 Wildly Important Goals (WIG 1)

Timely & Accurate UI Benefit Payments:

Increase the percent of Coloradans who receive their first UI benefit payment within three weeks (after the first compensable week) to 87% of claimants by June 30, 2025.

Increase the percent of Coloradans who receive their first UI benefit payment within three weeks (after the first compensable week) to 87% of claimants by June 30, 2025.



Context: Successful completion of this goal means unemployed Coloradans will be able to stay afloat and meet their financial obligations during periods of joblessness and our state's economy will see the benefit of that sustainability as they seek reemployment.

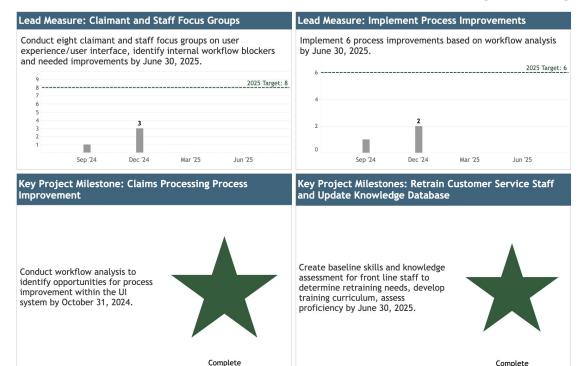




How CDLE will accomplish this WIG:

The Department will pursue and track completion of the following strategies to

achieve this goal:





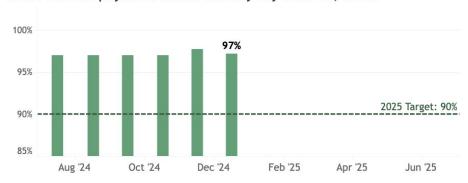


CDLE's FY 2024-25 Wildly Important Goals (WIG 2)

Timely & Accurate FAMLI Benefit Payments:

Maintain at least 90% of eligible Colorado claimants receiving their FAMLI benefit payment within ten days by June 30, 2025.

Maintain at least 90% of eligible Colorado claimants receiving their FAMLI benefit payment within ten days by June 30, 2025.

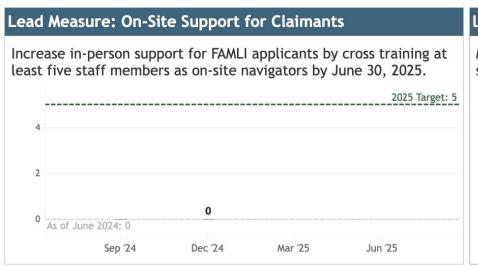


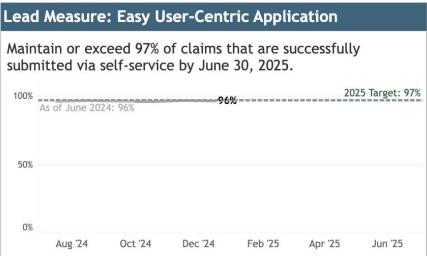
completion of this goal means that as the volume of claims continues to increase FAMLI will continue to deliver benefits within 10 days to eligible workers. This will allow Coloradans to access the paid family and medical leave they are entitled to.





How CDLE will accomplish the WIG:







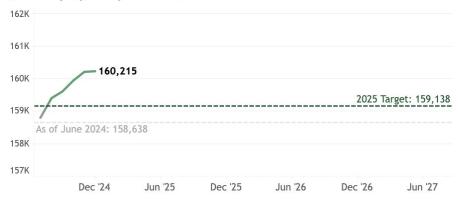


CDLE's FY 2024-25 Wildly Important Goals (WIG 3)

Workers' Compensation Compliance:

Increase the number of Colorado employers with mandatory workers compensation insurance by 500 employers by June 30, 2025, and by 1,500 employers by June 30, 2027.

Increase the number of Colorado employers with mandatory workers compensation insurance by 500 employers by June 30, 2025, and by 1,500 employers by June 30, 2027.



Context: Successful completion of this goal will help to ensure Colorado employees who are injured on the job will be provided with the medical and lost wage benefits they are entitled to.

