

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 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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DEPARTMENT OF LABOR AND EMPLOYMENT

Department Overview

The Department of Labor and Employment administers six 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 and surcharges from employers, administers the payment of unemployment insurance benefits to claimants, and conducts audits to ensure proper payment of premiums and benefits.

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.
- 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.

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.

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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.

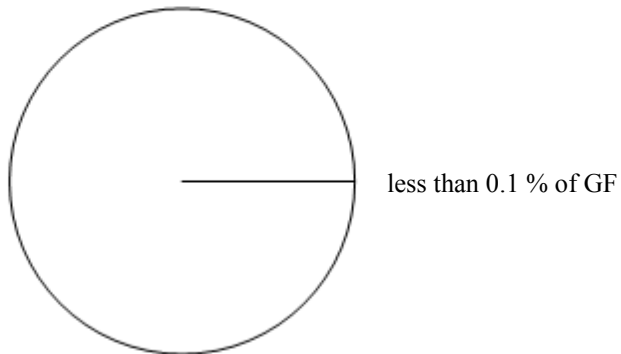
Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15 *
General Fund			\$98,519	\$265,316
Cash Funds	60,912,916	60,492,110	65,399,832	65,390,012
Reappropriated Funds	752,426	651,881	650,740	650,740
Federal Funds	<u>96,532,825</u>	<u>96,982,910</u>	<u>97,192,944</u>	<u>99,733,769</u>
Total Funds	\$158,198,167	\$158,126,901	\$163,342,035	\$166,039,837
Full Time Equiv. Staff	1,046.8	1,006.3	1,012.5	1,016.0

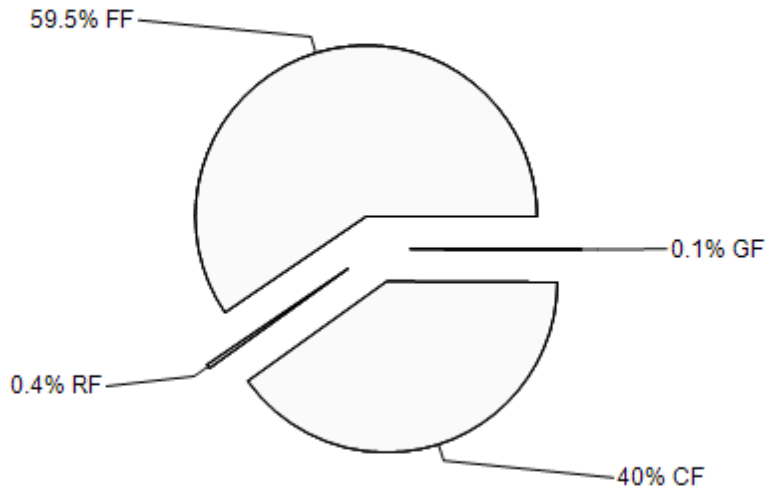
*Requested appropriation.

Department Budget: Graphic Overview

**Department's Share of Statewide
General Fund**

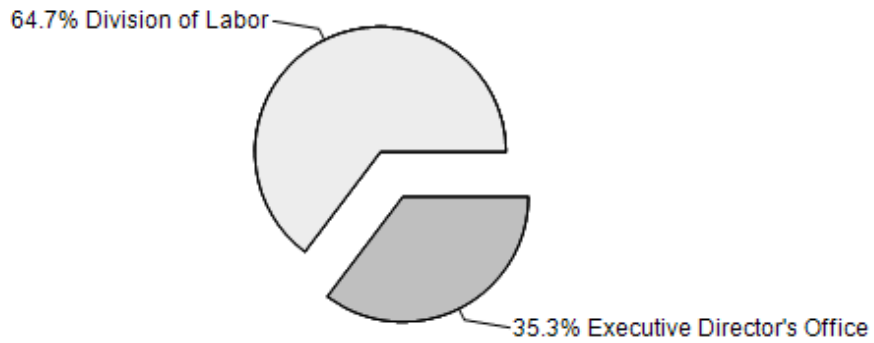


Department Funding Sources

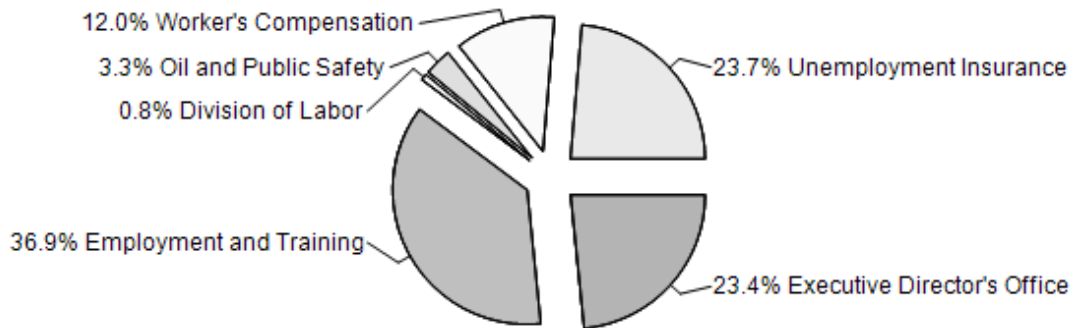


All charts are based on the FY 2013-14 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2013-14 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 bi-weekly. The average weekly benefit paid to claimants during the twelve month period ending September 30, 2013 ranged from \$342.31 to \$360.40. In the FY2012-13 appropriation UI Programs account for approximately 21 percent of the Department’s budget, yet 78 percent of UI Program funding is federal funds.

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. The UI claims load remains approximately 5 percent higher than prerecession levels, but is far lower than the levels at the height of the recession. The following table shows the variance in the amount of UI benefits paid from FY 2009-10 through FY 2012-13:

UI Benefit Payments for FY 2009-10 to FY 2013-14			
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 Estimated	\$625,000,000	(\$83,295,673)	(11.76)%

In order to accommodate workload fluctuations, the Department utilizes a number of temporary and contract federally funded FTE. 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 Insurance Technology Initiative

In FY 2013-14, the Joint Budget Committee approved a decision item providing spending authority of approximately \$3.8 million to the Department to continue its role in the WyCAN Consortium to redevelop the Unemployment Insurance Benefits and Premiums System. The

Department continues to lead the WyCAN Consotium's implementation of the new system and a detailed issue brief follows below on page 9.

