

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2009-10**

**DEPARTMENT OF LABOR AND EMPLOYMENT**

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

**Prepared By:  
Megan Davisson, JBC Staff  
January 12, 2010**

For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**DEPARTMENT OF LABOR AND EMPLOYMENT  
FY 2009-10 SUPPLEMENTAL RECOMMENDATIONS  
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**Prioritized Supplementals**

**Supplemental Request, Department Priority #1  
Unemployment Insurance Workload Assistance**

	<b>Request</b>	<b>Recommendation</b>
Total	\$7,549,591	\$7,549,591
Federal Funds	7,549,591	7,549,591

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>an unforeseen contingency</i> .	

**Department Request:** The Department requests an appropriation of \$7.5 million federal American Recovery and Reinvestment Act administration funds for the Unemployment Insurance Programs (UI Programs) temporary expansion of call center staff and associated operating costs. The Department is also requesting a footnote granting the Department spending authority for any of these dollars that are unspent in FY 2010-11.

**Staff Analysis:**

*Federal American Recovery and Reinvestment Act of 2009 administrative funds*

The American Recovery and Reinvestment Act of 2009 (ARRA) authorized the U.S. Department of Labor to distribute \$500 million federal funds among states for the state's UI Programs administrative expenses. Based on Colorado's federal taxable wages for federal tax year 2007, Colorado received \$9.1 million federal ARRA administrative funds. Colorado's statute requires this \$9.1 million be appropriated by the General Assembly.

Senate Bill 09-247 appropriated \$1.5 million of the \$9.1 million federal ARRA administrative dollars. Of this total \$500,000 is used for workforce center outreach and \$1.0 million has been used for the administrative costs of the extended benefits program. The following table outlines the use and requested use of the \$9.1 million federal ARRA administrative funds.

<b>Department's Appropriated and Requested Use of ARRA UI Administration Dollars</b>		
	<b>Amount</b>	<b>Time frame of spending authority</b>
Dollars distributed by ARRA	\$9,104,983	
Senate Bill 09-247		
Workforce Center Outreach	500,000	Spending authority through FY 2011-12

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<b>Department's Appropriated and Requested Use of ARRA UI Administration Dollars</b>		
	<b>Amount</b>	<b>Time frame of spending authority</b>
Administrative Costs of Extended Benefits Program	1,055,392	Spending authority in FY 2009-10 only
<i>Senate Bill 09-247 Total</i>	1,555,392	
FY 2009-10 Supplemental Request	7,549,591	Requested spending authority through FY 2010-11
<b>Total Appropriated/Request Dollars</b>	<b>\$9,104,983</b>	

**UI Programs Workload**

The workload of the UI Programs in June 2009 is more than double what it was in June 2007, and almost double the workload during the previous recession in June 2002. The following table shows various workload measures for June 2009 compared to the same measures from June 2007 and June 2002.

<b>Workload Measure</b>	<b>June 2009</b>	<b>June 2007</b>	<b>June 2002</b>	<b>Workload Increase from 2007 to 2009</b>		<b>Workload Increase from 2002 to 2009</b>	
				<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Initial Claims	19,141	7,790	11,350	11,351	145.7%	7,791	68.6%
Benefits Paid	\$98,460,945	\$21,469,630	\$43,831,898	76,991,315	358.6%	54,629,047	124.6%
Weeks Paid	254,480	68,198	129,658	186,282	273.1%	124,822	96.3%
FTE	464.5	428.6	399.0	35.9	8.4%	65.5	16.4%

In order to handle the increased workload, the Department has hired approximately 100.0 part time and temporary personnel to assist with the increased number of calls and claims adjudication. The Department did not request these personnel as FTE because they are temporary, federally funded, and not being built into the UI Programs base. The following table outlines the how the Department anticipates expending the \$7.5 million federal ARRA administration dollars.