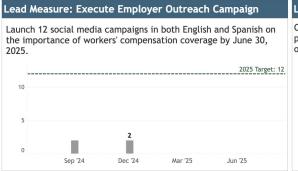




How CDLE will accomplish the WIG:

The Department will pursue and track completion of the following strategies to

achieve this goal:











CDLE's FY 2024-25 Wildly Important Goals (WIG 4)

Supporting Colorado Business:

Achieve a 75% rate of participating businesses that experience a shorter time to hire vacant positions as a result of utilizing the public workforce system by June 30, 2025.

Achieve a 75% rate of participating businesses that experience a shorter time to hire vacant positions as a result of utilizing the public workforce system by June 30, 2025.



Context: Serving more businesses across the state workforce system creates opportunity for Coloradans looking for new or better jobs. Working with business to find the talent they need supports business growth, strengthening Colorado's economy.

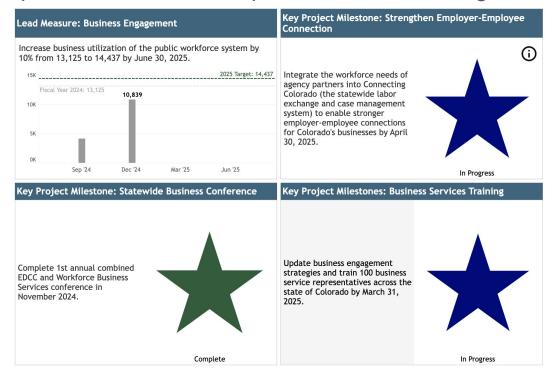




How CDLE will accomplish the WIG:

The Department will pursue and track completion of the following strategies to

achieve this goal:







CDLE's FY 2024-25 Wildly Important Goals (WIG 5)

Ensuring CO's Workforce System Works for New Americans:

Increase the number of New Americans served statewide by Colorado's Workforce System from 2,500 to 3,200 by June 30, 2025.

Increase the number of New Americans served statewide by Colorado's Workforce System from 2,500 to 3,200 by June 30, 2025.



Context: Successful completion of this goal will result in a stronger workforce and improved employment opportunities for new Americans, ONA will partner with workforce programs at Workforce Centers, work-based learning initiatives, and apprenticeship programs to engage and inform new Americans about the services available to them.



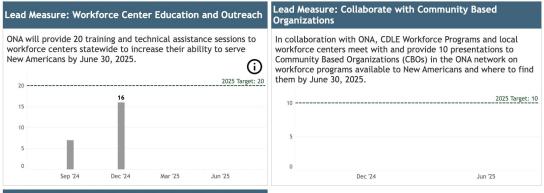


How CDLE will accomplish the WIG:

The Department will pursue and track completion of the following strategies to

Complete

achieve this goal:





CDLE will develop consistent reporting metrics shared through a policy guidance letter for workforce development centers to track services accessed by New Americans by December 31, 2024.



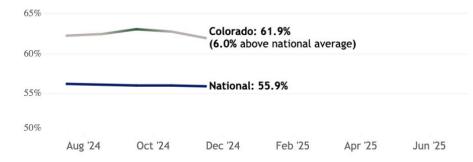


CDLE's FY 2024-25 Wildly Important Goals (WIG 6)

Youth Workforce Participation:

Elevate Colorado's lead in Youth Workforce Engagement by achieving a lead of 7% above the National Average of Youth Labor Force Participation Rate by June 30, 2025.

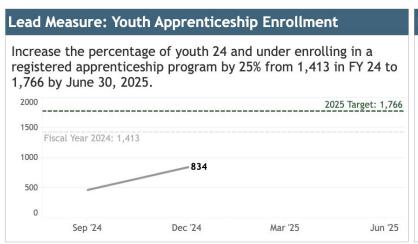
Elevate Colorado's lead in Youth Workforce Engagement by achieving a lead of 7% above the National Average of Youth Labor Force Participation Rate by June 30, 2025.



Context: While Colorado's overall labor force participation rate is considered one of the best in the U.S., we still have more work to do. Focusing on youth labor participation rates is a strategy that can support adding more workers to the labor force. which will support Colorado's economy, while also preparing youth with the skills for success in the workforce.