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 this division makes up 36.3 percent of the Department's budget; including 82.5 percent federal funds. Currently, the Workforce Development Programs administers several major programs including the Colorado Rural Workforce Consortium, the Wagner Peyser Act, the Workforce Investment Act, and the Veterans Employment and Training Program.

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Summary: FY 2013-14 Appropriation & FY 2014-15 Request

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$163,075,888	\$0	\$65,232,204	\$650,740	\$97,192,944	1,011
Other Legislation	<u>266,147</u>	<u>98,519</u>	<u>167,628</u>	<u>0</u>	<u>0</u>	<u>1.3</u>
TOTAL	\$163,342,035	\$98,519	\$65,399,832	\$650,740	\$97,192,944	1,012.5
FY 2014-15 Requested Appropriation						
FY 2013-14 Appropriation	\$163,342,035	98,519	\$65,399,832	\$650,740	\$97,192,944	1,012.5
Centrally appropriated line items	2,255,283	0	453,031	0	1,802,252	0.0
Non-prioritized requested changes	1,833,370	6,723	806,904	0	1,019,743	0.0
Technical adjustments	4,365	4,365	0	0	0	0.0
Statewide IT common policy adjustments	2,041	0	1,041	0	1,000	0.0
Annualize prior year funding	(1,143,585)	155,709	(1,299,294)	0	0	3.5
Indirect cost assessment	<u>(253,672)</u>	<u>0</u>	<u>28,498</u>	<u>0</u>	<u>(282,170)</u>	<u>0.0</u>
TOTAL	\$166,039,837	\$265,316	\$65,390,012	\$650,740	\$99,733,769	1,016.0
Increase/(Decrease)	\$2,697,802	\$166,797	(\$9,820)	\$0	\$2,540,825	3.5
Percentage Change	1.7%	169.3%	(0.0%)	0.0%	2.6%	0.3%

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; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Non-prioritized requested changes: The request includes the annual fleet vehicle change from the Department of Personnel, and the following changes from the Office of Information Technology: secure Colorado phase II, eliminate redundant applications, Capitol Complex network resiliency, IT service management ecosystem, and IT technical development.

Technical adjustments: The request includes other minor technical adjustments.

Statewide IT common policy adjustments: The request includes adjustments to the line item appropriated for communication services payments.

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Annualize prior year funding: The request includes adjustments related to prior year legislation and budget actions.

Indirect cost assessment: The request includes a net decrease in the department's indirect cost assessment.

Issue: Unemployment Insurance Technology Update

The Department of Labor and Employment is in the early stages of developing and implementing a comprehensive Unemployment Insurance (UI) Benefits and Premiums System (System) that will be implemented by December 2016 as part of the efforts of a multi-state consortium. Below is background and update on the progress of the Department and the WyCAN Consortium.

SUMMARY:

- The Unemployment Insurance Benefits and Premiums System upgrade project currently undertaken by the Department of Labor and Employment through its participation in the WyCAN Consortium is expected to be complete and operating by December 2016. The contract for developing and deploying the System was awarded to HCL America, Inc (HCLA).
- After deploying the System, HCLA will maintain it for a period of five years. After the first five years of service, WyCAN has the unilateral option to continue the maintenance contract with HCLA for an additional five years.
- If a state decides to migrate off the System, HCLA is required to provide transition services. The state choosing to exit and HCLA will create a mutually agreeable transition plan and a departure from the System is expected to take one year.

RECOMMENDATION:

Staff recommends the Department continues to submit a response to the following RFI in FY 2014-15.

Department of Labor and Employment – The Department is requested to submit a report by November 1, 2014, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology's specific role in these projects.

DISCUSSION:

Background

In 2009, the State of Colorado agreed to participate in a multi-state consortium and the consortium was awarded a grant to complete a feasibility study to develop a common UI benefits and tax system by the U.S. Department of Labor. The multi-state consortium, WyCAN, consisting of Colorado, Wyoming, North Dakota, and Arizona, designated Colorado the lead state. WyCAN was formally established in May 2012 through the WyCAN Cooperative Purchasing and Governance Agreement. This occurred after the U.S. Department of Labor awarded an additional grant to WyCAN to cover the costs of developing and implementing the System to handle the federal unemployment insurance requirements. In its role as lead state, Colorado serves as the primary contracting entity for the consortium.

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The Employment and Training Technology Fund (Tech Fund), created in 2009 by Senate Bill 09-076 (Heath/Court) and modified by House Bill 11-1288 (Liston/Morse), is a dedicated fund for technology initiatives in the Division of Unemployment Insurance. The first appropriation out of the Tech Fund was made in the FY 2013-14 Long Bill for approximately \$3.8 million dollars. The appropriation allowed the Department and the WyCAN Consortium to move forward with making the requests for proposals (RFP) for vendors needed to begin the project.

The WyCAN Consortium developed a list, provided below, of seven high level goals to guide its success through the project:

1. Deploy a modernized, integrated System that will allow WyCAN States to be more responsive to evolving customer needs and expectations, and that reduces System maintenance and technology refresh costs.
2. Implement a multi-tenant System that is scalable, extensible, and configurable by State staff.
3. Meet over 2,500 UI business/functional, non-functional, and information technology requirements¹ that were jointly developed by the WyCAN Consortium.
4. Host the System in a cloud-based environment that is maintained by a third party vendor.
5. Have the ability to make changes and/or enhancements to one core System as necessary to meet changing federal and state requirements.
6. Enable future (new) WyCAN States to join the Consortium and utilize the System after an onboarding process by the software vendor.
7. Require a contractually-defined exit strategy that enables a WyCAN State to migrate to another system and leave the Consortium.

The System is being developed and deployed by HCL America, Inc. (HCLA) over a 41-month period with completion of the System expected in December 2016. HCLA was awarded the contract after a competitive bidding process. The WyCAN Consortium has a Project Management Office which monitors the project status and HCLA performance on a daily basis. All of the work by HCLA will occur in Cary, NC. There will not be a Project Management Office member present at the office in Cary, NC, but the Office is in constant communication with the HCLA team. The Project Management Office is supported by additional third party vendors (see milestones below) who provide independent verification and validation services, legal expertise, and project management support.

