

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF BUDGET BRIEFING
DEPARTMENT OF LABOR AND EMPLOYMENT**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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November 17, 2015**

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DEPARTMENT OF LABOR AND EMPLOYMENT

Department Overview

The Department of Labor and Employment administers seven divisions. A brief description of each division and its functions is provided below.

Executive Director’s Office

Provides administrative and technical support for department divisions and programs including accounting, budgeting, and human resources functions.

Division of Unemployment Insurance

Collects unemployment insurance premiums from employers, administers the payment of unemployment insurance benefits to claimants, and conducts audits to ensure proper payment of premiums and benefits. The Division is also developing the Unemployment Insurance automation initiative through its participation in the WyCAN Consortium. The Department has recently encountered some hiccups in development of the automation initiative and the Executive Branch is updating its implementation plan. Staff anticipates a request related to the automation initiative in the supplemental or budget amendment budget cycle that will be addressed through the Capital IT Request.

Division of Employment and Training

The Division of Employment and Training administers the following programs:

- *Workforce Development Centers* assist job seekers with job training and placement, work to ensure veterans, migrant seasonal farm workers, dislocated workers, youth, and displaced homemakers receive job services. During economic growth, workforce centers work closely with employers to identify qualified job seekers. Workforce Centers provide a variety of free services to assist job seekers and employers including: job listings, computer and Internet access, career counseling and training, recruitment and referral services, and tax credits and training reimbursement for employers.
- The *Workforce Development Council* provides workforce policy recommendations, serves as a liaison between the business community and the Governor, offers technical support to local Workforce Investment Boards, and directs improvement of the workforce system.
- The *Labor Market Information* sub-division provides annual and monthly information on general labor market trends including: unemployment rates, industry trends, and employee compensation by region and industry.

Division of Labor

Administers employment and labor laws pertaining to wages paid, hours worked, minimum wage, labor standards, child labor, employment-related immigration laws, and working conditions. It also conducts all union agreement elections, certifications of all-union provisions, and investigates and mediates allegations of unfair labor practices.

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Division of Oil and Public Safety

Conducts inspections of petroleum storage sites, and tests retail products for compliance with state quality standards. Licenses and inspects conveyances, conveyance inspectors, boilers, pressure vessels, explosive storage units, amusement park and carnival rides, and mechanics and contractors.

Division of Workers' Compensation

Oversees workers' compensation injury claims and compliance, mediates disputes, and administers the Major Medical and Subsequent Injury Insurance Programs which provide medical benefits for workers who were permanently injured or disabled by at least one workplace injury.

Division of Vocational Rehabilitation

Joint Budget Committee-sponsored Senate Bill 15-239 transferred the Division of Vocational Rehabilitation from the Department of Human Services to the Department of Labor and Employment by July 1, 2016. The Division oversees vocational rehabilitation programs designed to enable individuals with any type of disability to participate in the work force. Specific programs include:

- The School-to-Work Alliance Program which provides job development, on-the-job training, and job-site support to students with disabilities in a school setting; and
- The Business Program for Individuals Who Are Blind assists blind or visually-impaired individuals in operating vending and food service businesses in state and federal buildings.

For more information concerning the transfer of the Division of Vocational Rehabilitation, see the staff Briefing Document for the Department of Human Services—Services for People with Disabilities, which will be presented December 14, 2015.

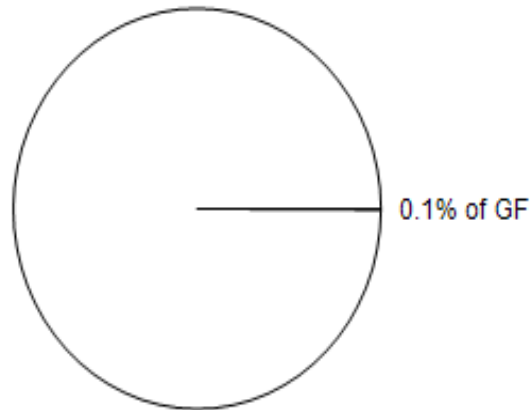
Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	\$98,519	\$661,690	\$8,008,584	\$13,947,929
Cash Funds	65,399,832	66,168,686	74,251,770	76,492,015
Reappropriated Funds	650,740	650,740	4,439,547	9,410,955
Federal Funds	<u>97,192,944</u>	<u>100,027,649</u>	<u>100,821,204</u>	<u>141,918,572</u>
Total Funds	\$163,342,035	\$167,508,765	\$187,521,105	\$241,769,471
Full Time Equiv. Staff	1,012.5	1,016.5	1,030.3	1,270.8

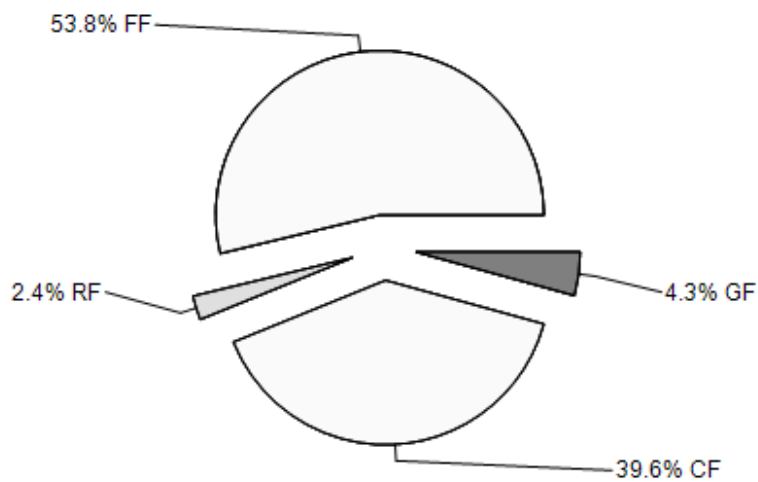
*Requested appropriation.

Department Budget: Graphic Overview

Department's Share of Statewide
General Fund

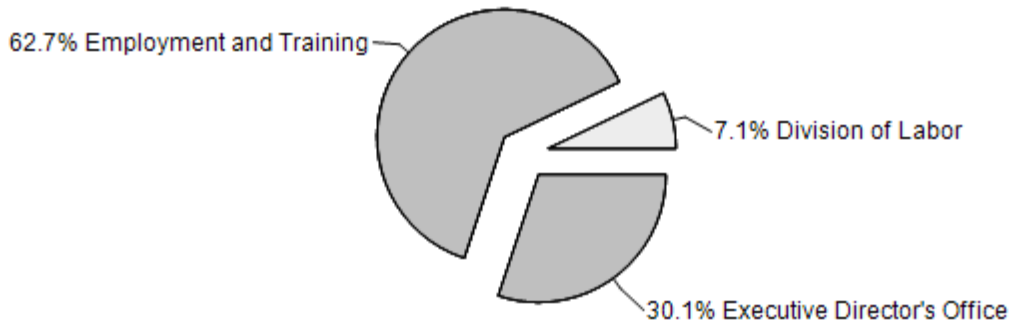


Department Funding Sources

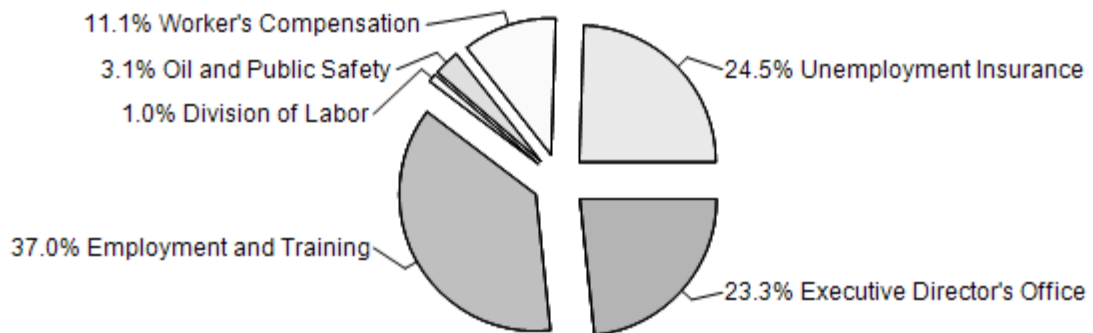


All charts are based on the FY 2015-16 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2015-16 appropriation.