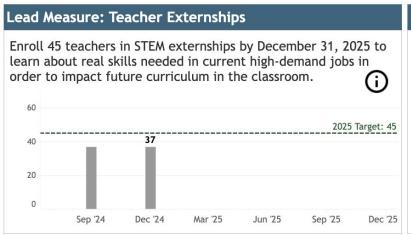
How CDLE will accomplish the WIG:

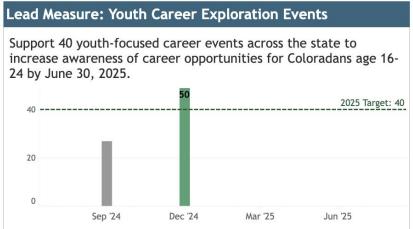






How CDLE will accomplish the WIG (cont.):

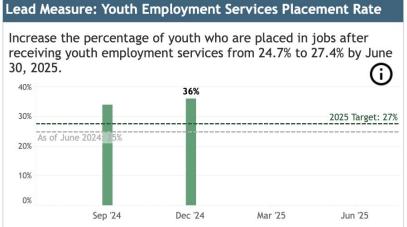






How CDLE will accomplish the WIG (cont.):







More Information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the <u>Governor's Dashboard</u>.

For more information on additional Department goals and context, view our <u>FY 2024-25</u> Performance Plan.



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

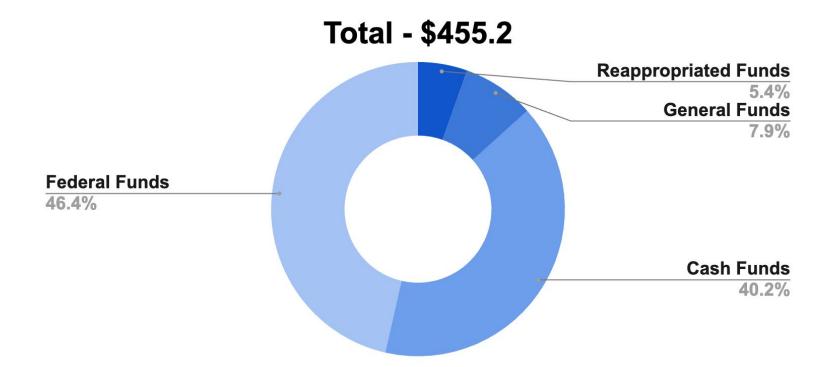
Future of Work

Ensure Colorado is prepared for the Future of Work

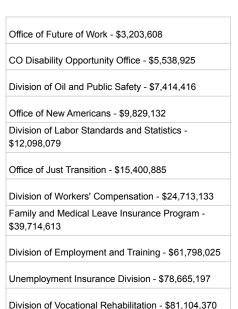
Employers Thrive

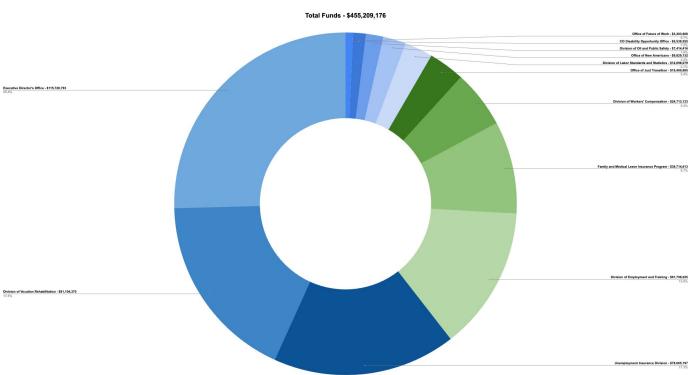
Cultivate policies and processes that help Colorado employers thrive