System deployment will include the conversion of historical UI data from each WyCAN State and training for each state's train-the-trainers. When fully deployed the System will support over forty existing and future UI related interfaces from the System to various federal agency and WyCAN State organizations. After complete deployment in December 2016, HCLA will maintain the system for a five-year contract period with an option to renew the maintenance contract for another five years. The provision allowing for maintenance renewal can only be exercised by WyCAN.

¹ Technical explanations and example of functional, non-functional, and information technology requirements are included in Appendix F

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During the five year maintenance contract, the WyCAN States are required to pay HCLA “ongoing services fees” for hosting, maintenance, and support. Each year, the fee is calculated as a fixed percentage of the Federal Unemployment Insurance grant received by each state that year. Specifically, the WyCAN States will pay HCLA 8% of each state’s base federal funding figures. If this rate calculation were applied to FY 2012-13 federal funding figures, this amounts to almost \$6 million a year for the entire Consortium.

If a state decides to migrate off the system being developed, HCLA is required to provide transition services under a plan that will be mutually agreed to by HCLA and the state choosing to exit. Transitions off the system are anticipated to require at least a year and will be a thoroughly planned and coordinated event between HCLA and the state.

Met Milestones

The Department reported the following major milestones have been met as of November 1, 2013:

1. Developed and adopted the Cooperative Purchasing and Governance Agreement.
2. Developed and adopted over 2500 business/functional, non-functional, and information technology requirements.
3. Executed contracts with four vendors through separate competitive RFP procurements:
 - a. System build and maintenance contract was awarded to HCLA,
 - b. Legal services contract was awarded to Bryan Cave HRO,
 - c. Project management services contract was awarded to Public Consulting Group, Inc., and
 - d. Independent verification and validation services contract was awarded to CSG Government Solutions.

Upcoming Milestones

Prior to June 2014, HCLA is responsible for delivering the following to the WyCAN Consortium:

1. Completion of detail work schedule² (completion expected by the end of November),
2. Completion of project management plan and supporting detail plans,
3. Completion of baseline IT artifacts,
4. Delivery of baseline system environment,
5. Initiation of WyCAN Architectural Review Board, and
6. Completion of 80 data conversion, interface, and iterative customization work cycles.

Long Term Milestones

In addition to the deadlines in June, HCLA is also responsible for the following deadlines:

1. Completion of development work in the first quarter of 2016,
2. Completion of integration and system testing in the second quarter of 2016,
3. Completion of User Acceptance Testing³ (UAT) in the third quarter of 2016, and

² The project schedule contains over 13,000 activities that include daily tasks through December 2016 and will be constantly adjusted as the project progresses. This will not affect the final System implementation date.

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4. System Implementation in the fourth quarter of 2016

WyCAN Funding Summary

The following table summarizes all of the contributions made to the WyCAN Consortium by state and funding source:

CONTRIBUTIONS BY FUND SOURCE						
State/Group	2011 SBR Funds	2009 SBR Funds	In-Kind State Resources	State Dollar Contribution	Total Budget	
Arizona	\$ 5,571,761	\$ 1,100,000	\$ 5,005,279	\$ -	\$ 11,677,040	
Colorado	2,204,646	-	4,021,400	3,000,000	9,226,046	
North Dakota	4,283,505	2,000,000	4,374,134	1,500,000	12,157,639	
Wyoming	1,840,088	1,357,610	3,730,000	5,042,390	11,970,088	
Consortium	<u>58,100,000</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>58,100,000</u>	
TOTAL	\$ 72,000,000	\$ 4,457,610	\$ 17,130,813	\$ 9,542,390	\$ 103,130,813	

Continued Fund Use Reporting

Because employers in the State have been subject to increased and varying UI premiums and UI surcharge schedules, as well as debt assessments, staff recommends the Department be subject to continuing reporting on moneys used on technology projects. Staff recommends that the Department continue to submit a response to the following RFI in FY 2014-15. Staff also recommends that the Department comment on this project during the Department’s hearing.

Department of Labor and Employment – The Department is requested to submit a report by November 1, 2014, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology’s specific role in these projects.

Alternatively, the Joint Budget Committee could sponsor legislation to amend Section 8-77-109, C.R.S., to include a requirement for an annual report on November 1 each year the General Assembly appropriates moneys from the Training and Technology Fund. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology’s specific role in these projects.

³ In software development, user acceptance testing, also called beta testing, application testing, and end user testing, is a phase of software development in which the software is tested in the "real world" by the intended audience. UAT can be done by in-house testing in which volunteers or paid test subjects use the software . . . The experiences of the early users are forwarded back to the developers who make final changes before releasing the software commercially.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S PERFORMANCE PLAN:

The performance plan for the Division of Unemployment Insurance includes creating and implementing a long term strategy for a state of the art information technology platform for a national UI model to enhance service to claimants and businesses. In FY2012-13 the Department implemented a new technology tool for employers of which 1,431 employers took advantage. These tools streamline current processes and will integrate with the new System once implemented. It also includes online applications that allow customers to communicate with the Division more efficiently.

Informational Issue: Natural Gas Retail Fuel Inspections

Pursuant to H.B. 13-1110 (Fischer/Jones), the Division of Oil and Public Safety (OPS) will expand, through required rulemaking, its compliance and inspection section to include inspections of natural gas retail systems for use in alternative fuel vehicles.

SUMMARY:

- House Bill 13-1110 requires the Division of Oil and Public Safety to promulgate rules and begin inspecting retail natural gas systems in calendar year 2014.
- The Division of Oil and Public Safety currently inspects the retail fuel systems at approximately 2,350 traditional gasoline and diesel fuel retail locations. There are currently sixteen CNG retail facilities operating in the State of Colorado.
- The revenue generated by fees associated with natural gas delivery and deposited in LPG and Natural Gas Inspection Fund sufficiently finance the annualization of H.B. 13-1110 made by the Department in its request.