<b>Program Costs</b>	<b>FY 2007-08 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>Percent Increase</b>
Personal Services - temporary personnel	\$0	\$2,810,150	n/a
Personal Services - Contract Services	175,840	842,016	378.9%
Phone - Call Center Costs	843,830	2,142,421	153.9%
Postage - Claimant Mailings	1,801,488	2,411,126	33.8%

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<b>Program Costs</b>	<b>FY 2007-08 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>Percent Increase</b>
Printing Services and Supplies	589,112	1,046,585	77.7%
IT Systems Maintenance Support	1,074,268	1,168,584	8.8%
<b>Total</b>	<b>\$4,484,538</b>	<b>\$10,420,882</b>	<b>132.4%</b>

The total program costs for FY 2009-10 exceeds the requested appropriation of \$7.5 million by \$2.9 million, which the Department anticipates covering with federal contingency funds. The Department indicates that without these funds they will be unable to cover UI Programs administrative costs.

*Footnote Request*

The Department has requested the following footnote be added along with the \$7.5 million appropriation:

**"Department of Labor and Employment, Division of Employment and Training, Unemployment Insurance Programs, Program Costs, Reed Act Distributions for UI Workload Assistance -- It is the intent of the General Assembly that the \$7,549,591 Reed Act appropriation to the Colorado Department of Labor and Employment in House Bill 10-xxxx be allowed to roll forward to FY 2010-11."**

This footnote will give the Department roll forward spending authority for any of the \$7.5 million that is unspent in FY 2009-10. This \$7.5 million cannot be used for benefits, only for administrative and outreach expenses pursuant to ARRA.

If this supplemental is not approved and a portion of these funds remain unspent, the Department may have to submit a budget amendment, emergency supplemental or regular supplement to be able to utilize these funds for administrative expenses in FY 2010-11. While the Department is projecting all of the \$7.5 million will be spent in FY 2009-10, there remains a chance that Department will not need all \$7.5 million in FY 2009-10, and the administrative burden placed on the UI Programs to submit an additional request is greater in staff's opinion than the control the General Assembly will relinquish by approving the footnote.

**Staff Recommendation:** Staff recommends that the Committee approve an appropriation of \$7,549,591 federal funds for the Unemployment Insurance Programs Program Costs line item in FY 2009-10. Staff also recommends the Committee approve the footnote granting spending authority for these dollars in FY 2010-11. Staff will work with Legislative Legal Services, and comeback to the Committee to approve the final version of the footnote.

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**Supplemental Request, Department Priority #2  
Addition of Denver Conveyance Program**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$126,082</u>	<u>\$126,082</u>
FTE - Cash Funds	1.7	1.7
Cash Funds	126,082	126,082

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>an unforeseen contingency</i> .	

**Department Request:** The Department requests \$126,082 cash funds and 1.7 FTE for the Conveyance Program in the Division of Oil and Public Safety to handle the addition of conveyances located within the City and County of Denver (approximately 35.0 percent of the states conveyances). The request also includes a technical adjustment to the Division of Oil and Public Safety cash funds letternote.

**Staff Analysis:** The Conveyance Program (Program) in the Division of Oil and Public Safety was created by S.B. 07-123 (Takis/Kerr A.), and allows the Program to execute a Memorandum of Agreement (MOA) with jurisdictions including the City and County of Denver (Denver). Denver informed the Program on June 11, 2009 they would not execute the MOA and would be discontinuing their conveyance program. If Denver had executed an MOA and maintained their conveyance program, there would not have been a significant workload increase for the Program. The following table illustrates the difference in workload for the Program if a jurisdiction like Denver signed the MOA verses not signing the MOA.

	License inspectors, mechanics and contractors	Adopting Safety Code	Maintaining inspection records and permit reviews	establishing a fee structure for inspections	Conduct enforcement activities
If MOA is signed	Division	AHJ	AHJ	AHJ	AHJ
If MOA is not signed	Division	Division	Division	Division	Division

The fiscal note for S.B. 07-123 assumed that Denver would execute the MOA. Since Denver did not execute the MOA, the Program is now responsible for an additional 7,000 conveyances, or 35.0 percent of the states conveyances. The transition of conveyances from Denver to the Program began

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in June 2009, and was completed on January 1, 2010. For FY 2009-10 the Program is appropriated \$204,186 cash funds and 3.3 FTE. The request would increase the program to \$330,368 cash funds and 5.0 FTE for FY 2009-10. The Program is estimating the need for a total of 8.3 FTE to run this program. Since the Department is anticipating the funds and FTE will be available March 1, 2010, they are requesting in this supplemental four months of funding and FTE for FY 2009-10.