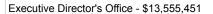








Executive Director's Office - \$115,728,793



Office of New Americans - \$1.166.332

Office of Future of Work - \$1,790,475

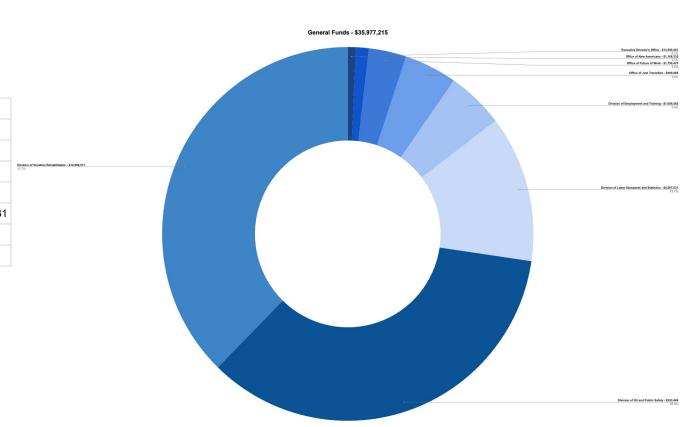
Office of Just Transition - \$400.885

Division of Employment and Training - \$1,656,562

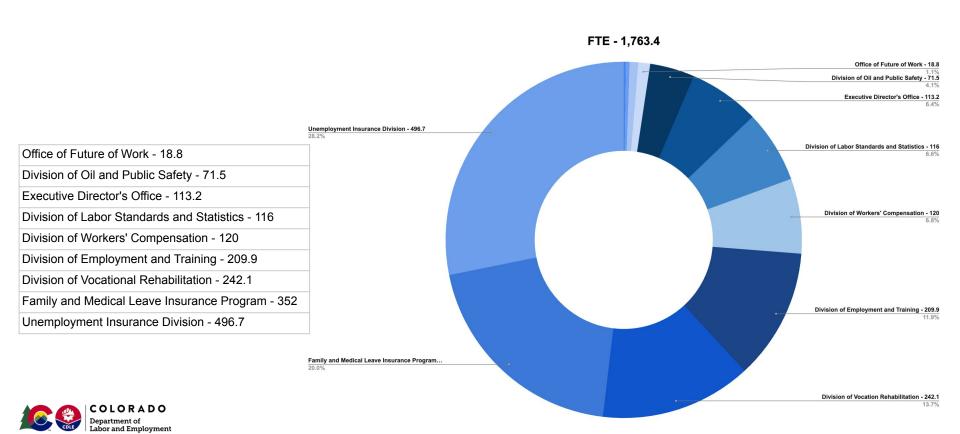
Division of Labor Standards and Statistics - \$4,567,531

Division of Oil and Public Safety - \$253,468

Division of Vocational Rehabilitation - \$12.586.511







CDLE's FY 2025-26 Budget Request includes the following:

- R-01 UI Funding Expansion and Realignment
- R-02 Workers' Compensation Cash Fund Sweep
- R-03 Petroleum Storage Tank Fund Operating Line
- R-04 Hospitality Education Grant Program Reduction
- IT- CC-R-01 DOWC CoCo Database Replacement System (Year 2)
- S-01/BA-01 UI Funding Expansion and Realignment
- S-02/BA-02 EDO's Letternote Realignment
- S-03/BA-03 CD00 Support and Realignment

IT- CC-S-01 DVR Case Management Vocational Rehab. System - (Year 2)

Legislative Agenda

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

FAMLI Technical Update

- o In order to address technical issues in the current statute, the Department is proposing technical fixes to the FAMLI premium formula.
- This will allow the Division of Family and Medical Leave Insurance (FAMLI) to calculate premiums based on accurate data and current trends rather than following a rigid formula.

• Unemployment Insurance Funding Expansion and Realignment (JBC Proposal)

- The implementation of House Bill 24-1409 aimed to realign revenues and expenditures related to CDLE programs with enterprise status, particularly concerning the Unemployment Insurance (UI) Enterprise. However, some expenditures for centrally appropriated costs were not transitioned to the enterprise framework, remaining under the Employment Support Fund (ESF).
- The Department has identified opportunities to allocate more UI expenditures to the Employment and Training Technology Fund (Tech Fund) and proposed the creation of a new UI Administration Fund to support ongoing investments in technology and fraud prevention as federal funding decreases post-pandemic.
- o To address these needs, the Department is proposing to expand the Tech Fund's scope and establish the new UI Administration Fund, while also requesting adjustments to the cash fund allocations.



Legislative Agenda cont'd

Major Medical Insurance Cash Fund Sweep (JBC Proposal)

• In order to ensure that Colorado can make meaningful investments while maintaining a balanced budget, this proposal would transfer \$15 million of funds one-time from the Major Medical Insurance Fund to the State's General Fund. This will not cause any impact to beneficiaries or the insurance community who originally paid into the fund as the funds are not paying out benefits for any new injuries and are forecasted to have an excess of \$15 million in 15 years. The transfer requires legislation.