General Factors Driving the Budget

Unemployment Insurance Programs

Overview

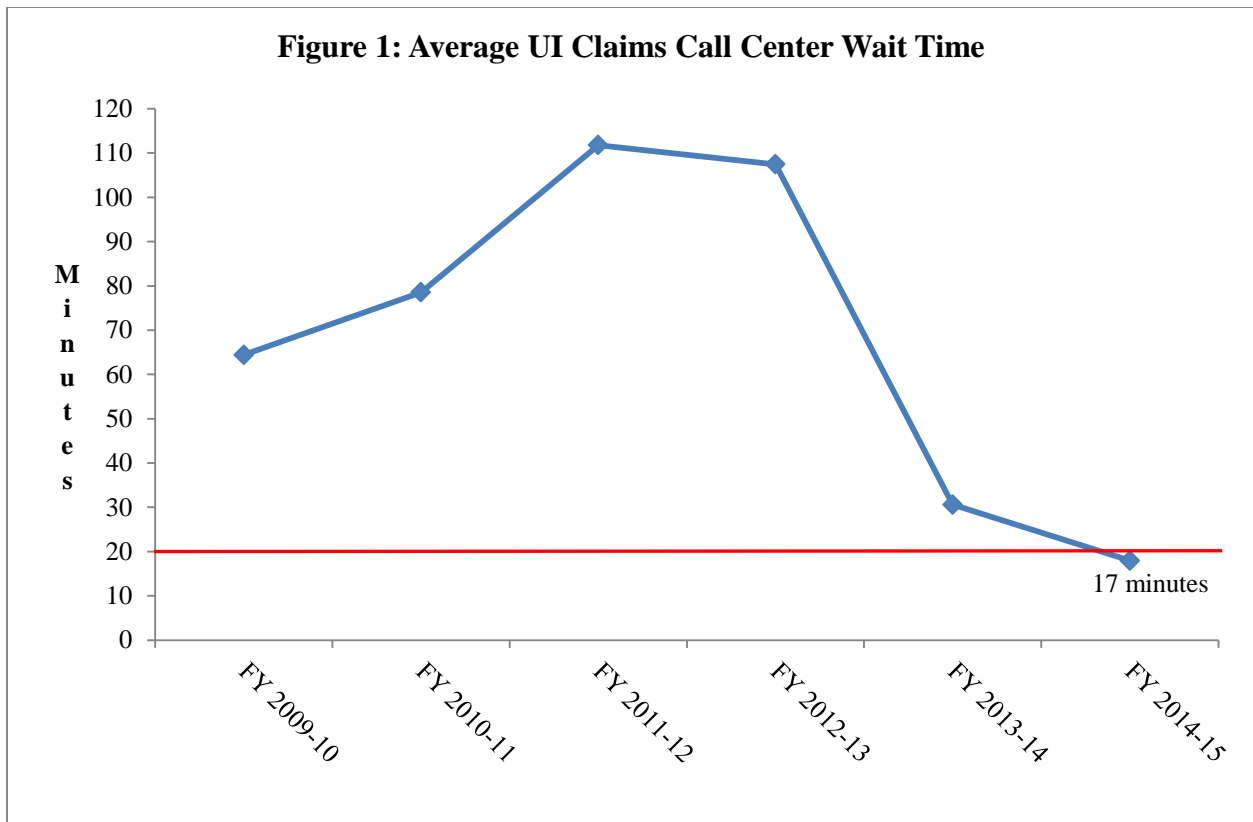
Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. Benefits are awarded on a weekly basis and are paid every other week. The average weekly benefit paid to claimants during the twelve-month period ending September 30, 2014 was \$377.52. In the FY 2015-16 appropriation, UI Programs account for approximately 24.5 percent of the Department’s budget, yet 63.2 percent of UI Program funding comes from federal sources.

Workload for the UI Programs and the balance of the Unemployment Insurance Trust Fund (UITF) are counter cyclical. When the economy is growing, the number of applications for benefits is low, and the UITF balance grows. When the economy is slow, the number of benefit applications increases and the UITF balance decreases. During the economic downturn the federal government created the Emergency Unemployment Compensation (EUC) Program which was a temporary extension of unemployment compensation for unemployed individuals who have already collected all regular state benefits for which they were eligible. The EUC Program terminated on January 1, 2014 and accounts for some of the dramatic decrease in estimated payments for FY 2014-15. The following table shows the variance in the amount of UI benefits paid from FY 2009-10 through FY 2015-16:

UI Benefit Payments for FY 2009-10 to FY 2015-16			
Fiscal Year	Benefit Payments	Change from Previous Year	Percent Change from Previous Year
FY 2009-10 Actual	\$1,063,306,485	n/a	n/a
FY 2010-11 Actual	761,771,730	(301,534,755)	(28.36%)
FY 2011-12 Actual	883,986,486	122,214,756	16.04%
FY 2012-13 Actual	708,295,673	(175,690,813)	(19.87%)
FY 2013-14 Actual*	746,155,963	37,860,290	5.35%
FY 2014-15 Actual	540,022,887	(206,133,076)	(27.63%)
FY 2015-16 Estimated	535,000,000	(5,022,887)	(0.93%)

* Federal Emergency Unemployment Compensation Program ended.

In order to accommodate workload fluctuations, the Department utilizes a number of temporary and contract FTE funded federally. The work hours for these FTE are adjusted with the availability of federal funds associated with the workload of the Department. Generally, a high unemployment rate generates more federal funding dollars for the Department. Unemployment rates in Colorado have trended downwards since 2010, which will lead to fewer benefit claims in the short-term. Unemployment Insurance call wait times tend to be an infamous topic with constituents and one the Department has deemed a priority in reducing. Last year, the Department stated its goal was to reduce call wait times to below 20 minutes. Figure 1 below illustrates average yearly wait times by state fiscal year. The solid horizontal bar represents the Department’s stated goal.



Employment and Training Programs

Employment and training programs provide employment services for businesses and job training and job placement services for job seekers through a network of state and county run one-stop workforce centers. Unemployment Insurance claimants are required to register with a workforce center, and can take advantage of an online database managed by the workforce centers, Connecting Colorado. Total funding for FY 2015-16 for this division makes up 37.0 percent of the Department's budget which includes 72.3 percent of the division being funded with federal funds. This division saw a large increase in state funding due to a few bills, the Workforce Development package of bills, which are described in detail in the second briefing issue contained in this document. In FY 2014-15, the Division of Employment and Training received no General Fund and in FY 2015-16, the Division received \$5.0 million in General Fund.

The Department is currently ramping up its efforts in each of these new programs created in special bills. For more detail on the new programs, see the Briefing Issue later in this document.