The original number of conveyances is based on the 2005 Department of Regulatory Agencies sunset report, which cited a total of 15,000 conveyances in the state. Funding for this supplemental will come from the one-time registration fees on 5,000 conveyances the Program estimates exist but were not a part of the original fiscal note calculation. These 5,000 conveyances must pay a one-time registration fee of \$200, which would generate an additional \$1.0 million for the program. This one-time revenue would cover the requested supplemental. The following table outlines the current revenue and expenditures from the Conveyance Safety Fund.

<b>Conveyance Program Revenue and Expenditures</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate w/o Supplemental</b>	<b>FY 2009-10 Estimate w/ Supplemental</b>
Beginning Balance	\$0	(\$29,995)	\$2,233,828	\$2,233,828
Revenue	100,225	2,769,767	500,000	500,000
Expenditures	(65,110)	(252,972)	(260,000)	(260,000)
Supplemental Expenditures	0	0	0	(126,082)
<b>Ending Balance</b>	<b>(\$29,995)</b>	<b>\$2,233,828</b>	<b>\$2,213,828</b>	<b>\$2,087,746</b>

**Staff Recommendation:** Staff recommends that the Committee approve \$126,082 cash funds from the Conveyance Safety Fund and 1.7 FTE to the Conveyance Program in the Division of Oil and Public Safety for FY 2009-10.

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**Supplemental Request, Department Priority #3  
Transfer of Wagner Peyser Program to Arapahoe/Douglas Workforce Region**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$0</u>	<u>\$0</u>
Federal Funds	0	0

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made</i> .	

**Department Request:** The Department requests \$1,470,328 federal funds and 13.0 FTE be transferred from the State Operations line item in the Division of Employment and Training to the One-Stop County Contract line item in the same division, because of a transfer of responsibilities from the State to the county.

**Staff Analysis:** Effective July 1, 2009 the responsibility for the Wagner Peyser Employment Services Program in Arapahoe and Douglas counties was transferred from the Department to the Arapahoe/Douglas Workforce Region (Region). The Region at the beginning of 2009 began integrating all Wagner Peyser employees into the county run program, but not all State Operations FTE were moved to the Region because of concerns with the Region meeting U.S. Department of Labor merit based staffing requirements. These concerns have been resolved hence the request from the Department.

The FTE that are requested will continue to be state employees for the duration of the grant, or until the position is vacated through attrition, depending on how the position is funded. Once the position is vacated the position will be converted to a county funded position. This is true of all position in the One-Stop County Contract line item.

**Staff Recommendation:** Staff recommends that the Committee transfer \$1,470,328 federal funds and 13.0 FTE be transferred from the State Operations line item in the Division of Employment and Training to the One-Stop County Contracts line item within the same division.

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**Supplemental Request, Department Priority #4  
Long Bill Letternote Correction**

	<b>Request</b>	<b>Recommendation</b>
Total	\$0	\$0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>a technical error</i> .	



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**Department Request:** The Department requests a technical correction to an Unemployment Insurance Programs letternote a, to include \$44,879 cash funds from the Employee Leasing Company Certification Fund, and decrease the appropriation from the Employment Support Fund by a like amount.

**Staff Analysis:** Senate Bill 08-114 (Veiga/Scanlan) amended statutes governing employee leasing companies, and created the Employee Leasing Company Certification Fund (Fund) for revenue resulting from the annual certification fee. The FY 2009-10 Long Bill (S.B. 09-259) mistakenly excluded a letternote for funds expended from the Fund. The Employment Support Fund will be decreased by a like amount.