Vocational Rehabilitation Financial Participation (Rep. Rydin & Rep. Gilchrist)

• The Department's Division of Vocational Rehabilitation (DVR) Financial Needs Analysis requires gathering of personal financial information, which can create a barrier to seeking vocational rehabilitation services for Coloradans with disabilities. DVR has found financial needs testing to be administratively burdensome, while offering little fiscal impact to the state in terms of cost savings. This proposal would create additional flexibility and remove the mandate to determine financial need based on the prescribed criteria currently in statute.

Migrant Support Network Update (Rep. Garcia & Rep. Velasco)

In response to Colorado's historic migrant influx that began in early December 2022, House Bill 24-1280 created a statewide nonprofit infrastructure through the Welcome, Reception, and Integration (WRI) program within the Department's Office of New Americans that is able and ready to help welcome and meet the needs of newly arrived migrants who want to call Colorado home. This proposal would solely amend language to provide services to those within 3 years of arrival, with priority of services going to those within their first year of arrival.

Regulatory Agenda

- Division of Vocational Rehabilitation
 - Rehabilitation Services Revision (Spring & Summer 2025)
- Office of the Future of Work
 - State Apprenticeship Agency (TBD)
- Division of Labor Standards and Statistics
 - The Publication And Yearly Calculation of Adjusted Labor Compensation (PAY CALC) Order (Fall 2025)
- Division of Family and Medical Leave Insurance
 - Premiums and Individuals Electing Coverage Revision (Fall 2025)
 - Local Government Participation with the Paid Family and Medical Leave Program Revision (Fall 2025)
 - Benefits and Employer Participation Requirements Revision (Fall 2025)
 - Coordination of Benefits and Reimbursement of Advance Payments Revision (Fall 2025)
 - Private Plans Revision (Fall 2025)
 - Program Integrity Revision (Fall 2025)
 - Employee Job Protection, Anti-retaliation, and Anti-interference Revision (Fall 2025)
 - Concerning Investigations Revision (Fall 2025)
 - Concerning Appeals Revision (Fall 2025)
- Division of Workers' Compensation
 - Surcharge Revision (Spring 2025)
 - Self-Insurance Revision (Spring 2025)
 - Provider Education Revision (Spring 2025)
- Division of Unemployment Insurance
 - Appeals Revision (Fall 2025)



Equity, Diversity, and Inclusion

In accordance with the Governor's Executive Order <u>2020 175</u>, the Department has implemented the following efforts in accordance with its equity, diversity, and inclusion plan:

- Continue to support and grow existing EDIA Programs and Projects
 - Develop and implement a structure for OneCDLE groups to expand
 - Lunch and Learns, Weekly Wire Content, Community Service, EDIA Champion Selection, The
 More You Know with Joe series, Marade, Pride, Juneteenth
- Determine metrics and KPIs to demonstrate the longitudinal impact of current EDIA deliverables.
 - Enhance Inclusive and culture of belonging
 - Expand diversity of recruitment, retention and promotional opportunities



Stimulus Funding Implementation

CDLE received funds through 5 state bills in 2021 and 2022 Federal funds are spent or encumbered to spend by the deadline of 12/31/2026





Stimulus Funding Implementation, Workforce

HB21-1264: Increasing Worker Skills

Additional information is available in the public quarterly report on the CWDC website.

- RUN Programs show a 61% increase in quarterly median wage 6 months after program participation
- 11,668 Coloradans have been enrolled in skill development programs
- 2,747 Coloradans received career coaching





"The most successful piece of our training was opening the eyes of high school students as to the breadth of depth—not just of opportunities in the construction industry—but to the sustainable building practices of the future. Many of our students gave feedback along the lines of "I thought that this course was extremely beneficial and learned a great deal of information that I would not gain from every day at a jobsite."

