



Department of Labor and Employment
Line Item Descriptions

FY 09-10 Budget Request

NOVEMBER 1, 2008

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(1) EXECUTIVE DIRECTOR'S OFFICE

PERSONAL SERVICES

The JBC funded this line item through the FY2008-09 Figure Setting process to provide staff and services for needs that are common to all divisions within the Department of Labor and Employment. The Executive Director's Office administers facilities, equipment, and common program elements such as Human Resources, Financial Services, and Information Technology support staff, for example, needed by all divisions within the Department and, therefore, are budgeted within the "Personal Services" line item in the Executive Director's Office. (See JBC figure setting document, February 7, 2008, page 11).

HEALTH, LIFE, AND DENTAL

This line item is a centrally appropriated and is used to pay for the state's share of health insurance, life insurance, and dental insurance for employees who enroll in the state's health plan, in accordance with the JBC-approved common policy. (See JBC figure setting document, February 7, 2008, page 11).

SHORT-TERM DISABILITY

This line item is used to pay the Department's share of costs associated with the state's short-term disability program which is administered by the Department of Personnel and Administration. The JBC approved a short-term disability rate of 0.13 percent of base personal services salaries. (See JBC figure setting document, February 7, 2008, page 12).

SB 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line item is used to pay the costs associated with S.B. 04-257, which requires an additional state contribution for employees in the Public Employees' Retirement Association (PERA). The rate for CY 2008 is 1.40 percent of base salaries. The rate for CY 2009 is 1.80 percent of base salaries. (See JBC figure setting document, February 7, 2008, page 12).

SB 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

This line item is used to pay costs associated with S.B. 06-235, which provided for a mechanism to increase the effective PERA rate beginning on January 1, 2008. The JBC-approved common policy rates for CY 2008 and CY 2009 are 0.50 percent and 1.00 percent, respectively. (See JBC figure setting document, February 7, 2008, page 12).

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SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

This line is intended to pay for salary adjustments in accordance with the total compensation report prepared by the Department of Personnel and Administration pursuant to Section 24-50-104 (4) (c), C.R.S. (See JBC figure setting document, February 7, 2008, page 12).

PERFORMANCE-BASED PAY AWARDS

This line item is a centrally appropriated line item used to pay for performance-based pay awards for state employees pursuant to Section 24-50-104 (1) (c) (I), C.R.S. (See JBC figure setting document, February 7, 2008, page 12).

SHIFT DIFFERENTIAL

This line item is used to pay for the incremental costs associated with higher compensation rates for employees who work after regular working hours. (See JBC figure setting document, February 7, 2008, page 12).

WORKERS' COMPENSATION

This line item is used by the Department of Labor and Employment to reimburse the Department of Personnel and Administration for its share of costs associated with providing workers' compensation insurance to state employees. (See JBC figure setting document, February 7, 2008, page 12).

OPERATING EXPENSES

This line item reflects a continuation of the FY 2007-08 appropriation plus an increase of \$1,753 for expenses associated with S.B. 07-228. (See JBC figure setting document, February 7, 2008, page 12).

LEGAL SERVICES FOR 7,876 HOURS

This line item is used to pay the Department of Law for the provision of legal services to the Department. The request is for a continuation of the FY 2007-08 Long Bill appropriation for 7,741 hours, plus 135 hours as a result of S.B. 07-123, for a total of 7,876 hours. (See JBC figure setting document, February 7, 2008, page 13).

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PURCHASE OF SERVICES FROM COMPUTER CENTER

This line item is used to reimburse the Department of Personnel and Administration for the Department's share of costs associated with the state's computer system. (See JBC figure setting document, February 7, 2008, page 13).

MUTILUSE NETWORK PAYMENTS

This line item reimburses the Department of Personnel and Administration for the Department's share of costs for the statewide multi-use network. (See JBC figure setting document, February 7, 2008, page 13).

PAYMENTS TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item is used to reimburse the Department of Personnel and Administration (DPA) for the Department's share of expenses associated with the state's liability insurance and property insurance. (See JBC figure setting document, February 7, 2008, page 13).

VEHICLE LEASE PAYMENTS

This line item is used by the Department to reimburse the Department of Personnel and Administration (DPA) for the costs associated with vehicle lease payments for vehicles used by the Department. (See JBC figure setting document, February 7, 2008, page 13).

LEASED SPACE

This line item is used by the Department to pay for leased space in locations around the state. This request reflects an increase of 3.3% over the FY 2007-08 appropriation. The bulk of the increase is due to leased space escalators. (See JBC figure setting document, February 7, 2008, page 14).