The current letternote a in the Division of Employment and Training, Unemployment Insurance Program reads:

**<sup>a</sup> Of these amounts, \$5,926,570 shall be from the Employment Support Fund created in Section 8-77-109 (1), C.R.S., \$1,578,014 shall be from the Unemployment Revenue Fund created in Section 8-77-106 (2), C.R.S.**

The Department is requesting the letternote be amended to read:

**<sup>a</sup> Of these amounts, ~~\$5,926,570~~ \$5,881,691 shall be from the Employment Support Fund created in Section 8-77-109 (1), C.R.S., \$1,578,014 shall be from the Unemployment Revenue Fund created in Section 8-77-106 (2), C.R.S., AND \$44,879 SHALL BE FROM THE EMPLOYEE LEASING COMPANY CERTIFICATION FUND CREATED IN SECTION 8-70-114, C.R.S.**

**Staff Recommendation:** Staff recommends that the Committee amend the letternote a in the Division of Employment of Training, Unemployment Insurance Programs to include the Employee Leasing Company Certification Fund.

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**Non-Prioritized Supplementals**

**JBC Staff Initiated Supplemental #1**

**Technical Adjustments to the Annualization of S.B. 08-204**

	Request	Recommendation
Total	\$0	\$19,120
FTE	<u>0.0</u>	<u>0.4</u>
Federal Funds	0	19,120

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
This supplemental is the result of <i>a technical error in calculating the original appropriation.</i>	

**Department Request:** The Department has not requested this supplemental.

**Staff Analysis:** Senate Bill 08-204 (Veiga/Carroll T.) added the exception to the requirement that a decision be issued by the Department for any claimant who filed an initial claim, but did not file a continued claim. The reduction in federal funds are not appropriated by the General Assembly pursuant to Section 8-77-104 (1), C.R.S. because they are dollars in the Unemployment Insurance Trust Fund. Staff made a technical error in annualizing the reduction of benefit payments and FTE when building the FY 2009-10 budget.

**Staff Recommendation:** Staff recommends that the Committee increase Department's FY 2009-10 appropriation for the Program Costs line item in the Unemployment Insurance Programs by \$19,120 and 0.4 FTE.

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**JBC Staff Initiated Supplemental #2  
Technical Adjustments to the S.B. 09-247 Appropriation Clause**

	<b>Request</b>	<b>Recommendation</b>
Total	\$0	\$0
Cash Funds	0	(500,000)
Federal Funds	0	500,000

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
This supplemental is the result of <i>a technical error in calculating the original appropriation.</i>	

**Department Request:** The Department has not requested this supplemental.

**Staff Analysis:** Senate Bill 09-247 expands the availability of unemployment benefits to certain unemployed individuals and enables the state to receive and expend funds from the federal "American Recovery and Reinvestment Act of 2009". Due to a technical error, the appropriation clause for S.B. 09-247 appropriates \$734,192 cash funds and the \$1,055,392 federal funds. The appropriation clause should appropriate \$234,192 cash funds and \$1,555,392 federal funds.

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**Staff Recommendation:** Staff recommends that the Committee approve the technical adjustments to the appropriation clauses in S.B. 09-247.

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**Previously Approved Interim Supplemental  
TANF Emergency Fund**

Previously Approved	
Total	<u>\$11,250,000</u>
Reappropriated Funds	11,250,000

**Description of Supplemental:** These Temporary Assistance for Needy Families (TANF) funds originated as federal American Recovery and Reinvestment Act of 2009 funds in the Department of Human Services Office of Self Sufficiency. These funds will enable workforce regions to match employees with employers, and provide employers with anywhere from a 25.0 percent subsidy to a 100.0 percent employee pay subsidy for non-recurrent short-term work. The length of the subsidy ranges from a few weeks to six months, is expected to create 1,667 jobs during the last three quarters of FY 2009-10 at an average cost of \$6,750 per job.

The rules governing interim supplementals in Section 24-75-109 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include this supplemental in the Department's supplemental bill.

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**Statewide Non-Prioritized Supplemental Request  
Budget Adjustment to Reflect FY 2009-10 Furloughs**

	Request	Recommendation
Total	(\$404,176)	(\$404,176)
Cash Funds	(231,517)	(231,517)
Reappropriated Funds	(9,971)	(9,971)
Federal Funds	(162,688)	(162,688)

**Department Request:** The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agencies' appropriation in the FY 2009-10 Long Bill (S.B. 09-259). The net FY 2009-10 impact of the one-time reduction was \$26.5 million, of which \$16.1 million was General Fund. The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requests an adjustment to the personal

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services reductions within the FY 2009-10 Long Bill to reflect the actual staffing actions taken within each agency to achieve a decrease of 1.82 percent.