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Summary: FY 2015-16 Appropriation & FY 2016-17 Request

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$178,911,115	\$2,698,594	\$74,251,770	\$1,139,547	\$100,821,204	1,023.5
Other Legislation	<u>8,609,990</u>	<u>5,309,990</u>	<u>0</u>	<u>3,300,000</u>	<u>0</u>	<u>6.8</u>
TOTAL	\$187,521,105	\$8,008,584	\$74,251,770	\$4,439,547	\$100,821,204	1,030.3
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$187,521,105	8,008,584	\$74,251,770	\$4,439,547	\$100,821,204	1,030.3
Annualize SB 15-239 (Transfer Voc. Rehab.)	48,731,618	4,200,778	793,571	4,939,313	38,797,956	233.1
Centrally appropriated line items	4,651,441	1,666,841	883,805	28,730	2,072,065	0.0
R1 Unemployment Insurance Investigations and Criminal Enforcement	412,854	0	412,854	0	0	4.5
R2 Transfer of the Division of Vocational Rehabilitation	371,253	79,077	0	0	292,176	2.6
NPI Resources for Administrative Courts	200,720	0	200,720	0	0	0.0
NPI Annual fleet vehicle request	62,394	10,829	8,955	0	42,610	0.0
NPI FY 2016-17 Secure Colorado	33,885	0	16,943	0	16,942	0.0
Indirect cost assessment adjustment	(153,045)	0	(30,868)	165	(122,342)	0.0
Annualize prior year budget actions	(46,823)	(2,249)	(45,735)	3,200	(2,039)	0.0
Annualize prior year legislation	(15,931)	(15,931)	0	0	0	0.3
Technical adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$241,769,471	\$13,947,929	\$76,492,015	\$9,410,955	\$141,918,572	1,270.8
Increase/(Decrease)	\$54,248,366	\$5,939,345	\$2,240,245	\$4,971,408	\$41,097,368	240.5
Percentage Change	28.9%	74.2%	3.0%	112.0%	40.8%	23.3%

Description of Requested Changes

Annualize S.B. 15-239 (Transfer of the Division of Vocational Rehabilitation): The request includes an increase of \$48.7 million total funds, including \$4.2 million General Fund and 233.1 FTE to reflect annualization of the transfer of the Division of Vocational Rehabilitation to the Department of Labor and Employment from the Department of Human Services. *For more information about the progress of the transfer, see the staff Briefing Document for the Department of Human Services—Services for People with Disabilities, which will be presented December 14, 2015.*

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Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; and payments to OIT.

R1 Unemployment Insurance Investigations and Criminal Enforcement: The request includes an increase of \$412,854 cash funds and 4.5 FTE to increase the number of criminal investigators investigating Unemployment Insurance fraud in the Investigations and Criminal Enforcement (ICE) unit of the Division of Unemployment Insurance to address a backlog in cases exceeding the Department-set threshold.

R2 Transfer of the Division of Vocational Rehabilitation: The request includes an increase of \$371,253 total funds, including \$79,077 General Fund, and 2.6 FTE to support the transfer of the Division of Vocational Rehabilitation. This request will be presented and discussed by Megan Davisson. *For more information about the resources requested for the transfer, see the staff Briefing Document for the Department of Human Services—Services for People with Disabilities, which will be presented December 14, 2015.*

NPI Resources for Administrative Courts: The request includes an increase of \$200,720 cash funds to cover the Department's share of the Administrative Courts in the Department of Personnel.

NPI Annual fleet request: The request includes the annual fleet vehicle change from the Department of Personnel.

NPI FY 2016-17 Secure Colorado: The request seeks an increase of \$33,885 total funds, for FY 2016-17 to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

Indirect cost assessment adjustment: The request includes a decrease of \$153,045 total funds to the Departments indirect cost recoveries.

Annualize prior year budget actions: The request includes a decrease of \$46,823 total funds, including a decrease of \$2,249 General Fund, to reflect the FY 2016-17 impact of prior year budget decisions for salary survey and merit pay.

Annualize prior year legislation: The request includes an overall decrease of \$15,931 General Fund to reflect the FY 2016-17 impact of legislation that was passed in previous legislative sessions, including the following acts:

- H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness);
- H.B. 15-1274 (Creation of Career Pathways for Students); and
- H.B. 15-1230 (Innovative Industry Workforce Development)

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Technical adjustments: The request includes other minor technical adjustments to account for the placement of special bills in the long bill structure for the Department of Labor and Employment.

Issue: Unemployment Insurance Fraud Investigator

Unemployment Insurance (UI) Investigations and Criminal Enforcement (ICE) Unit is empowered to conduct criminal investigations involving crimes affecting the UI Program of the Colorado Department of Labor and Employment (CDLE). Crimes investigated include UI claimant and employer fraud.

SUMMARY:

- Unemployment Insurance (UI) Investigations and Criminal Enforcement (ICE) is empowered to conduct criminal investigations involving crimes affecting the UI Program of the Colorado Department of Labor and Employment (CDLE).
- To address an increase in the backlog of cases referred to ICE that exceed \$10,000, the Department is seeking an increase of \$412,854 cash funds and 4.5 FTE to increase criminal investigators available to build cases against perpetrators of UI fraud.
- If approved, the Department's request would increase staff for the Investigations and Criminal Enforcement unit for two years. After this period, the Department and Joint Budget Committee will reevaluate if the positions continue to be necessary.

RECOMMENDATION:

Staff recommends approving the Department request of \$412,854 and 4.5 FTE from the Unemployment Revenue Fund for four additional criminal investigators and a half-time administrative assistance within the Investigations and Criminal Enforcement unit of the Unemployment Insurance Division with the addition of a Long Bill footnote directing the Department to track time spent actively investigating each case to assist in determining the future needs of the program.

DISCUSSION:

The Investigations & Criminal Enforcement (ICE) unit was originally established for the purpose of conducting criminal investigations involving crimes affecting the Colorado Department of Labor and Employment (CDLE). Under that directive, ICE has dedicated itself to the detection, investigation, and prosecution of crimes perpetrated against the Division of Unemployment Insurance (UI) and to the recovery of its assets. The primary responsibility of ICE is investigating and building cases against criminals defrauding the Unemployment Insurance program.

In addition to investigating individuals for UI fraud, ICE is also responsible for several other duties, which include, but are not limited to performing law enforcement assists, processing

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restitution monies ordered by the courts, and reviewing and clearing all background checks for Department employees.

For example, the unit completed 5,141 law enforcement assists, 985 background checks, 19 identity abuse cases, 14 threats, and 172 UI fraud tips from 2012 through June 2015 (the period outlined in Figure 2 below). Even with such numbers, the dramatic increase in UI fraud, caused by the influx of UI claims filed during the economic downturn and the flurry of UI claims expanded by the Extended Unemployment Benefits Program, created a large backlog of unassigned cases. On average, the unit as a whole is currently working (active investigations) on average about 55-60 cases during the month. This does not include the cases that have already been referred to the District Attorney's (DA's) offices for prosecution. On average, an investigator works between 10-15 cases per year. Each case on average can have 4 separate claims. Figure 2 below illustrates the workload of ICE as it relates to investigating UI fraud.

This case work can take several months, and in some large scale identity theft rings, a year or more to investigate. Mostly all of the work performed by ICE involves multiple claims and multiple actors, complicating investigations. Once the investigator has completed their investigation, they refer their case to the DA's office or AG's office for prosecution. Since many of the cases involve numerous claims, the evidence submitted is very large. Once the DA decides to file the case, the claimant will appear in court. The time a claimant (now defendant) spends in court varies as well, as some plead right away and others have continuances for several months. The majority of cases do not go to trial because the evidence is overwhelmingly conclusive; however, there are times when ICE investigators attend trial or hearings.