CAPITOL COMPLEX LEASED SPACE

This line item is used by the Department to reimburse the Department of Personnel and Administration (DPA) for expenses related to maintaining capitol complex facilities managed by DPA. The Department requests an appropriation to support a total of 5,659 square feet in the capitol complex: (a) 1,295 square feet for the Unemployment Insurance and Workers' Compensation programs in the Grand Junction State Office Building, and (b) 4,364 square feet for oil inspection labs at the North Campus facility on E. 62nd Avenue in Denver. (See JBC figure setting document, February 7, 2008, page 14).

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COMMUNICATION SERVICES PAYMENTS

This line item supports the Department's share of the costs for the state's public safety communications infrastructure. This appropriation is used to reimburse the Department of Personnel and Administration, the agency responsible for operations and maintenance of this program. (See JBC figure setting document, February 7, 2008, page 14).

UTILITIES

This line item is used to pay for the utilities expenses at 251 E. 12th Avenue. The building is owned by the state, and the utility expenses are paid by the Department of Labor and Employment. (See JBC figure setting document, February 7, 2008, page 14).

INFORMATION TECHNOLOGY ASSET MAINTENANCE

The Department relies extensively on computers and databases to track the constituents that pay fees and taxes to support its programs. The Department also relies extensively on technology to track the individuals who qualify for benefits from its programs. The Department uses this line item to purchase the Microsoft software on which the Department has standardized, and on data network infrastructure. For FY 2007-08, the Committee approved a decision item which removed personal computer replacement from this line and distributed those costs across the Operating Expenses (or Program Costs) lines of the five divisions. (See JBC figure setting document, February 7, 2008, page 15).

STATEWIDE INDIRECT COST ASSESSMENT

The JBC funded this line item through the FY2008-09 Figure Setting process in accordance with JBC common policy. (See JBC figure setting document, February 7, 2008, page 15).

DISASTER RECOVERY

This line item is one-time funding that resulted from Decision Item #2: Disaster Recovery Plan submitted in November 2007 as part of the FY08-09 budget submission to the JBC. This request is part of a Disaster Recovery Plan to comply with the State's Disaster Recovery model. Two primary elements are needed for the Department to implement its plan: 1) Lay fiber to connect two downtown locations, and 2) Purchase a piece of equipment with accompanying software and hardware to create a continuous access environment. (See JBC figure setting document, February 7, 2008, page 15).

(2) DIVISION OF EMPLOYMENT AND TRAINING

(A) UNEMPLOYMENT INSURANCE PROGRAMS

PROGRAM COSTS

The JBC funded this line item through the FY2008-09 Figure Setting process to support the administration of the Unemployment Insurance Programs, including federal programs. Functional responsibilities within the subdivision include administration, tax collection, payment of benefits, integrity, operations, appeals, and quality control. The majority of the staff in this section are responsible for the payment of benefits and tax collection functions. The appropriation for FY2008-09 includes the effects of SB 08-114 (.9 FTE and \$44,659), which requires the department to register employee leasing companies. (See JBC figure setting document, February 7, 2008, page17).

INTERNET SELF-SERVICE

This new line item is the result of Decision Item #1: Modernization and Enhancement of Internet Self-Service. This decision item was submitted in November 2007 as part of the FY08-09 budget submission to JBC. A separate capital construction request was also submitted. This request asks for 2.5 FTE and state funding to modernize the Unemployment Insurance Programs Internet self-service applications; develop, implement and maintain the functionality of new Internet applications; and integrate all elements into an Internet self-service "Suite." A total of ten Internet self-service applications will be deployed over two years. The resulting Internet Suite will require minimal intervention by business staff and provide 24 hour, 7 days a week access for claimants and employers to conduct business with the UI Program. (See JBC figure setting document, February 7, 2008, page 18).

(B) UNEMPLOYMENT INSURANCE FRAUD PROGRAMS

PROGRAM COSTS

The JBC funded this line item through the FY2008-09 Figure Setting process to support the administration of the Unemployment Insurance Fraud Program which employs both criminal investigators and specialists to research and notify recipients of overpayments. (See JBC figure setting document, February 7, 2008, page19).