DISCUSSION:

The Petroleum Compliance and Inspection Section of the Division of Oil and Public Safety enforces standards governing the registration, installation, repair, upgrade, operation, and closure of underground and aboveground storage tanks containing petroleum. It also enforces weights and measures regulations pertaining to petroleum products, including verifying the calibration of fuel pump dispensing meters, and testing petroleum products to verify compliance with state quality standards.

House Bill 13-1110 requires the Director of the Division of OPS, prior to January 1, 2014, to:

...[P]romulgate rules for natural gas setting forth standards related to inspections; specifications; shipment notification; record keeping; labeling of containers; use of meters or mechanical devices for measurement; submittal of installation plans; and minimum standards for the design, construction, location, installation, and operation of retail natural gas systems. §8-20-102(3), C.R.S.

The Bill continues to impose a \$10 fee on every truckload (newly defined as 8,000 gallons of gasoline equivalent) of Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG)⁴, or Liquefied Natural Gas (LNG). This fee is credited to the LPG and Natural Gas Inspection Fund and made available to OPS for the enforcement of the rules the Director promulgates.

In Fiscal Year 2013, 1,216 samples of traditional petroleum products from retail gas stations were tested at the OPS Laboratory. OPS inspectors are responsible for inspecting all of approximately 2,350 retail gas locations in Colorado. Once rules are adopted by OPS, it will

⁴ The term “Liquefied Petroleum Gas” includes propane, propylene, butane, butylene, and isobutene.

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also be responsible for inspecting the sixteen currently operating CNG retail facilities and any additional facilities that are built within the state. Inspections of these facilities must start by July 1, 2014.

Revenue in the LPG and Natural Gas Inspection Fund is anticipated to increase by \$101,695 in FY 2014-15 and \$102,060 in FY 2018-19, when the bill is fully implemented. The Department's request reflects annualization of H.B. 13-1110 with an increase of \$90,180 and 1.0 FTE to both personal services and operating expenses.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S PERFORMANCE PLAN:

One of the Division of Oil and Public Safety's performance objectives is to increase customer satisfaction. One of its strategies for achieving an increase in customer satisfaction is to place a high priority on thorough and quality inspections that effectively identify violations. It also intends on using inspector time to instruct facility operators on proper methods to achieve compliance which will directly minimize hazards that could potentially cause accidents and injuries. The Division's role in inspecting the natural gas retail facilities will help ensure consumers and distributors of natural gas fuel products are working with equipment that is safe to use and dispensing accurate amounts of fuel products.

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Appendix A: Number Pages

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
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DEPARTMENT OF LABOR AND EMPLOYMENT
Ellen Golombek, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

Primary Functions: Performing departmental administrative functions, including accounting, budgeting, data processing and personnel management; adjudicating disputes related to unemployment insurance, labor standards, and workers' compensation.

Personal Services	<u>6,981,821</u>	<u>8,100,304</u>	<u>7,592,508</u>	<u>7,849,310</u>
FTE	91.7	97.4	99.9	99.9
General Fund	0	0	0	0
Cash Funds	3,035,391	4,634,917	4,444,664	4,317,552
Reappropriated Funds	108,721	157,006	157,006	157,006
Federal Funds	3,837,709	3,308,381	2,990,838	3,374,752
Health, Life, and Dental	<u>5,799,564</u>	<u>6,417,380</u>	<u>6,688,297</u>	<u>7,822,304</u>
General Fund	0	0	0	10,347
Cash Funds	2,278,695	2,804,567	3,020,480	3,229,700
Reappropriated Funds	0	0	0	0
Federal Funds	3,520,869	3,612,813	3,667,817	4,582,257
Short-term Disability	<u>77,289</u>	<u>83,282</u>	<u>106,062</u>	<u>137,449</u>
General Fund	0	0	0	144
Cash Funds	40,444	39,438	49,445	60,599
Reappropriated Funds	0	0	0	0
Federal Funds	36,845	43,844	56,617	76,706

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>1,187,695</u>	<u>1,708,942</u>	<u>2,009,515</u>	<u>2,501,336</u>	
General Fund	0	0	0	2,615	
Cash Funds	552,789	694,313	936,813	1,101,832	
Federal Funds	634,906	1,014,629	1,072,702	1,396,889	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>946,604</u>	<u>1,463,741</u>	<u>1,814,146</u>	<u>2,345,004</u>	
General Fund	0	0	0	2,452	
Cash Funds	407,587	596,032	845,734	1,032,968	
Federal Funds	539,017	867,709	968,412	1,309,584	
Salary Survey	<u>0</u>	<u>0</u>	<u>1,322,628</u>	<u>934,309</u>	
General Fund	0	0	0	1,068	
Cash Funds	0	0	640,593	406,146	
Federal Funds	0	0	682,035	527,095	
Merit Pay	<u>0</u>	<u>0</u>	<u>773,319</u>	<u>920,827</u>	
General Fund	0	0	0	650	
Cash Funds	0	0	336,691	390,237	
Federal Funds	0	0	436,628	529,940	
Shift Differential	<u>9,734</u>	<u>0</u>	<u>11,035</u>	<u>11,771</u>	
Cash Funds	0	0	0	0	
Federal Funds	9,734	0	11,035	11,771	
Workers' Compensation	<u>446,693</u>	<u>540,790</u>	<u>455,050</u>	<u>586,476</u>	
Cash Funds	128,731	131,324	129,051	165,277	
Reappropriated Funds	0	0	0	0	
Federal Funds	317,962	409,466	325,999	421,199	

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
Operating Expenses	<u>1,592,289</u>	<u>1,711,162</u>	<u>1,759,608</u>	<u>1,759,608</u>	
Cash Funds	593,057	760,376	760,376	760,376	
Federal Funds	999,232	950,786	999,232	999,232	
Legal Services	<u>594,886</u>	<u>571,651</u>	<u>754,749</u>	<u>765,254</u>	
General Fund	0	0	34,762	34,762	
Cash Funds	159,331	162,572	191,676	173,077	
Reappropriated Funds	0	0	0	0	
Federal Funds	435,555	409,079	528,311	557,415	
Purchase of Services from Computer Center	<u>6,323,857</u>	<u>7,665,687</u>	<u>8,162,926</u>	<u>0</u>	*
Cash Funds	2,897,958	3,909,500	3,851,647	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	3,425,899	3,756,187	4,311,279	0	
Multiuse Network Payments	<u>909,030</u>	<u>741,880</u>	<u>445,390</u>	<u>0</u>	*
Cash Funds	437,504	349,859	211,034	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	471,526	392,021	234,356	0	
Management and Administration of OIT	<u>433,604</u>	<u>471,795</u>	<u>288,515</u>	<u>0</u>	*
Cash Funds	208,581	226,426	138,487	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	225,023	245,369	150,028	0	
Payment to Risk Management and Property Funds	<u>53,317</u>	<u>38,994</u>	<u>46,626</u>	<u>67,780</u>	
Cash Funds	15,190	12,580	15,789	21,826	
Reappropriated Funds	0	0	0	0	
Federal Funds	38,127	26,414	30,837	45,954	

*This line item includes a decision item.