Figure 2: Actual and Estimated Workload of ICE

	Actual				Estimated ^{1/}			
	2012	2013	2014	2015	2016	2017	2018	2019
Cases Received	131	118	149	161	155	140	140	140
Cases Filed in District Court	68	98	102	107	103	160	160	160
UI Claims per case	5	3	4	4	4	4	4	4
Unassigned cases (over \$10,000)	63	83	130	184	236	216	196	176
Actual or anticipated repayment to UI Trust Fund	\$680,000	\$980,000	\$1,020,000	\$1,070,000	\$1,030,000	\$2,313,340	\$2,313,340	\$2,313,340

^{1/} Estimates assume approval of this request.

The Department is currently unable to provide an average of how long it takes to work an investigation, as it depends on a variety of factors (i.e.: obtaining employer records, preparing and serving court orders on banks, interviewing witnesses, gathering evidence as well as interviewing the suspect). The Criminal Investigator completes a lengthy process for each case,

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which includes: reviewing documents, identifying additional claims, running criminal histories, gathering other data, contacting employers, preparing court orders, contacting suspects, contacting witnesses, preparing affidavits and witness statements, and testifying in court. Once a case is complete and ready to send to the DA, on average, the case file (including reports and evidence) is approximately 1,500 – 2,000 pages. Lastly, in addition to all of the above, Criminal Investigators are responsible for handling all law enforcement assists as well as all UI fraud tips that come into the Department.

In discussions with the Department, staff questioned whether there was a way to reduce the amount of time investigators are required to interact with a case once it is ready to be filed by a District Attorney. The Department is not currently interested in a statutory change that would allow it to bypass the Judicial Branch to obtain judgment against fraudulent claimants mainly because the types of cases ICE typically investigates are those that rise to the level of criminal felony, and thus want to continue to involve the criminal courts.

Fraud Case Threshold

Current law allows the Executive Director of the Department to adjust the monetary threshold that warrants investigation by ICE. The current threshold to send fraud cases to ICE is \$10,000 or greater. ICE currently holds approximately \$2.3 million in unassigned cases waiting to be investigated, in addition to the normal yearly caseload. Although the ICE unit still has a large back-log of cases, they continually receive cases from the Benefit Payment Control (BPC) unit monthly.

ICE investigates these cases under a variety of criminal statutes and those have varying periods limiting how long the state can charge those responsible for the fraud. For example, if the District Attorney's office charges the defendant with Making a False Claim, it must be charged within 18 months of the last act, however, if the crime charged is more clearly Criminal Theft, the statute of limitations is 3 years from the date of discovery. In addition to unassigned cases that exceed \$10,000, the Department also reports that there are 495 unassigned cases valued between \$5,000 and \$9,999. Once ICE is able to reduce the backlog of cases, the Department would like to investigate lowering the threshold to capture more of the fraud being perpetrated against the state.

Request

The Department states that ICE fills a vital role in helping demonstrate its ongoing commitment to integrity in its programs and accountability to the citizens of the State of Colorado. As such, the Department is proposing that an additional three Criminal Investigator I positions, one Criminal Investigator III, and a half-time Administrative Assistant II be added to the ICE unit and will be paid out of the Unemployment Revenue Fund.

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The Department calculates that with four additional investigators it will capture on average \$713,340 more fraud in the UI system even before lowering the threshold for fraud cases.

There will always be individuals who commit UI fraud, whether there is an economic downturn or not. Although fraud tends to rise during an economic downturn, it has always existed. With the additional FTEs, the Department will not only be able run cases more efficiently, which will increase the amount of money that comes back to the Department, but the Department will be able to tackle some of the non-traditional fraud cases that ICE also investigates. Finally, the Department request is for increased FTE and funding for two fiscal years. At the end of that period the Department and the Joint Budget Committee will reevaluate the need for increased staffing levels in the ICE.

The funding source requested by the Department is the Unemployment Revenue Fund created in Section 8-77-106, C.R.S. Revenue is derived from fees applied to delinquent payments made by employers and costs awarded to the Department for investigating fraud by the courts. Payments made to the Department for investigative costs awarded by the courts are credited to the fund, while the amount of UI payments recovered are returned to the Unemployment Trust Fund. Over the past two completed state fiscal years, ICE generated an average of \$7.4 million revenue to the Unemployment Revenue Fund. This figure does not include the amount of principal repaid to the Unemployment Trust Fund. In FY 2013-14, the cost of funding ICE was approximately \$1.7 million and in FY 2014-15, the costs were about \$2.4 million.

Informational Issue: Workforce Development Package of Bills Implementation Progress

The following is an informational summary of the progress the Department of Labor and Employment has made in implementing special bills included in the Workforce Development Package of Bills.

DISCUSSION:

The General Assembly passed several bills last session aimed at increasing tools available to job seekers. Collectively, these bills began to be called the Workforce Development Package of Bills. The bills include:

Workforce Development Package of Bills	
Bill Number	Bill Title
H.B. 15-1030	Employment Services for Veterans Pilot Program
H.B. 15-1170	Increasing Postsecondary and Workforce Readiness
H.B. 15-1230	Innovative Industry Workforce Development Program
H.B. 15-1274	Career Pathways for Students
H.B. 15-1276	Skilled Worker Outreach, Recruitment, and Key Training Program

These bills had a significant influence on the growth of General Fund appropriated to the Department of Labor and Employment. The following are brief updates on the implementation of each bill.

H.B. 15-1030 Employment Services for Veterans Pilot Program

The bill created the Employment Services for Veterans Pilot Program in the Department of Labor and Employment. The Program includes veterans services related to job retention, mediation with employers, mentoring, and career counseling for up to 20 veterans. Pursuant bill requirements, the Department released a request for proposal in August 2015 and accepted proposals through September 2015. Once the proposal period closed, the Department reviewed each proposal for general eligibility and forwarded each to a review committee. The review committee was unable to select a proposal initially because none clearly satisfied all the requirements on the bill.

On September 30, 2015, the committee invited vendors to complete in-person interviews to answer questions and clarify proposal elements. After these interviews, the review committee selected a vendor. The Department prepared its intent to award letter in October 2015 and it is awaiting final signatures.

H.B. 15-1170 Increasing Postsecondary and Workforce Readiness

Prior to enactment of this bill, the Colorado Department of Education (CDE) annually determined the level of attainment for public schools, school districts, and the state based on specific indicators of performance. One of the performance indicators used is the degree to which students graduate from high school postsecondary and workforce ready (PWR). The CDE calculates PWR based on the achievement level of eleventh grade students taking the statewide college entrance test, the percent of graduates who receive an endorsed diploma (pending), and graduation and dropout rates.

Beginning in 2016-17, this bill requires the CDE to also calculate PWR by including the percent of high school graduates who enroll in a postsecondary education program in the school year immediately following graduation. Consistent with the other measures of performance, the CDE must disaggregate the additional data collected by student group.

The bill created the position of Postsecondary and Workforce Readiness Statewide Coordinator (PWR Coordinator) to work under the Work Force Development Council (CWDC) in the Colorado Department of Labor and Employment. The PWR coordinator will work with local education providers, businesses, industry, area vocational schools, community colleges, the CDE, the Department of Higher Education (DHE), and the career and technical education division within the community college system to raise the level of PWR achieved by high school graduates.

The CWDC and the CDE entered into a Memorandum of Understanding in August of 2015. The CWDC posted the PWR Coordinator position in August and was unable to fill the position at that time. To respond, the CWDC and CDE restructured the position description to clarify the work involved and experience needed. Concurrently, the DHE and CDE are updating the definition of PWR with the guidance of a consulting firm with subject matter expertise in the area.