--Lisa Seaman, Director of Operations at CEF



Required SMART Act Reporting

- Employment Support & Job Retention Program Update (HB22-1230 (8-83-405(2)
- Colorado Call Center Job Losses (HB19-1306 (24-48.5-125(2))
- Work-Based Learning Incentive Program Report Update (SB22-140 (8-83-602(2)(h))
- SPARC Annual Report (HB21-1149 (24-46.3-504(2))*
- UI Trust Fund (8-72-101 (3)(b)*

COLORADO

- 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))
- Statewide Digital Navigator Program Outcomes (SB22-140 (8-83-603(4)(b))
- Construction Registered Apprenticeship Grant Program (HB23-1246 (8-83-701(3)(b)
- Employment First Advisory Partnership (8-84-303(7)

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

HB22-1230: Employment Support & Retention Services Program

- 401 individuals served from July 1, 2024 through December 30, 2024
 - 74 (18.45%) Rural
- Work status of individual when referred to the program:
 - 106 Underemployed
 - 95 Unemployed
- Average Amount per Request: \$264.80 spent on individuals (\$400 cap)
- Top three services requested:
 - #1 Transportation
 - #2 Emergency Housing
 - #3 Work Tools
 - Individuals may receive more than one service, but individuals cannot exceed the \$400 allotted cap



HB19-1306: Colorado Call Center Job Losses

Call Centers Impacted from January 1 - December 31, 2024

WARN - TOTAL: 0*

No call centers reported layoffs under the WARN Act in 2024 for NAICS: 561422
 Telemarketing Bureaus and Other Contact Centers

Non-WARNs - TOTAL: 25 - Global Call Center Solutions (Pueblo)

 One call center reported unemployment Initial Claims of 20+ per month in 2024 for NAICS: 561422 Telemarketing Bureaus and other Contact Centers

All companies were offered Rapid Response Services

*Note: December layoffs reported under WARN and November/December Non-WARN layoffs are not included because the data is not yet available



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.
- Program was launched in January 2023, with a period of performance extension through May 2025. 13 business grantees elected to extend their performance periods.
- A Request for Applications resulted in five (5) intermediaries selected to administer the program, with contracts awarded in April 2023. Direct Employer application began March 2023.
 - The total amount awarded to intermediaries was over 80% of the total grant appropriation.
- Intermediaries and CDLE have engaged with over 300 businesses statewide to award Employer Reimbursements for creating high quality work-based learning activities as described in the <u>Work-Based Learning Quality Expectation Standards</u>.
 - Maximum amount paid to an employer: \$10,000. Total amount available for all Employers: \$2,193,954
 - Additional \$100 available to small and/or rural businesses (up to \$10,200 maximum).
 - o Industries engaged with the program: 36% from Leisure & Hospitality, 25% Education & Health Services, 18% Professional and Business Services, 5% Construction, 6% Manufacturing, 5% Trade, Transportation & Utilities, and 5% in other industries.
- Stats to date: 6,802 total program participants. 1 in 5 from rural area and 53% of participants from historically underrepresented groups. 304 low-income, 13,727 Work-Based hours completed, and 316 participants hired.



SPARC: Strengthening Photovoltaic and Renewable Careers

The formal report was submitted to the legislature in October 2024. Highlights from the past year include:

High volume of referrals to programs through workforce centers:

- 3,052 referrals were made to job seekers to share information about SPARC training opportunities
- 126 students enrolled into programs at three different community colleges
- 7 new courses were developed, 8 new programs were submitted for approval,
 and 11 new entrance options were created for existing programs



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

- Total fund
 - Revenues: \$983 million in FY2024 (Net Employer Contributions plus Interest)
 - Expenditures \$728 million in FY2024 (Regular State UI Payments)
- Highest Balance: \$771 million (May 2024)
- Lowest Balance: \$308 million (March 2024)
- Reserve Ratio: 0.42% as of June 30, 2024
- Average high-cost multiple: 0.30 as of December 2024 (estimated)

Analysis of funding mechanism, material concerns, and impact of premiums can be found in the <u>2024 CO UI Trust</u> <u>Fund Status Report</u>.



Financing Components of the Office of Just Transition

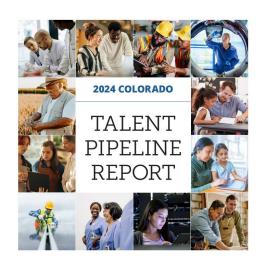
Through HB21-1290 and HB22-1394, the General Assembly transferred \$30 million in General Funds to the Just Transition Cash Fund to assist coal communities and workers in Colorado. For details, please see the <u>November 2024 OJT Expenditure Report</u>.