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(C) EMPLOYMENT AND TRAINING PROGRAMS

STATE OPERATIONS

This line funds county one-stop employment centers administered by the State. The Department submitted Decision Item #1: Restore Services at Workforce Centers in November 2007 as part of the FY2008-09 budget submission. This decision item requested an increase in cash funds (Employment Support Fund) and 9.0 FTE for the State Operations line item and an increase in cash funds (Employment Support Fund) for the Workforce Investment Act line item. The increase in the State Operations line is intended to offset program cuts due to decreases in federal funding made in the prior two years and a further decrease in federal funding for state FY 2008-09. JBC approved an increase of \$2,230,569 in cash funds (Employment Support Fund) and 0.0 FTE. (See JBC figure setting document, February 7, 2008, page 21.)

ONE-STOP COUNTY CONTRACTS

This line supports the federally funded county operated one-stop centers serve as centers for the dissemination of all federal employment program information, including job training, and search programs. The Department requested an appropriation of \$7,642,593 and 17.0 FTE. This is a reduction relative to the previous year and reflects an anticipated decrease in federal funding. (See JBC figure setting document, February 7, 2008, page 22.)

TRADE ADJUSTMENT ACT ASSISTANCE

This line item reflects federal pass through funding used to provide job training assistance to workers dislocated as a result of foreign trade agreements. (See JBC figure setting document, February 7, 2008, page 23.)

WORKFORCE INVESTMENT ACT

This line supports the administration of the Workforce Investment Act which assists in job training for adults, displaced workers, and youth. The Workforce Investment Act funds the following activities: skills assessment, basic skills remediation, occupational skills training, and retraining. The Department submitted Decision Item #1: Restore Services at Workforce Centers in November 2007 as part of the FY2008-09 budget submission. This decision item requested an increase in cash funds (Employment Support Fund) and 9.0 FTE for the State Operations line item and an increase in cash funds (Employment Support Fund) for the Workforce Investment Act line item. JBC approved an increase of \$807,540 in cash funds (Employment Support Fund) and 6.0 FTE. (See JBC figure setting document, February 7, 2008, page 21.)

(D) LABOR MARKET INFORMATION

PROGRAM COSTS

This line supports the federally funded programs that track the Colorado economy by measuring activity within the workforce. It serves as a statistical clearing house for all sectors of the economy. The JBC approved the continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 24.)

(3) DIVISION OF LABOR

PROGRAM COSTS

This line item group administers Colorado employment and labor laws pertaining to wages paid, hours worked, minimum wage, labor standards, child labor, employment-related immigration laws, and working conditions. The Division of Labor also conducts all-union agreement elections, elections to certify or decertify collective bargaining agreements, certifications of all-union provisions in the building and construction trades industries, and investigates and mediates allegations of unfair labor practices. The JBC approved the continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 25.)

(4) DIVISION OF OIL AND PUBLIC SAFETY

PERSONEL SERVICES

This line is responsible for a variety of regulatory functions related to public health and safety, including establishing and enforcing rules, regulations, and statutes, which govern public school construction, carnival and amusement park rides, conveyances, explosives, boilers, underground and aboveground petroleum storage tanks, cleanup of oil spills, and reimbursement of cleanup costs to qualifying storage tank owners/operators. The appropriation for FY 2008-09 includes the effects of H.B. 07-1228 (1.0 FTE and \$48,238), which expanded the Division's fuel tank responsibilities to include renewable (non-petroleum) fuels; S.B. 07-123 (3.3 FTE and \$161,073), which created a registration and inspection program for elevators and other mechanical conveyances; and supplemental #1 (10.0 FTE and \$608,729), which expands the school construction review and inspection program. Legislation from the 2008 session included SB08-051 (2.0 FTE and \$109,600) that creates additional enforcement to the division in the areas of boilers and explosives; HB08-1027 (0.9 FTE and \$66,686) which allows the public school construction division to use third party inspectors (locals); HB 08-1103

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(1.7 FTE and \$100,700) expanding the carnival and amusement park oversight and the explosive program; HB08-1335 (2.0 FTE and \$139,035) creating public school construction capital financing. (See JBC figure setting document, February 7, 2008, page 28.)