H.B. 15-1230 Innovative Industry Workforce Development Program

This bill created the Innovative Industries Workforce Development Program (program) in the Colorado Department of Labor and Employment, cooperatively administered by the Colorado Workforce Development Council (CWDC) and the Division of Employment and Training. The program reimburses employers with high-level internships and apprenticeships in an innovative industry for up to \$5,000 in expenses per intern. An employer may be reimbursed for no more than 10 interns, and at least half of the reimbursement must be used to pay interns.

Since the beginning of the fiscal year, the CWDC and the Workforce Development Programs (WDP) developed a cross-functional team. Members of the team determined the law requires the program to submit a request for proposal to solicit industry intermediaries and is currently accepting proposals. The team hired a grant coordinator at the beginning of November and is currently developing criteria for applications, a process for recruiting positions and interns for the program, and determining the technology needs for matching interns with businesses.

H.B. 15-1274 Career Pathways for Students

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This bill requires that the CWDC design integrated career pathways within identified growth industries having critical occupations, and where no clearly articulated career pathways are available. The CWDC must use the model for career pathways developed by the State Board for Community Colleges and Occupational Education pursuant to HB 13-1165 and design at least one career pathway to be ready for implementation by or before the 2016-17 academic year, and design at least two additional career pathways ready for implementation at the beginning of each subsequent academic year.

CWDC and the Colorado Community Colleges Systems have made job postings for each of their respective coordinators but have not yet filled either of them at this time. CWDC is working with the IT Sector Partnership to map credentials and competencies for the IT Career Pathway. Last week, on November 5 and 6 the CWDC hosted the Sectors Academy which represents the first business meeting for gathering more information from the industry for the next layer of data to identify a career pathway.

H.B. 15-1276 Skilled Worker Outreach, Recruitment, and Key Training Program

The bill created the Skilled Worker Outreach, Recruitment, and Key Training Program in the Department of Labor and Employment. Starting January 1, 2016, the program will accept applications for matching grants from public and private providers of qualified skilled worker training programs. Qualified grant recipients offer training for skills that are needed in the workplace, with a credential or other evidence of achievement awarded at the completion of training.

The Department filled the grant coordinator position on September 1, 2015 and the Colorado Workforce Development Council (CWDC) is cooperating with Boards and Commissions to create the governor appointed grant review committee. The grant coordinator is preparing solicitation and commitment documents that will be ready for the public on January 1, 2016, when the Department begins accepting applications. The Grant Review Committee will meet and review the grant applications, and make recommendations to the Executive Directors of CDLE, Higher Education, and the Office of Economic Development. Finally, the grants are expected to be award by April 1, 2015.

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Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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DEPARTMENT OF LABOR AND EMPLOYMENT
Ellen Golombek, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

Personal Services	<u>7,434,404</u>	<u>7,805,023</u>	<u>8,453,305</u>	<u>8,595,044</u> *
FTE	98.5	99.9	99.9	105.9
General Fund	0	0	379,620	223,576
Cash Funds	4,154,417	4,273,265	4,457,731	4,517,359
Reappropriated Funds	157,006	157,006	157,006	162,366
Federal Funds	3,122,981	3,374,752	3,458,948	3,691,743
Health, Life, and Dental	<u>6,583,297</u>	<u>6,583,297</u>	<u>8,488,040</u>	<u>9,668,762</u>
General Fund	0	0	133,706	423,939
Cash Funds	3,020,480	3,020,480	3,377,965	3,576,396
Reappropriated Funds	0	0	43,463	58,884
Federal Funds	3,562,817	3,562,817	4,932,906	5,609,543
Short-term Disability	<u>106,062</u>	<u>106,062</u>	<u>145,645</u>	<u>139,271</u>
General Fund	0	0	1,399	6,641
Cash Funds	49,445	49,445	62,455	54,939
Reappropriated Funds	0	0	947	999
Federal Funds	56,617	56,617	80,844	76,692
S.B. 04-257 Amortization Equalization Disbursement	<u>2,009,515</u>	<u>2,009,515</u>	<u>2,926,737</u>	<u>3,560,693</u>
General Fund	0	0	28,301	169,727
Cash Funds	936,813	936,813	1,254,563	1,404,033
Reappropriated Funds	0	0	19,046	25,483
Federal Funds	1,072,702	1,072,702	1,624,827	1,961,450

*This line item includes a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>1,814,146</u>	<u>1,814,146</u>	<u>2,826,962</u>	<u>3,523,602</u>	
General Fund	0	0	27,336	167,959	
Cash Funds	845,734	845,734	1,211,794	1,389,408	
Reappropriated Funds	0	0	18,397	25,217	
Federal Funds	968,412	968,412	1,569,435	1,941,018	
Salary Survey	<u>1,322,626</u>	<u>1,322,626</u>	<u>732,533</u>	<u>150,603</u>	
General Fund	0	0	11,769	6,210	
Cash Funds	640,593	640,593	278,776	51,807	
Reappropriated Funds	0	0	4,736	0	
Federal Funds	682,033	682,033	437,252	92,586	
Merit Pay	<u>773,319</u>	<u>625,507</u>	<u>675,582</u>	<u>0</u>	
General Fund	0	653	7,339	0	
Cash Funds	336,691	318,882	338,241	0	
Reappropriated Funds	0	0	4,855	0	
Federal Funds	436,628	305,972	325,147	0	
Shift Differential	<u>12,094</u>	<u>13,259</u>	<u>13,497</u>	<u>14,797</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	12,094	13,259	13,497	14,797	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Workers' Compensation	<u>454,911</u>	<u>571,278</u>	<u>502,686</u>	<u>583,629</u>	
General Fund	0	0	0	0	
Cash Funds	128,239	165,277	145,339	168,742	
Reappropriated Funds	0	0	0	0	
Federal Funds	326,672	406,001	357,347	414,887	
Operating Expenses	<u>1,522,323</u>	<u>1,212,751</u>	<u>1,961,007</u>	<u>1,785,705</u>	*
General Fund	0	0	190,000	3,131	
Cash Funds	760,376	752,510	766,076	766,076	
Reappropriated Funds	0	0	0	0	
Federal Funds	761,947	460,241	1,004,931	1,016,498	
Legal Services	<u>617,833</u>	<u>805,899</u>	<u>818,411</u>	<u>809,102</u>	
General Fund	34,762	54,683	95,388	77,141	
Cash Funds	169,988	193,801	184,908	188,201	
Reappropriated Funds	0	0	0	0	
Federal Funds	413,083	557,415	538,115	543,760	
Payment to Risk Management and Property Funds	<u>46,625</u>	<u>68,518</u>	<u>76,052</u>	<u>113,601</u>	
General Fund	0	0	0	0	
Cash Funds	15,013	22,564	25,045	37,410	
Reappropriated Funds	0	0	0	0	
Federal Funds	31,612	45,954	51,007	76,191	
Vehicle Lease Payments	<u>95,064</u>	<u>92,196</u>	<u>146,117</u>	<u>208,511</u>	*
General Fund	0	0	0	10,829	
Cash Funds	76,229	92,196	110,277	119,232	
Reappropriated Funds	0	0	0	0	
Federal Funds	18,835	0	35,840	78,450	