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Vehicle Lease Payments	<u>98,370</u>	<u>91,519</u>	<u>110,201</u>	<u>123,426</u>	*
Cash Funds	66,419	60,457	77,616	93,463	
Federal Funds	31,951	31,062	32,585	29,963	
Leased Space	<u>3,440,703</u>	<u>3,183,619</u>	<u>3,719,723</u>	<u>3,719,723</u>	
Cash Funds	1,608,095	1,560,065	2,096,169	2,096,169	
Federal Funds	1,832,608	1,623,554	1,623,554	1,623,554	
Capitol Complex Leased Space	<u>29,169</u>	<u>21,882</u>	<u>23,476</u>	<u>20,752</u>	
Cash Funds	24,639	18,484	19,830	17,822	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,530	3,398	3,646	2,930	
Communication Services Payments	<u>1,183</u>	<u>0</u>	<u>0</u>	<u>0</u>	*
Cash Funds	262	0	0	0	
Federal Funds	921	0	0	0	
COFRS Modernization	<u>0</u>	<u>222,560</u>	<u>185,370</u>	<u>185,370</u>	
Cash Funds	0	185,370	185,370	185,370	
Federal Funds	0	37,190	0	0	
Information Technology Security	<u>0</u>	<u>0</u>	<u>93,344</u>	<u>0</u>	*
Cash Funds	0	0	44,070	0	
Federal Funds	0	0	49,274	0	
Utilities	<u>256,775</u>	<u>246,627</u>	<u>260,309</u>	<u>260,309</u>	
Federal Funds	256,775	246,627	260,309	260,309	

*This line item includes a decision item.

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Information Technology Asset Maintenance	<u>541,228</u>	<u>536,739</u>	<u>553,627</u>	<u>553,627</u>	
Cash Funds	142,882	158,455	175,343	175,343	
Reappropriated Funds	0	0	0	0	
Federal Funds	398,346	378,284	378,284	378,284	
Statewide Indirect Cost Assessment	<u>432,233</u>	<u>749,654</u>	<u>1,028,796</u>	<u>775,124</u>	
Cash Funds	172,606	381,991	345,656	374,154	
Reappropriated Funds	0	0	0	0	
Federal Funds	259,627	367,663	683,140	400,970	
Payments to OIT	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,206,059</u> *	
General Fund	0	0	0	6,723	
Cash Funds	0	0	0	4,670,384	
Federal Funds	0	0	0	4,528,952	
TOTAL - (1) Executive Director's Office	30,156,044	34,568,208	38,205,220	40,545,818	6.1%
<i>FTE</i>	<u>91.7</u>	<u>97.4</u>	<u>99.9</u>	<u>99.9</u>	<u>0.0%</u>
General Fund	0	0	34,762	58,761	69.0%
Cash Funds	12,770,161	16,686,726	18,516,534	19,272,295	4.1%
Reappropriated Funds	108,721	157,006	157,006	157,006	0.0%
Federal Funds	17,277,162	17,724,476	19,496,918	21,057,756	8.0%

*This line item includes a decision item.

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(2) DIVISION OF UNEMPLOYMENT INSURANCE

Primary Function: Provide supplemental income benefits to individuals who have lost their job through no fault of their own; and identifying, investigating and prosecuting individuals who attempt to receive unemployment benefits to which they are not entitled.

Program Costs	<u>39,662,255</u>	<u>49,808,647</u>	<u>34,795,848</u>	<u>35,450,692</u>	
FTE	542.4	585.3	467.1	467.1	
General Fund	0	0	0	0	
Cash Funds	7,179,709	10,181,438	7,461,368	7,433,023	
Reappropriated Funds	0	0	0	0	
Federal Funds	32,482,546	39,627,209	27,334,480	28,017,669	
Employment and Training Technology Initiatives	<u>0</u>	<u>0</u>	<u>3,838,746</u>	<u>2,590,746</u>	
FTE	0.0	0.0	12.0	12.0	
Cash Funds	0	0	3,838,746	2,590,746	
Internet Self-Service	<u>115,054</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	2.4	0.0	0.0	0.0	
Cash Funds	115,054	0	0	0	

TOTAL - (2) Division of Unemployment Insurance	39,777,309	49,808,647	38,634,594	38,041,438	(1.5%)
FTE	<u>544.8</u>	<u>585.3</u>	<u>479.1</u>	<u>479.1</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	7,294,763	10,181,438	11,300,114	10,023,769	(11.3%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	32,482,546	39,627,209	27,334,480	28,017,669	2.5%

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(3) DIVISION OF EMPLOYMENT AND TRAINING

The Division of Employment and Training administers two programs: Employment and Training Programs, and Labor Market Information.

(A) Employment and Training Programs

The services offered to job seekers by the Employment and Training Programs include job search assistance, additional job training, and classes to improve interview and resume skills. All services are free of charge. These services are offered through one-stop centers which can be run by either the state or county. Services are also offered to employers seeking qualified candidates. Funding for these programs consists of cash funds, primarily from the Employment Support Fund and federal funds primarily from the Workforce Investment Act and Trade Adjustment Act.