**Staff Analysis:** The following table details the requested changes to affected line items in the Department. Since a number of the lines include cash or reappropriated funds the letternotes for these lines funded with cash or reappropriated funds will also have to be amended.

<b>Line Item Detail of Statewide Furlough Impact Supplemental</b>					
<b>Line Item</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>Federal Funds</b>	<b>Total</b>	<b>Letternote Affected</b>
(1) Executive Director's Office					
Personal Services	(\$21,325)	(\$641)	(\$18,916)	(\$40,882)	Yes
Short-term Disability	(375)	(15)	(217)	(607)	Yes
S.B. 04-257 Amortization Equalization Disbursement	(4,833)	(197)	(2,797)	(7,827)	Yes
S.B. 06-235 Supplemental Amortization Equalization Disbursement	(3,021)	(123)	(1,748)	(4,892)	Yes
(2) Division of Employment and Training					
(2) (B) Employment and Training Programs - State Operations	(24,365)	0	(48,730)	(73,095)	Yes
(2) (B) Employment and Training Programs - Workforce Investment Act	0	0	(24,365)	(24,365)	No
(2) (B) Employment and Training Programs - Workforce Development Council	0	(8,884)	0	(8,884)	Yes
(2) (C) Labor Market Information - Program Costs	0	0	(62,505)	(62,505)	No
(3) Division of Labor - Program Costs	(34,740)	0	0	(34,740)	Yes
(4) Division of Oil and Public Safety					
Personal Services	(30,108)	(111)	(3,410)	(33,629)	Yes
Indirect Cost Assessment	(1,840)	0	0	(1,840)	Yes
(5) Division of Workers' Compensation					
(5) (A) Workers' Compensation - Personal Services	(80,221)	0	0	(80,221)	Yes
(5) (B) Major Medical and Subsequent Injury Funds - Personal Services	(30,689)	0	0	(30,689)	Yes

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Line Item Detail of Statewide Furlough Impact Supplemental					
Department Labor Furlough Total	(\$231,517)	(\$9,971)	(\$162,688)	(\$404,176)	

**Staff Recommendation:** Staff recommends the Committee approve the reduction of \$231,517 cash funds to various line items, \$9,971 reappropriated funds to various line items, and \$162,688 federal funds to various line items for the FY 2009-10 statewide furlough adjustment supplemental. Staff requests permission to adjust affected letternotes accordingly.

### Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Department's Portion of Statewide Supplemental Request	General Fund	Cash Funds	Reappropri. Funds	Federal Funds	Total	FTE
Annual Fleet Vehicle Replacement True-up	\$0	\$598	\$52	\$651	\$1,301	0.0
Building Maintenance Reductions	0	(344)	0	(408)	(752)	0.0
Mail Equipment Upgrade	0	0	0	(156,351)	(156,351)	0.0
FY 2009-10 OIT Management and Administration One-time Adjustment	0	(8,220)	0	(8,555)	(16,775)	0.0
OIT Personal Services Reduction Initiative	0	(23,890)	0	(25,870)	(49,760)	0.0
Risk Management Contract Review and Reduction	0	(4,328)	0	(4,416)	(8,744)	0.0
Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	0	(15,813)	0	(16,133)	(31,946)	0.0
Statewide Furlough Impact	0	(231,517)	(9,971)	(162,688)	(404,176)	0.0
<b>Department's Total Statewide Supplemental Requests</b>	<b>0</b>	<b>(283,514)</b>	<b>(9,919)</b>	<b>(373,770)</b>	<b>(667,203)</b>	<b>0.0</b>

**Staff Recommendation:** The staff recommendation for these requests is pending Committee approval of common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee approves this common policy supplemental. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