*This line item includes a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Leased Space	<u>3,593,747</u>	<u>3,587,726</u>	<u>3,848,843</u>	<u>5,290,782</u> *	
General Fund	0	0	17,528	281,960	
Cash Funds	1,970,193	2,096,169	2,159,054	2,228,250	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,623,554	1,491,557	1,672,261	2,780,572	
Capitol Complex Leased Space	<u>23,476</u>	<u>17,916</u>	<u>21,880</u>	<u>24,480</u>	
General Fund	0	0	0	0	
Cash Funds	20,132	14,986	18,291	20,891	
Reappropriated Funds	0	0	0	0	
Federal Funds	3,344	2,930	3,589	3,589	
CORE Operations	<u>185,313</u>	<u>408,409</u>	<u>304,222</u>	<u>315,204</u>	
General Fund	0	0	0	0	
Cash Funds	185,313	185,370	124,293	128,779	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	223,039	179,929	186,425	
Utilities	<u>250,312</u>	<u>225,236</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	250,312	225,236	260,309	260,309	
Information Technology Asset Maintenance	<u>523,486</u>	<u>553,627</u>	<u>553,627</u>	<u>553,627</u>	
General Fund	0	0	0	0	
Cash Funds	163,438	175,343	175,343	175,343	
Reappropriated Funds	0	0	0	0	
Federal Funds	360,048	378,284	378,284	378,284	

*This line item includes a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Statewide Indirect Cost Assessment	<u>1,028,796</u>	<u>620,002</u>	<u>639,746</u>	<u>486,701</u>	
General Fund	0	0	0	0	
Cash Funds	345,656	374,154	286,071	255,203	
Reappropriated Funds	0	0	0	165	
Federal Funds	683,140	245,848	353,675	231,333	
Payments to OIT	0	<u>8,947,825</u>	<u>10,286,585</u>	<u>12,229,553</u> *	
General Fund	0	44,328	1,520,385	2,524,557	
Cash Funds	0	4,976,451	4,746,695	5,216,094	
Reappropriated Funds	0	0	393,180	393,180	
Federal Funds	0	3,927,046	3,626,325	4,095,722	
Purchase of Services from Computer Center	<u>8,061,429</u>	0	0	0	
General Fund	0	0	0	0	
Cash Funds	3,320,897	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,740,532	0	0	0	
Multiuse Network Payments	<u>445,254</u>	0	0	0	
General Fund	0	0	0	0	
Cash Funds	211,034	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	234,220	0	0	0	
Management and Administration of OIT	<u>288,322</u>	0	0	0	
General Fund	0	0	0	0	
Cash Funds	138,487	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	149,835	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Information Technology Security	93,282	0	0	0	
General Fund	0	0	0	0	
Cash Funds	43,646	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	<u>49,636</u>	<u>0</u>	<u>0</u>	<u>0</u>	
TOTAL - (1) Executive Director's Office	37,285,636	37,390,818	43,681,786	48,313,976	10.6%
<i>FTE</i>	<u>98.5</u>	<u>99.9</u>	<u>99.9</u>	<u>105.9</u>	<u>6.0%</u>
General Fund	34,762	99,664	2,412,771	3,895,670	61.5%
Cash Funds	17,532,814	19,134,033	19,722,917	20,298,163	2.9%
Reappropriated Funds	157,006	157,006	641,630	666,294	3.8%
Federal Funds	19,561,054	18,000,115	20,904,468	23,453,849	12.2%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(2) DIVISION OF UNEMPLOYMENT INSURANCE					
Program Costs	<u>46,453,854</u>	<u>46,459,859</u>	<u>35,898,467</u>	<u>36,953,787</u> *	
FTE	619.0	552.6	453.1	457.6	
General Fund	0	0	0	0	
Cash Funds	7,263,034	10,519,038	6,921,005	7,492,131	
Reappropriated Funds	0	0	0	0	
Federal Funds	39,190,820	35,940,821	28,977,462	29,461,656	
Employment and Training Technology Initiatives	<u>1,805,395</u>	<u>4,309,997</u>	<u>9,986,214</u>	<u>9,986,214</u>	
FTE	10.5	12.0	26.0	26.0	
General Fund	0	0	0	0	
Cash Funds	1,805,395	4,309,997	9,986,214	9,986,214	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (2) Division of Unemployment Insurance	48,259,249	50,769,856	45,884,681	46,940,001	2.3%
FTE	<u>629.5</u>	<u>564.6</u>	<u>479.1</u>	<u>483.6</u>	0.9%
General Fund	0	0	0	0	0.0%
Cash Funds	9,068,429	14,829,035	16,907,219	17,478,345	3.4%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	39,190,820	35,940,821	28,977,462	29,461,656	1.7%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(3) DIVISION OF EMPLOYMENT AND TRAINING

(A) Employment and Training Programs

State Operations	<u>16,350,154</u>	<u>19,000,138</u>	<u>14,354,297</u>	<u>14,513,658</u>
FTE	126.4	123.6	143.7	143.7
General Fund	0	0	0	0
Cash Funds	9,179,115	10,403,561	9,601,443	9,689,085
Reappropriated Funds	0	0	0	0
Federal Funds	7,171,039	8,596,577	4,752,854	4,824,573
One-Stop County Contracts	<u>8,642,345</u>	<u>5,184,953 25.9</u>	<u>9,164,335</u>	<u>9,164,335</u>
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	8,642,345	5,184,953	9,164,335	9,164,335
Trade Adjustment Act Assistance	<u>1,693,685</u>	<u>1,179,367 1.2</u>	<u>2,500,000</u>	<u>2,500,000</u>
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	1,693,685	1,179,367	2,500,000	2,500,000