State Operations	<u>13,632,715</u>	<u>16,983,959</u>	<u>13,815,789</u>	<u>14,108,968</u>
FTE	143.7	142.9	143.7	143.7
General Fund	0	0	0	0
Cash Funds	9,113,772	9,446,614	9,262,895	9,446,380
Reappropriated Funds	0	0	8,400	8,400
Federal Funds	4,518,943	7,537,345	4,544,494	4,654,188
One-Stop County Contracts	<u>10,090,326</u>	<u>8,965,673</u>	<u>9,164,335</u>	<u>9,164,335</u>
Federal Funds	10,090,326	8,965,673	9,164,335	9,164,335
Trade Adjustment Act Assistance	<u>2,087,822</u>	<u>1,663,009</u>	<u>2,500,000</u>	<u>2,500,000</u>
Federal Funds	2,087,822	1,663,009	2,500,000	2,500,000
Workforce Investment Act	<u>34,273,390</u>	<u>40,185,968</u>	<u>32,184,493</u>	<u>32,312,722</u>
FTE	67.1	59.3	61.2	61.2
Cash Funds	807,540	807,540	807,540	807,540
Reappropriated Funds	0	0	0	0
Federal Funds	33,465,850	39,378,428	31,376,953	31,505,182

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Workforce Development Council	<u>428,831</u>	<u>450,811</u>	<u>466,016</u>	<u>466,016</u>	
FTE	3.8	3.8	4.0	4.0	
Reappropriated Funds	0	0	466,016	466,016	
Federal Funds	428,831	450,811	0	0	
Workforce Improvement Grants	<u>52,031</u>	<u>0</u>	<u>55,000</u>	<u>55,000</u>	
Federal Funds	52,031	0	55,000	55,000	
SUBTOTAL - (A) Employment and Training					
Programs	60,565,115	68,249,420	58,185,633	58,607,041	0.7%
FTE	<u>214.6</u>	<u>206.0</u>	<u>208.9</u>	<u>208.9</u>	(0.0%)
General Fund	0	0	0	0	0.0%
Cash Funds	9,921,312	10,254,154	10,070,435	10,253,920	1.8%
Reappropriated Funds	0	0	474,416	474,416	0.0%
Federal Funds	50,643,803	57,995,266	47,640,782	47,878,705	0.5%

(B) Labor Market Information

Labor Market Information (LMI) provides information on long-term employment trends across the state, monthly unemployment numbers, and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado. Federal funds make up 99.4 percent of LMI's funding, and the remaining 0.6 percent are cash funds from the sale of publications.

Program Costs	<u>2,110,689</u>	<u>2,860,617</u>	<u>2,022,666</u>	<u>2,081,541</u>
FTE	21.7	21.7	30.3	30.3
General Fund	0	0	0	0
Cash Funds	0	0	11,323	11,323
Reappropriated Funds	0	0	0	0
Federal Funds	2,110,689	2,860,617	2,011,343	2,070,218

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SUBTOTAL - (B) Labor Market Information	2,110,689	2,860,617	2,022,666	2,081,541	2.9%
<i>FTE</i>	<u>21.7</u>	<u>21.7</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	0	0	0	0.0%
Federal Funds	2,110,689	2,860,617	2,011,343	2,070,218	2.9%
TOTAL - (3) Division of Employment and Training	62,675,804	71,110,037	60,208,299	60,688,582	0.8%
<i>FTE</i>	<u>236.3</u>	<u>227.7</u>	<u>239.2</u>	<u>239.2</u>	<u>(0.0%)</u>
General Fund	0	0	0	0	0.0%
Cash Funds	9,921,312	10,254,154	10,081,758	10,265,243	1.8%
Reappropriated Funds	0	0	474,416	474,416	0.0%
Federal Funds	52,754,492	60,855,883	49,652,125	49,948,923	0.6%

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(4) DIVISION OF LABOR

Primary Functions: Gathering and disseminating labor market and economic trend information.

Program Costs	<u>1,143,712</u>	<u>1,239,809</u>	<u>1,257,877</u>	<u>1,418,882</u>
FTE	13.1	14.2	16.3	18.8
General Fund	0	0	63,757	206,555
Cash Funds	1,143,712	1,239,809	1,194,120	1,212,327
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

TOTAL - (4) Division of Labor	1,143,712	1,239,809	1,257,877	1,418,882	12.8%
<i>FTE</i>	<u>13.1</u>	<u>14.2</u>	<u>16.3</u>	<u>18.8</u>	<u>15.3%</u>
General Fund	0	0	63,757	206,555	224.0%
Cash Funds	1,143,712	1,239,809	1,194,120	1,212,327	1.5%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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(5) DIVISION OF OIL AND PUBLIC SAFETY

Primary Functions: Inspecting and calibrating petroleum measuring devices; evaluating clean-up actions at locations where petroleum releases have been discovered and administering the associated reimbursement program; inspecting and testing the quality of fuel products; issuing explosive permits to qualified individuals, conducting annual inspections of all boilers and pressure vessels in commercial and multi-unit residential buildings, licensing of conveyances, conveyance inspectors, mechanics and contractors; registers and inspects amusement park rides, carnivals and other rides.

Personal Services	<u>4,695,393</u>	<u>5,189,709</u>	<u>4,652,538</u>	<u>4,888,065</u>	
FTE	65.3	69.6	67.0	68.0	
General Fund	0	0	0	0	
Cash Funds	3,831,335	4,276,803	4,068,820	4,304,347	
Reappropriated Funds	19,488	11,548	19,318	19,318	
Federal Funds	844,570	901,358	564,400	564,400	
Operating Expenses	<u>605,960</u>	<u>597,799</u>	<u>705,680</u>	<u>742,988</u>	
Cash Funds	462,821	467,185	560,659	597,967	
Federal Funds	143,139	130,614	145,021	145,021	

TOTAL - (5) Division of Oil and Public Safety	5,301,353	5,787,508	5,358,218	5,631,053	5.1%
FTE	<u>65.3</u>	<u>69.6</u>	<u>67.0</u>	<u>68.0</u>	<u>1.5%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	4,294,156	4,743,988	4,629,479	4,902,314	5.9%
Reappropriated Funds	19,488	11,548	19,318	19,318	0.0%
Federal Funds	987,709	1,031,972	709,421	709,421	0.0%

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(6) DIVISION OF WORKERS' COMPENSATION

The Division of Workers' Compensation is comprised of five major units that provide: claimant customer service, dispute resolution of frequently contested issues, medical cost containment, workers' compensation employer services, and special fund management.