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**Cash Fund Transfers**

**Department Requested Transfer  
Transfer from Employment Support Fund - Fund 232**

<b>FY 2009-10</b>	<b>Request</b>	<b>Recommendation</b>
Transfer from Employment Support Fund to General Fund	\$5,000,000	\$0

**This option requires separate legislation.**

**Staff Analysis:** The purpose of the Employment Support Fund (ESF) is to offset funding deficits for various Department programs including unemployment insurance (UI) programs, workforce and labor programs, information technology initiatives pursuant to Section 8-77-109 (2) (I), C.R.S. The ESF receives half of the 0.22 percent UI Premium Surcharge that employers pay on the first \$10,000 of an employees wages. Currently the fund does not have a reserve sufficient to fund the computer system rebuild and is one of the main cash fund sources for programs. The following table shows the percentage changes in ESF revenue and expenditures for programs and decision items.

<b>Growth in ESF Revenue and Expenditures Since FY 2004-05</b>				
	<b>Revenue</b>	<b>Percent Change from Previous Year</b>	<b>Program and Decision Item Expenditures</b>	<b>Percent Change from Previous Year</b>
FY 2004-05	21,523,516		14,496,283	
FY 2005-06	33,735,855	56.7%	14,665,768	1.2%
FY 2006-07	22,345,952	(33.8)%	15,951,120	8.8%
FY 2007-08	21,511,562	(3.7)%	20,565,094	28.9%
FY 2008-09	19,369,145	(10.0)%	26,072,328	26.8%
FY 2009-10 - Estimated	18,564,379	(4.2)%	28,642,366	9.9%
Yearly Average	22,841,735	0.9%	20,064,993	12.6%

Staff recommends the Committee deny the requested transfer of \$5.0 million from this fund for two reasons. The first is the volatile nature of the revenue into the fund. Second, the transfer of \$5.0 million will cause the fund to go negative in FY 2012-13. If no transfer is made the fund will go negative in FY 2013-14. The following table shows the impact of the transfer on the fund balance, noting that in FY 2012-13 the fund balance will be negative.

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<b>Employment Support Fund Department Request</b>					
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>	<b>FY 2012-13 Projection</b>
Beginning FY Balance	\$41,124,438	\$5,031,612	\$14,983,625	\$10,811,539	\$6,411,911
Projected Revenues	19,979,502	18,594,379	18,687,351	19,061,098	19,232,648
Repayment of year end transfer	0	25,000,000	0	0	0
Expenditures	<u>(26,072,328)</u>	<u>(28,642,366)</u>	<u>(22,859,437)</u>	<u>(23,460,726)</u>	<u>(26,416,777)</u>
Ending FY Balance without transfer	\$35,031,612	\$19,983,625	\$10,811,539	\$6,411,911	(\$772,218)
Transfer via S.B. 09-208	(5,000,000)	0	0	0	0
Year End Transfer via S.B. 09-279	(25,000,000)	0	0	0	0
Requested Transfer	<u>0</u>	<u>(5,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Ending FY Balance after transfer</b>	<b>\$5,031,612</b>	<b>\$14,983,625</b>	<b>\$10,811,539</b>	<b>\$6,411,911</b>	<b>(\$772,218)</b>

The following table shows staff's recommendation to deny the requested transfer of \$5.0 million and the impact that will have on the fund balance in FY 2012-13. Note that even without a transfer fund expenditures are projected to exceed fund revenue in FY 2013-14.

<b>Employment Support Fund Staff Recommendation</b>					
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>	<b>FY 2012-13 Projection</b>
Beginning FY Balance	\$41,124,438	\$5,031,612	\$19,983,625	\$15,811,539	\$11,411,911
Projected Revenues	19,979,502	18,594,379	18,687,351	19,061,098	19,232,648
Repayment of year end transfer	0	25,000,000	0	0	0
Expenditures	<u>(26,072,328)</u>	<u>(28,642,366)</u>	<u>(22,859,437)</u>	<u>(23,460,726)</u>	<u>(26,416,777)</u>
Ending FY Balance without transfer	\$35,031,612	\$19,983,625	\$15,811,539	\$11,411,911	\$4,227,782
Transfer via S.B. 09-208	(5,000,000)	0	0	0	0
Year End transfer via S.B. 09-279	(25,000,000)	0	0	0	0

**DEPARTMENT OF LABOR AND EMPLOYMENT  
FY 2009-10 SUPPLEMENTAL RECOMMENDATIONS  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

	Employment Support Fund Staff Recommendation				
Recommended Transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$5,031,612	\$19,983,625	\$15,811,539	\$11,411,911	\$4,227,782

**Staff Recommendation:** Staff recommends the Committee deny the requested transfer of \$5.0 million from the Employment Support Fund to the General Fund.