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Workforce Investment Act	<u>39,935,684</u>	<u>38,455,862</u>	<u>32,427,218</u>	<u>32,504,222</u>	
FTE	66.2	58.3	61.2	61.2	
General Fund	0	0	0	0	
Cash Funds	807,540	807,540	807,540	807,540	
Reappropriated Funds	0	0	0	0	
Federal Funds	39,128,144	37,648,322	31,619,678	31,696,682	
Workforce Development Council	<u>464,311</u>	<u>527,159</u>	<u>1,062,611</u>	<u>1,058,284</u>	
FTE	3.9	3.9	7.5	7.5	
General Fund	0	0	584,012	572,254	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	478,599	486,030	
Federal Funds	464,311	527,159	0	0	
Workforce Improvement Grants	<u>0</u>	<u>55,000 0.6</u>	<u>55,000</u>	<u>55,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	55,000	55,000	55,000	
Veterans Pilot Program	<u>0</u>	<u>0</u>	<u>157,950</u>	<u>157,950</u>	
FTE	0.0	0.0	0.3	0.3	
General Fund	0	0	157,950	157,950	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Innovative Industry Workforce Development	<u>0</u>	<u>0</u>	<u>582,698</u>	<u>597,525</u>	
FTE	0.0	0.0	1.0	1.3	
General Fund	0	0	582,698	597,525	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Skilled Worker Outreach, Recruitment and Training Program	<u>0</u>	<u>0</u>	<u>6,600,000</u>	<u>6,600,000</u>	
FTE	0.0	0.0	2.0	2.0	
General Fund	0	0	3,300,000	3,300,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	3,300,000	3,300,000	
Federal Funds	0	0	0	0	
Hospitality Education Grant Program	<u>0</u>	<u>8,766</u>	<u>399,852</u>	<u>399,852</u>	
FTE	0.0	0.1	0.5	0.5	
General Fund	0	8,766	399,852	399,852	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) Employment and Training Programs	67,086,179	64,411,245	67,303,961	67,550,826	0.4%
FTE	<u>196.5</u>	<u>213.6</u>	<u>216.2</u>	<u>216.5</u>	<u>0.1%</u>
General Fund	0	8,766	5,024,512	5,027,581	0.1%
Cash Funds	9,986,655	11,211,101	10,408,983	10,496,625	0.8%
Reappropriated Funds	0	0	3,778,599	3,786,030	0.2%
Federal Funds	57,099,524	53,191,378	48,091,867	48,240,590	0.3%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(B) Labor Market Information					
Program Costs	2,558,078	2,361,792	2,149,309	2,189,911	
FTE	18.6	30.3	30.3	30.3	
General Fund	0	0	0	0	
Cash Funds	0	0	11,323	11,323	
Reappropriated Funds	0	2,361,792	0	0	
Federal Funds	2,558,078	0	2,137,986	2,178,588	
SUBTOTAL - (B) Labor Market Information	2,558,078	2,361,792	2,149,309	2,189,911	1.9%
<i>FTE</i>	<u>18.6</u>	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	11,323	11,323	0.0%
Reappropriated Funds	0	2,361,792	0	0	0.0%
Federal Funds	2,558,078	0	2,137,986	2,178,588	1.9%
TOTAL - (3) Division of Employment and Training	69,644,257	66,773,037	69,453,270	69,740,737	0.4%
<i>FTE</i>	<u>215.1</u>	<u>243.9</u>	<u>246.5</u>	<u>246.8</u>	<u>0.1%</u>
General Fund	0	8,766	5,024,512	5,027,581	0.1%
Cash Funds	9,986,655	11,211,101	10,420,306	10,507,948	0.8%
Reappropriated Funds	0	2,361,792	3,778,599	3,786,030	0.2%
Federal Funds	59,657,602	53,191,378	50,229,853	50,419,178	0.4%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(4) DIVISION OF LABOR					
Program Costs	<u>1,236,099</u>	<u>1,665,162</u>	<u>1,840,778</u>	<u>1,876,358</u>	
FTE	14.6	18.1	25.8	25.8	
General Fund	49,395	485,966	571,301	588,160	
Cash Funds	1,186,704	1,179,196	1,269,477	1,288,198	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (4) Division of Labor	1,236,099	1,665,162	1,840,778	1,876,358	1.9%
<i>FTE</i>	<u>14.6</u>	<u>18.1</u>	<u>25.8</u>	<u>25.8</u>	<u>0.0%</u>
General Fund	49,395	485,966	571,301	588,160	3.0%
Cash Funds	1,186,704	1,179,196	1,269,477	1,288,198	1.5%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(5) DIVISION OF OIL AND PUBLIC SAFETY					
Personal Services	<u>4,944,669</u>	<u>4,989,952</u>	<u>5,040,182</u>	<u>5,137,814</u>	
FTE	69.4	72.1	68.0	68.0	
General Fund	0	0	0	0	
Cash Funds	3,797,670	4,237,201	4,456,464	4,554,096	
Reappropriated Funds	19,308	0	19,318	19,318	
Federal Funds	1,127,691	752,751	564,400	564,400	
Operating Expenses	<u>507,761</u>	<u>607,969</u>	<u>741,333</u>	<u>741,333</u>	
General Fund	0	0	0	0	
Cash Funds	380,062	493,485	596,312	596,312	
Reappropriated Funds	0	0	0	0	
Federal Funds	127,699	114,484	145,021	145,021	
TOTAL - (5) Division of Oil and Public Safety	5,452,430	5,597,921	5,781,515	5,879,147	1.7%
FTE	<u>69.4</u>	<u>72.1</u>	<u>68.0</u>	<u>68.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	4,177,732	4,730,686	5,052,776	5,150,408	1.9%
Reappropriated Funds	19,308	0	19,318	19,318	0.0%
Federal Funds	1,255,390	867,235	709,421	709,421	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(6) DIVISION OF WORKERS' COMPENSATION					
(A) Workers' Compensation					
Personal Services	<u>6,843,625</u>	<u>6,937,140</u>	<u>7,273,001</u>	<u>7,398,940</u>	
FTE	90.7	91.8	95.0	95.0	
General Fund	0	0	0	0	
Cash Funds	6,843,625	6,937,140	7,273,001	7,398,940	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>569,127</u>	<u>552,705</u>	<u>576,328</u>	<u>576,328</u>	
General Fund	0	0	0	0	
Cash Funds	569,127	552,705	576,328	576,328	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	<u>2,700,053</u>	<u>2,638,285</u>	<u>3,437,605</u>	<u>3,388,949</u>	*
General Fund	0	0	0	0	
Cash Funds	2,700,053	2,638,285	3,437,605	3,388,949	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Physicians Accreditation	<u>102,919</u>	<u>83,335</u>	<u>120,000</u>	<u>120,000</u>	
General Fund	0	0	0	0	
Cash Funds	102,919	83,335	120,000	120,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

*This line item includes a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Utilization Review	<u>38,573</u>	<u>34,547</u>	<u>35,000</u>	<u>35,000</u>	
General Fund	0	0	0	0	
Cash Funds	38,573	34,547	35,000	35,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Immediate Payment	<u>24</u>	<u>976</u>	<u>1,000</u>	<u>1,000</u>	
General Fund	0	0	0	0	
Cash Funds	24	976	1,000	1,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) Workers' Compensation	10,254,321	10,246,988	11,442,934	11,520,217	0.7%
<i>FTE</i>	<u>90.7</u>	<u>91.8</u>	<u>95.0</u>	<u>95.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	10,254,321	10,246,988	11,442,934	11,520,217	0.7%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(B) Major Medical Insurance and Subsequent Injury Funds					
Personal Services	<u>1,228,889</u>	<u>1,246,731</u>	<u>1,327,815</u>	<u>1,351,263</u>	
FTE	14.4	14.8	16.0	16.0	
General Fund	0	0	0	0	
Cash Funds	1,228,889	1,246,731	1,327,815	1,351,263	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>71,918</u>	<u>56,411</u>	<u>88,324</u>	<u>88,324</u>	
General Fund	0	0	0	0	
Cash Funds	71,918	56,411	88,324	88,324	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Major Medical Benefits	<u>4,816,248</u>	<u>4,988,761</u>	<u>6,000,000</u>	<u>6,000,000</u>	
General Fund	0	0	0	0	
Cash Funds	4,816,248	4,988,761	6,000,000	6,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Major Medical Legal Services	<u>5,717</u>	<u>0</u>	<u>9,501</u>	<u>9,501</u>	
General Fund	0	0	0	0	
Cash Funds	5,717	0	9,501	9,501	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Subsequent Injury Benefits	<u>1,388,592</u>	<u>1,391,928</u>	<u>2,000,000</u>	<u>2,000,000</u>	
General Fund	0	0	0	0	
Cash Funds	1,388,592	1,391,928	2,000,000	2,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Subsequent Injury Legal Services	<u>7,394</u>	<u>0</u>	<u>9,501</u>	<u>9,501</u>	
General Fund	0	0	0	0	
Cash Funds	7,394	0	9,501	9,501	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Medical Disaster	<u>314</u>	<u>392</u>	<u>1,000</u>	<u>1,000</u>	
General Fund	0	0	0	0	
Cash Funds	314	392	1,000	1,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Major Medical Insurance and Subsequent Injury Funds	7,519,072	7,684,223	9,436,141	9,459,589	0.2%
<i>FTE</i>	<u>14.4</u>	<u>14.8</u>	<u>16.0</u>	<u>16.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	7,519,072	7,684,223	9,436,141	9,459,589	0.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (6) Division of Workers' Compensation	17,773,393	17,931,211	20,879,075	20,979,806	0.5%
<i>FTE</i>	<u>105.1</u>	<u>106.6</u>	<u>111.0</u>	<u>111.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	17,773,393	17,931,211	20,879,075	20,979,806	0.5%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(7) DIVISION OF VOCATIONAL REHABILITATION

Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,939,624</u>	
FTE	0.0	0.0	0.0	223.7	
General Fund	0	0	0	3,392,568	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	12,547,056	
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,539,404</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	540,893	
Federal Funds	0	0	0	1,998,511	
Voc Rehab Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,831,622</u>	
General Fund	0	0	0	1,043,950	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	2,115,185	
Federal Funds	0	0	0	11,672,487	
School to Work Alliance Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,133,891</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	34,647	
Reappropriated Funds	0	0	0	1,910,872	
Federal Funds	0	0	0	7,188,372	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Voc Rehab Mental Health Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,748,180</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	372,363	
Federal Funds	0	0	0	1,375,817	
Business Enterprises Program for People Who Are Blind	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,532,125 6.0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	325,500	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	1,206,625	
Business Enterprises Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>429,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	429,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Federal Social Security Reimbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,885,600</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	1,885,600	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (7) Division of Vocational Rehabilitation	0	0	0	48,039,446	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>229.7</u>	<u>0.0%</u>
General Fund	0	0	0	4,436,518	0.0%
Cash Funds	0	0	0	789,147	0.0%
Reappropriated Funds	0	0	0	4,939,313	0.0%
Federal Funds	0	0	0	37,874,468	0.0%
TOTAL - Department of Labor and Employment	179,651,064	180,128,005	187,521,105	241,769,471	28.9%
<i>FTE</i>	<u>1,132.2</u>	<u>1,105.2</u>	<u>1,030.3</u>	<u>1,270.8</u>	<u>23.3%</u>
General Fund	84,157	594,396	8,008,584	13,947,929	74.2%
Cash Funds	59,725,727	69,015,262	74,251,770	76,492,015	3.0%
Reappropriated Funds	176,314	2,518,798	4,439,547	9,410,955	112.0%
Federal Funds	119,664,866	107,999,549	100,821,204	141,918,572	40.8%

Appendix B: **Recent Legislation Affecting Department Budget**

2014 Session Bills

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-005 (Wage Protection Act): Authorizes the Division of Labor to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee—which represents the maximum sum in nearly all wage claim cases—after January 1, 2015. Outlines required notices the division must send in writing and response deadlines for those notices. Requires the Division to issue a citation and notice of assessment to employers when a violation is found. Increases the appropriation to the Division of Labor by \$333,403 total funds including \$320,903 General Fund to investigate wage issues, perform audits, analyze company records, impose fees, and promulgate rules.

H.B. 14-015 (Hospitality Education Grant Program): Creates a hospitality career secondary education grant program in the Department. Directs the Department to award grants to increase the number and quality of hospitality programs operating in schools. Requires the Department to adopt rules for the program and begin awarding grants for the 2015-16 academic year. Increases the appropriation to the Division of Employment and Training by \$56,665 General Fund and 0.5 FTE to administer the hospitality education grant program.

2015 Session Bills

S.B. 15-151 (Supplemental Bill): Supplemental appropriations to the Department of Labor and Employment to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-239 (Transfer Vocational Rehabilitation Programs from DHS to CDLE): Transfers the Vocational Rehabilitation Programs, including the Business Enterprise Program, through which persons who are blind operate vending facilities in State buildings, from the Department of Human Services (DHS) to the Department of Labor and Employment (CDLE) as of July 1, 2016. CDLE and DHS must develop a transition plan by December 1, 2015 detailing additional steps, including any additional statutory changes necessary to effectuate the transition of vocational rehabilitation programs from DHS to CDLE. Further, starting in September 2015, CDLE must provide quarterly status updates to the Joint Budget Committee. For FY 2015-16, makes the following appropriations: (1) \$665,330 General Fund and 1.0 FTE to the Department of Labor and Employment, (2) \$18,902 reappropriated funds from CDLE and 0.1 FTE to the Department of Law, and (3) \$59,280 reappropriated funds from CDLE to the Governor’s Office of Information and Technology.

H.B. 15-1030 (Employment Services for Veterans Pilot Program): Creates the Employment Services for Veterans Pilot Program in the Department of Labor and Employment. The pilot program will provide employment services for 20 veterans over the course of two fiscal years. The Department will submit a request for proposals to solicit a qualified nonprofit agency to operate the program as a contractor. Appropriates \$157,950 General Fund and 0.3 FTE to the Department of Labor and Employment in FY 2015-16.

H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness): Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: (1) \$92,934 General Fund and 0.7 FTE to the Department of Education; (2) \$118,969 General Fund to the Colorado Department of Labor and Employment (CDLE); and (3) \$20,000 reappropriated funds (from the appropriation to the CDLE) to the Office of the Governor for information technology services.

H.B. 15-1230 (Innovative Industry Workforce Development): Creates the Innovative Industries Workforce Development Program in the Department of Labor and Employment and cooperatively administered by the Workforce Development Council (WDC) and the Division of Employment and Training. The program reimburses employers with high-level internships and apprenticeships in an innovated industry for up to \$5,000 in expenses per intern. The WDC provides technical assistance, promotes the program, and prioritizes applications if there are more internships than available funding. For FY 2015-16, appropriates \$582,698 and 1.0 FTE to the Department of Labor and Employment.

H.B. 15-1274 (Creation of Career Pathways for Students): Requires the Workforce Development Council (WDC) in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, partner industries, and local educational institutions, to design integrated career pathways within identified growth industries. A career pathway is a series of connected education and training strategies and support services that enable students to secure industry-relevant skills and certification, where applicable, to obtain employment within an occupational area, and to advance to higher levels of future education and employment. Following design and implementation of new career pathways, the Departments of Higher Education and Labor and Employment must collaborate to promote information concerning the program and provide online student support services. For FY 2015-16 provides appropriations of \$485,043 General Fund to the Department of Labor and Employment for the WDC, based on the assumption that the Department will require an additional 2.5 FTE. Provides appropriations to the Department of

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Higher Education of: (1) \$86,960 General Fund, which is reappropriated to the community college system; and (2) \$200,000 reappropriated funds, from the amount initially appropriated to the Department of Labor and Employment, for an online resource publicizing the new career pathways.

H.B. 15-1276 (Skilled Worker Outreach, Recruitment, and Key Training Grant Program): Creates the Skilled Worker Outreach, Recruitment, and Key Training Grant Program in the Colorado Department of Labor and Employment (CDLE). Starting January 1, 2016, the program will accept applications for matching grants from public and private providers of qualified skilled worker training programs. Qualified grant recipients offer training for skills that are needed in the workplace, with a credential or other evidence of achievement awarded at the completion of training. For FY 2015-16, appropriates \$3.3 million General Fund to the Skilled Worker Outreach, Recruitment, and Key Training Grant Program Cash Fund and reappropriates \$3.3 million from that cash fund to CDLE for both administration of the program and grant awards. To administer the program, it appropriates \$120,496 based on the assumption the Department will require an additional 2.0 FTE and \$3,179,504 for grant awards.

Appendix C: **Update on Long Bill Footnotes & Requests for Information**

Long Bill Footnotes

6. All Departments -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

54. Department of Labor and Employment, Division of Unemployment Insurance, Employment and Training Technology Initiatives -- This appropriation remains available through June 30, 2017.

Requests for Information

None.

Appendix D: SMART Act Annual Performance Report

Pursuant to Section 2-7-205 (1) (b), C.R.S., the Department of Labor and Employment is required to publish and an Annual Performance Report by November 1 of each year. This report is to include a summary of the Department’s performance plan and most recent performance evaluation. The FY 2014-15 report dated November 3, 2015 can be found at the following link:

<https://drive.google.com/file/d/0BzIopKKDzSSTcUhFS3FWMWJDV1k/view?usp=sharing>

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Department of Labor and Employment is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. The FY 2015-16 plan from April 2015 can be found at the following link:

<https://drive.google.com/file/d/0BzIopKKDzSSTRm9WYTBQRndKczg/view?usp=sharing>