(A) Workers' Compensation

Personal Services	<u>6,728,141</u>	<u>6,922,633</u>	<u>6,862,640</u>	<u>7,079,338</u>
FTE	86.7	83.9	95.0	95.0
General Fund	0	0	0	0
Cash Funds	6,728,141	6,922,633	6,862,640	7,079,338
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
 Operating Expenses	 <u>513,929</u>	 <u>616,794</u>	 <u>570,000</u>	 <u>570,000</u>
Cash Funds	513,929	616,794	570,000	570,000
 Administrative Law Judge Services	 <u>2,582,398</u>	 <u>2,789,339</u>	 <u>2,700,053</u>	 <u>2,485,371</u>
Cash Funds	2,582,398	2,789,339	2,700,053	2,485,371
 Physicians Accreditation	 <u>100,651</u>	 <u>96,159</u>	 <u>120,000</u>	 <u>120,000</u>
Cash Funds	100,651	96,159	120,000	120,000
 Utilization Review	 <u>17,920</u>	 <u>43,465</u>	 <u>35,000</u>	 <u>35,000</u>
Cash Funds	17,920	43,465	35,000	35,000
 Immediate Payment	 <u>0</u>	 <u>17</u>	 <u>1,000</u>	 <u>1,000</u>
Cash Funds	0	17	1,000	1,000

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
SUBTOTAL - (A) Workers' Compensation	9,943,039	10,468,407	10,288,693	10,290,709	0.0%
<i>FTE</i>	<u>86.7</u>	<u>83.9</u>	<u>95.0</u>	<u>95.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	9,943,039	10,468,407	10,288,693	10,290,709	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

(B) Major Medical Insurance and Subsequent Injury Funds

Personal Services	<u>1,115,445</u>	<u>1,225,172</u>	<u>1,258,824</u>	<u>1,293,045</u>
FTE	13.7	14.0	16.0	16.0
Cash Funds	1,115,445	1,225,172	1,258,824	1,293,045
Operating Expenses	<u>64,657</u>	<u>88,281</u>	<u>88,324</u>	<u>88,324</u>
Cash Funds	64,657	88,281	88,324	88,324
Major Medical Benefits	<u>5,893,652</u>	<u>4,933,086</u>	<u>6,000,000</u>	<u>6,000,000</u>
Cash Funds	5,893,652	4,933,086	6,000,000	6,000,000
Major Medical Legal Services	<u>22,926</u>	<u>6,203</u>	<u>9,108</u>	<u>9,108</u>
Cash Funds	22,926	6,203	9,108	9,108
Subsequent Injury Benefits	<u>1,477,441</u>	<u>1,416,059</u>	<u>2,000,000</u>	<u>2,000,000</u>
Cash Funds	1,477,441	1,416,059	2,000,000	2,000,000
Subsequent Injury Legal Services	<u>22,769</u>	<u>415</u>	<u>31,878</u>	<u>31,878</u>
Cash Funds	22,769	415	31,878	31,878
Medical Disaster	<u>323</u>	<u>351</u>	<u>1,000</u>	<u>1,000</u>
Cash Funds	323	351	1,000	1,000

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SUBTOTAL - (B) Major Medical Insurance and Subsequent Injury Funds	8,597,213	7,669,567	9,389,134	9,423,355	0.4%
<i>FTE</i>	<u>13.7</u>	<u>14.0</u>	<u>16.0</u>	<u>16.0</u>	<u>0.0%</u>
Cash Funds	8,597,213	7,669,567	9,389,134	9,423,355	0.4%
TOTAL - (6) Division of Workers' Compensation	18,540,252	18,137,974	19,677,827	19,714,064	0.2%
<i>FTE</i>	<u>100.4</u>	<u>97.9</u>	<u>111.0</u>	<u>111.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	18,540,252	18,137,974	19,677,827	19,714,064	0.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of Labor and Employment	157,594,474	180,652,183	163,342,035	166,039,837	1.7%
<i>FTE</i>	<u>1,051.6</u>	<u>1,092.1</u>	<u>1,012.5</u>	<u>1,016.0</u>	<u>0.3%</u>
General Fund	0	0	98,519	265,316	169.3%
Cash Funds	53,964,356	61,244,089	65,399,832	65,390,012	(0.0%)
Reappropriated Funds	128,209	168,554	650,740	650,740	0.0%
Federal Funds	103,501,909	119,239,540	97,192,944	99,733,769	2.6%

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

2012 Session Bills

H.B. 12-1272: Extends enhanced unemployment insurance compensation benefits for eligible unemployment insurance claimants engaged in an approved training program until June 30, 2014. This bill authorizes the CDLE to obligate the remaining \$8.0 million for FY 2012-13 and FY 2013-14.

H.B. 12-1335: General appropriations act for FY 2012-13.

2013 Session Bills

S.B. 13-093: Supplemental appropriation to the Department of Labor and Employment for FY 2012-13.

S.B. 13-230: General appropriations act for FY 2013-14.

H.B. 13-1046: Prohibits employers from requesting or requiring an employee or applicant to provide access to personal information using electronic communications devices; appropriates \$23,064 cash funds in FY 2013-14.

H.B. 13-1110: Alters fees for vehicles propelled by compressed natural gas (CNG), liquefied petroleum gas (LPG), and liquefied natural gas (LNG) from an annual license fee based on the weight of the vehicle to a reduced special fuels tax levied on a gallon of gasoline equivalent when the fuel is purchased; assesses a \$10 fee on each truckload (defined as 8,000 gallons of gasoline equivalent) of CNG, LPG, or LNG; and requires a plugin electric vehicle to pay an annual license fee of \$50. The \$10 fee for each truckload of CNG, LPG, or LNG will be credited to the LPG and Natural Gas Inspection Fund and made available to the Division of Oil and Public Safety in the Department of Labor and Employment for the enforcement of the standards set forth in the bill. Of the \$50 annual fee for a plug-in electric vehicle, \$30 will be credited to the HUTF and \$20 will be credited to the Electric Vehicle Grant Fund. Appropriates \$254,096 from several cash funds to the DOR for FY 2013-14, and reappropriates \$68,212 of those moneys to the Governor's OIT for the provision of computer center services to the DOR.