	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF LABOR AND EMPLOYMENT</b>					
<b>Executive Director - Don Mares</b>					
<b>Supplemental #1 - Unemployment Insurance Workload Assistance</b>					
<i>(2) Division of Employment and Training (A) Unemployment Insurance Programs</i>					
Program Costs	<u>34,387,154</u>	<u>36,901,725</u>	<u>7,549,591</u>	<u>7,549,591</u>	<u>44,451,316</u>
FTE	<u>466.1</u>	<u>473.9</u>	<u>0.0</u>	<u>0.0</u>	<u>473.9</u>
Cash Funds	4,271,489	7,582,465	0	0	7,582,465
Federal Funds	30,115,665	29,319,260	7,549,591	7,549,591	36,868,851
<b>Supplemental #2 - Addition of Denver Conveyance Program</b>					
<i>(1) Executive Director's Office</i>					
Vehicle Lease Payments	<u>94,065</u>	<u>94,591</u>	<u>200</u>	<u>200</u>	<u>94,791</u>
Cash Funds	42,515	43,054	200	200	43,254
Reappropriated Funds	4,463	3,493	0	0	3,493
Federal Funds	47,087	48,044	0	0	48,044
<i>(4) Division of Oil and Public Safety</i>					
Personal Services	5,504,609	4,970,391	88,588	88,588	<u>5,058,979</u>
FTE	<u>67.7</u>	<u>70.3</u>	<u>1.7</u>	<u>1.7</u>	<u>72.0</u>
Cash Funds	4,682,352	4,391,727	88,588	88,588	4,480,315
Reappropriated Funds	19,516	19,161	0	0	19,161
Federal Funds	802,741	559,503	0	0	559,503
Operating Expenses	<u>1,033,853</u>	<u>414,309</u>	<u>37,294</u>	<u>37,294</u>	<u>451,603</u>
Cash Funds	986,453	414,309	37,294	37,294	451,603
Federal Funds	47,400	0	0	0	0

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Total for Supplemental #2</b>	6,632,527	5,479,291	126,082	126,082	5,605,373
FTE	<u>67.7</u>	<u>70.3</u>	<u>1.7</u>	<u>1.7</u>	<u>72.0</u>
Cash Funds	5,711,320	4,849,090	126,082	126,082	4,975,172
Reappropriated Funds	23,979	22,654	0	0	22,654
Federal Funds	897,228	607,547	0	0	607,547
<b>Supplemental #3 - Transfer of Wagner Peyser Program to Arapahoe/Douglas Workforce Region</b>					
<i>(2) Division of Employment and Training, (B) Employment and Training Programs</i>					
State Operations	16,086,045	4,970,391	(1,470,328)	(1,470,328)	<u>3,500,063</u>
FTE	<u>148.1</u>	<u>157.7</u>	<u>(13.0)</u>	<u>(13.0)</u>	<u>144.7</u>
Cash Funds	9,503,438	4,391,727	0	0	4,391,727
Reappropriated Funds	6,561	19,161	0	0	19,161
Federal Funds	6,576,046	559,503	(1,470,328)	(1,470,328)	(910,825)
One-Stop County Contracts - FF	9,785,383	7,694,007	1,470,328	1,470,328	<u>9,164,335</u>
FTE	12.2	15.0	13.0	13.0	28.0
<b>Total for Supplemental #3</b>	25,871,428.0	12,664,398.0	0.0	0.0	12,664,398.0
FTE	<u>160.3</u>	<u>172.7</u>	<u>0.0</u>	<u>0.0</u>	<u>172.7</u>
Cash Funds	9,503,438	4,391,727	0	0	4,391,727
Reappropriated Funds	6,561	19,161	0	0	19,161
Federal Funds	16,361,429	8,253,510	0	0	8,253,510
<b>Supplemental #4 - Long Bill Letternote Corrections</b>					
(see page 7 in the narrative for more detail)					