- Action Plan Implementation and Community Assistance Program (\$15m)
 - Of the \$15 million, OJT invested \$11.46 million into community grants; As of the end of CY24, OJT has <u>awarded</u> \$8.83 million for 23 projects by 15 entities. The remaining \$2.63 million has yet to be applied for.
 - OJT has also invested over \$421,000 to support their impactful work. That investment included providing legal assistance for communities to engage with the Public Utilities Commission (PUC). That resulted in Moffat County and the City of Craig to negotiating a \$73 million commitment from the utility. OJT also helped fund an Energy Study with CEO and launched a community grant writer program. The grant writer program produced an ROI of \$64 for every \$1 OJT spent.
- Transition Worker Program (\$15m)
 - OJT budgeted \$14.25 million for <u>seven "pre-closure" strategies</u> to help coal transition workers and their families. Implementation began in 2024 with just under \$309,000 expended so far. OJT anticipates a sharp rise in expenditures as closures begin in 2025, although the fund must be carefully managed as closures will be ongoing through 2030.



OJT also receives, via HB21-1312, funding from increased coal severance tax revenues. The total amount is estimated to be around \$10 million by 2031. This funding is being reserved for transition worker assistance.

Talent Pipeline Report Recommendations



Current WIOA Strategies

Increase the QUALITY of upskilling opportunities, jobs, and career pathways

Increase EQUITABLE economic opportunity for individuals who experience barriers based on race, ethnicity, gender, ability, age, zip code, and/or socioeconomic status

Enhance ACCESS to programming by creating more seamless connections between high school, post-secondary education, and the workforce

Increase AFFORDABILITY of career-connected education and training for Coloradans of all skill levels who have completed or left the K-12 education system

Report Policy Recommendations

Strengthen support for employers' talent development

Increase the availability of career-connected learning opportunities

Ensure the design of Colorado's talent development ecosystem is optimized for innovation, governance, and results



Statewide Digital Navigator Program Outcomes

Outreach Activities

- 62 stakeholder meetings
- 42 community events

Individuals Served

- 5,866 appointments with individuals
- 66 locations across 13 counties
- 198 phone interpretation sessions in 23 languages (82% in Pulaar/Fulani)
- 35% White, 34% Black/African American 17% Latino/a or Hispanic, 6% Asian, 4% Prefer not to answer, 4% Other
- 42% eligible for public assistance
- Other outcomes will be included in report at end of FY24-25 when program expires



Construction Registered Apprenticeship Grant Program

- 9 BuildUp Grants awarded in FY 24/25, serving 113 apprentices
 - 5 grants in Round 1 (5/2024 9/30/25)
 - 4 grants in Round 2 (12/2024 12/31/2025)
- Funding Allocation and Expenditure Summary (as of 12/1)
 - Staff time: \$131,502
 - Other Expenses: \$2,115
 - Grantee Allocation: \$1,218,964
 - Grantee Reimbursement: \$123,461
- Too early to report employment/completion/earnings outcomes



Employment First: Prioritizing Competitive, Integrated Employment

- Employment First Advisory Partnership C.R.S. 8-84-303(7)
 - Appropriation for Disability Employment First Collaboration Manager and funding of Disability Benefits 101 website. Position is filled.
 - Employment First Advisory Partnership now led by the Disability Employment First Collaboration Manager.
 The partnership is focusing on access to resources, with priority in youth and young adults, along with supports for employers.
- As part of the State as a Model Employer initiative (SAME) CDLE continues pilot of a Disability Hiring
 Preference in partnership with DPA to increase employment of people with disabilities within the State of
 Colorado, with over 40 employees with disabilities hired.
- DVR goal to increase co-enrollment with Workforce Center participants, supported by co-located
 Disability Program Navigators who help remove barriers to accessing services
- Subminimum Wage Employment eliminated through SB-21-039
- Business Relations team focused on improving access to Registered Apprenticeships.
- Awarded multiple grants to further Employment First initiatives in Colorado including Disability Innovation
 Fund Pathways to Partnership Grant to expand pre-Employment Transition Services to students with
 disabilities in underserved communities



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