H.B. 13-1124: Allows the Department to charge a penalty if employers repeatedly fail to provide timely information regarding unemployment insurance claims, resulting in an overpayment of unemployment insurance benefits. The penalty is set at 65.0 percent of the overpayment that was issued. For FY 2013-14 provides \$144,564 cash funds for this purpose.

H.B. 13-1292: Creates a program to enforce and impose fines on contractors that violate the 80.0 percent labor law for construction projects financed in whole or part by state funds; directs the Department of Personnel to administer a resident bidder preference; allows competitive sealed best value bidding for construction projects. Requires construction vendors to disclose

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information about the purchases and services occurring out of State. For FY 2013-14 appropriates \$98,519 General Fund to the Department of Labor and Employment and reappropriates \$36,588 General Fund to the Department of Personnel.

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

Long Bill Footnotes

The Long Bill did not contain any Footnotes for the Department of Labor and Employment.

Requests for Information

4. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2013, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2012-13. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2013.

Comment: This information was submitted in the FY 2015-15 budget request.

1. **Department of Labor and Employment, Unemployment Insurance Division, Unemployment Insurance Automation Initiatives** – The Department is requested to submit a report by November 1, 2013, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology’s specific role in these projects.

Comment: This information was submitted electronically and summarized in the Unemployment Insurance Technology Update issue brief.

Appendix D: Indirect Cost Assessment Methodology

Description of Indirect Cost Assessment Methodology

The Department of Labor and Employment indirect cost assessment methodology is calculated based on actual employee work hours, and the associated cash or federal funds to which the work hours are associated.

The *Indirect Cost Pool* is comprised of personal services and operating expense line items in the Executive Director’s Office, and the statewide indirect cost assessment. For FY 2014-15 the Department’s Indirect Cost Pool as requested is \$24,439,352. The *Indirect Cost Rate* is calculated based on staff’s work time in each division. Staff members log their work activities by minutes, and each work activity is assigned a specific code associated with the funding source of the work activity (cash or federal funds). These funds are appropriated directly to the line items that make up the indirect cost pool based on the total time charged to a specific fund. Actual assessment is based on monthly reports of work time during the budget fiscal year. Table 1 shows the line items receiving indirect cost recoveries.

Table 1		
Department of Labor and Employment		
FY 2014-15 Indirect Cost Plan		
Indirect Cost Pool EDO:	FY 2012-13 Request	
Personal Services	\$ 7,692,304	
Salary Survey	95,935	
Merit Pay	91,096	
Health, Life, Dental	765,206	
Short-Term Disability	14,292	
SB 04-257 AED	260,272	
SB 06-235 SAED	244,006	
Workers Compensation	586,476	
Operating Expenses	1,759,608	
Legal Services	730,493	
Payment to Risk Management and Property Funds	4,067	
COFRS Modernization	185,370	
Vehicle Lease Payments	2,468	
Leased Space	1,636,678	
Information Technology Asset Maintenance	553,627	
Statewide Indirect Cost Share	618,118	
Payments to OIT	9,199,336	
Total Indirect Cost Pool	\$ 24,439,352	

FY 2014-15 Indirect Cost Assessment Request

For FY 2014-15 the Department has requested \$24,439,352 for indirect cost assessments. Staff believes adding **Indirect Cost Assessment** line items to the Long Bill for this Department would not be useful since the Department of Labor and Employment does not receive a General Fund appropriation. Therefore reappropriating moneys from other divisions would not result in an associated reduction of General Fund.

Appendix E: Change Requests' Relationship to Measures

This appendix will show how the Department of Labor and Employment indicates each change request ranks in relation to the Department's top priorities and what measures the Department is using to measure success of the request.

Change Requests' Relationship to Performance Measures			
R	Change Request Description	Goals / Objectives	Problem or Opportunity

The Department of Labor and Employment did not make any requests which require a decision item.

Appendix F: WyCAN Technical Descriptions

Sample Business/Functional Requirements

The easiest way to understand the differences between WyCAN requirements is the context of a use case. WyCAN's 2200 Business/Function Requirements are derived from 238 WyCAN Use Cases (UC018A below as an example)

UC018A Adjudicator Receives Fact Finding Response

This Use Case provides the ability for the Adjudicator to enter the Interested Party's response(s) to Fact Finding Questions and provides the capability for the Adjudicator to add Fact Finding Questions if required. The Adjudicator also has the ability to enter a free text description or additional comments if required.

Use Case	Req ID	Requirement
18A	705	Enable the Adjudicator to select additional Fact Finding Questions
18A	706	Enable the Adjudicator to create Fact Finding Questions
18A	707	Enable the Adjudicator to customize Fact Finding Questionnaire template
18A	708	Record the response to an established Fact Finding Question
18A	709	Enable an Adjudicator to select a set of pre-defined Questions for Fact Finding by an Interested Party
18A	710	Enable an Adjudicator to enter the Responses to the Fact Finding Questions
18A	711	Enable the Adjudicator to enter additional details in regards to the Issue Fact Finding. This shall be user configurable.
18A	712	Update the Fact Finding Request and Fact Finding Question Response

Sample Non-Functional Requirements

Below are samples of WyCAN's 250 Non-Functional Requirements, which address a wide range of application usage requirements that do not fall in the category of Business/Functional Requirements.

Req ID	Non-Functional Requirement	Subject Area
2254	Support alternative keyboard navigation.	ACCESSIBILITY
2255	Be compliant with the Americans with Disabilities Act of 1990.	ACCESSIBILITY
2261	Maintain all Modules and portals with the same "look and feel" within the GUI used by State, Claimant, or Employer users. This includes specific WyCAN State branding and customizations. The System shall provide role based security on system features, including access control at user interface screen level and access control at the Module level.	USER INTERFACE

Sample IT Requirements

Below is an example of WyCAN's 100+ IT Requirements, which address a wide range of IT concepts that do not fall into the category of Business/Functional Requirements or Non-Functional Requirements.

Multi-Tenant Environment

The System shall provide a Multi-Tenant environment for pooling of resources, building a Core that can be cost-effectively reused on a repeated basis. All the layers of the System shall be designed ground up (including the presentation layer, business/application layer and integration layer) to provide the Multi-Tenant capability of being able to serve multiple States from its Core.