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>JBC Staff Initiated Supplemental #1 - Technical Adjustment to the Annualization of S.B. 08-204</b>					
<i>(2) Division of Employment and Training (A) Unemployment Insurance Programs</i>					
Program Costs	<u>34,387,154</u>	<u>36,901,725</u>	<u>0</u>	<u>19,120</u>	<u>36,920,845</u>
FTE	<u>466.1</u>	<u>473.9</u>	<u>0.0</u>	<u>0.4</u>	<u>474.3</u>
Cash Funds	4,271,489	7,582,465	0	19,120	7,601,585
Federal Funds	30,115,665	29,319,260	0	0	29,319,260
<b>JBC Staff Initiated Supplemental #2 - Technical Adjustment to the S.B. 09-247 Appropriation Clause</b>					
<i>(2) Division of Employment and Training (A) Unemployment Insurance Programs</i>					
Program Costs	<u>34,387,154</u>	<u>36,901,725</u>	<u>0</u>	<u>0</u>	<u>36,901,725</u>
FTE	<u>466.1</u>	<u>473.9</u>	<u>0.0</u>	<u>0.0</u>	<u>473.9</u>
Cash Funds	4,271,489	7,582,465	0	(500,000)	7,082,465
Federal Funds	30,115,665	29,319,260	0	500,000	29,819,260
<b>Previously Approved Interim Supplemental - TANF Emergency Fund</b>					
<i>(1) Division of Employment and Training, (B) Employment and Training Programs</i>					
TANF-Supported Subsidized Employment - RF	N.A.	0	11,250,000	11,250,000	11,250,000
<b>Non-prioritized Department Supplemental - Budget Adjustment to Reflect FY 2009-10 Furloughs</b>					
Various line items	<u>N.A.</u>	<u>(480,910)</u>	<u>(404,176)</u>	<u>(404,176)</u>	<u>(885,086)</u>
Cash Funds		(314,330)	(231,517)	(231,517)	(545,847)
Reappropriated Funds		(12,345)	(9,971)	(9,971)	(22,316)
Federal Funds		(154,235)	(162,688)	(162,688)	(316,923)

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Totals Excluding Pending Items</b>					
Department of Labor and Employment					
Totals for ALL Departmental line items	165,153,847	158,771,204	18,521,497	18,540,617	177,311,821
FTE	<u>1,086.6</u>	<u>1,129.6</u>	<u>1.7</u>	<u>2.1</u>	<u>1,131.7</u>
Cash Funds	54,620,714	61,457,522	(105,435)	(586,315)	60,871,207
Reappropriated Funds	2,875,552	1,612,070	11,240,029	11,240,029	12,852,099
Federal Funds	107,657,581	95,701,612	7,386,903	7,886,903	103,588,515
<b>Statewide Common Policy Supplementals</b>					
(see narrative for more detail)	<u>N.A.</u>	<u>N.A.</u>	(667,203)	<u>Pending</u>	<u>N.A.</u>
Cash Funds			(283,514)		
			(9,919)		
Federal Funds			(373,770)		
<b>Totals Including Pending Items</b>					
Department of Labor and Employment					
Totals for ALL Departmental line items	165,153,847	158,771,204	17,854,294	18,540,617	177,311,821
FTE	<u>1,086.6</u>	<u>1,129.6</u>	<u>1.7</u>	<u>2.1</u>	<u>1,131.7</u>
Cash Funds	54,620,714	61,457,522	(388,949)	(586,315)	60,871,207
Reappropriated Funds	2,875,552	1,612,070	11,230,110	11,240,029	12,852,099
Federal Funds	107,657,581	95,701,612	7,013,133	7,886,903	103,588,515

Key:

N.A. = Not Applicable or Not Available