OPERATING EXPENSES

This line supports the operating costs for the Division. The Department submitted Decision Item #3: Cooperative Fuel Research Engines in November 2007 as part of the FY 2008-09 budget submission. This decision item was approved by the JBC during figure setting and provided a one-time increase of \$440,000 in cash funds from the Petroleum Storage Tank Fund. (See JBC figure setting document, February 7, 2008, page 26.) The appropriation for FY 2008-09 includes the effects of H.B. 07-1228 (\$2,570), which expanded the Division's fuel tank responsibilities to include renewable (non-petroleum) fuels; S.B. 07-123 (\$32,640), which created a registration and inspection program for elevators and other mechanical conveyances; and supplemental #1 (\$25,716), which expands the school construction review and inspection program. Legislation from the 2008 session included SB08-051 (\$14,300) which creates additional enforcement to the division in the areas of boilers and explosives; HB08-1027 (\$4,300) which allows the public school construction division to use third party inspectors (locals); HB 08-1103 (\$18,854) expanding the carnival and amusement park oversight and the explosive program; HB08-1335 (\$37,382) creating public school construction capital financing.

INDIRECT COST ASSESSMENT

This line item was added through a supplemental appropriation in FY 2005-06, so that administrative costs associated with the program can be properly offset through department-wide indirect cost recoveries in the Executive Director's Office. This line became necessary as a result of legislation that authorized the Petroleum Tank Storage Fund to become an enterprise (S.B. 05-039). The JBC approved the continuation of this line item in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 29.)

(5) DIVISION OF WORKERS' COMPENSATION

(A) WORKERS' COMPENSATION

PERSONEL SERVICES

This line supports the staff costs necessary to administer the Workers' Compensation Acts. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 30.)

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OPERATING EXPENSES

This line supports the operating costs for the Division. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 31.)

ADMINISTRATIVE LAW JUDGE SERVICES

This line item is used to purchase administrative law services from the Department of Personnel and Administration. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 31.)

PHYSICIANS ACCREDITATION

This line item is for physician's accreditation training, a program funded by a fee charged to physicians seeking accreditation so that they may work on workers' compensation claims. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 31.)

UTILIZATION REVIEW

This line item is for independent physician reviews regarding the appropriateness of medical treatment previously provided for a workers' compensation claim. Such reviews can be requested by any party to a workers' compensation claim. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 31.)

IMMEDIATE PAYMENT

This line item is used to pay workers' compensation claims brought against bankrupt employers who were self-insured. The line item is continuously appropriated pursuant to Section 8-44-206 (3) (b) (I), C.R.S. In recent years, no expenditures have been made from this line item. Revenue for the fund consists of fees assessed on self-insured employers. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 31.)

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(B) MAJOR MEDICAL INSURANCE AND SUBSEQUENT INJURY FUNDS

PERSONEL SERVICES

This line supports the staff costs necessary to oversee the Major Medical Insurance Fund and the Subsequent Injury Fund. These insurance funds provide medical benefits and compensation payments to some of the most seriously injured workers in Colorado. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 34.)

OPERATING EXPENSES

This line supports the operating costs for the Division. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 34.)

MAJOR MEDICAL BENEFITS

The request is for a continuation \$7,000,000 cash funds exempt (reserves in the Major Medical Fund). In FY 2008-09 there will be approximately 1,225 open cases of workers who sustained catastrophic injuries between July 1, 1971, and June 30, 1981. Actual expenses for this line in FY 2005-06 were \$7.5 million and for FY 2006-07 were \$6.6 million. Actual expenses may fluctuate due to the specific medical treatments required by clients in a particular year. (See JBC figure setting document, February 7, 2008, page 34.)

MAJOR MEDICAL LEGAL SERVICES FOR 150 HOURS

This line item is used to purchase legal services from the Department of Law for any of the following purposes: (1) to defend a decision to deny a claimant's eligibility request; (2) to defend a decision to deny certain medical benefits; or (3) to defend the program in the event that a doctor appeals the decision of removal of a case during utilization review. The Department requested an appropriation for 208 legal service hours however the JBC reduced the number of hours to 150. (See JBC figure setting document, February 7, 2008, page 35.)

SUBSEQUENT INJURY BENEFITS

This line item is used to pay benefits to injured workers who have become permanently, totally disabled from more than one work-related injury. The request is for an appropriation of \$3,200,000 cash funds exempt (reserves in the Subsequent Injury Fund), a reduction of \$2.0 million from the previous appropriation. As the moneys in the fund are now continuously appropriated for the

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payment of benefits, the Department feels that it is no longer necessary for the appropriation to include a \$2.0 million "cushion" to account for unanticipated expensive treatments. (See JBC figure setting document, February 7, 2008, page 35.)

SUBSEQUENT INJURY LEGAL SERVICES FOR 500 HOUR

This line item is used to purchase legal services from the Department of Law to process and settle claims related to the Subsequent Injury program. The JBC approved the appropriation in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 35.)

MEDICAL DISASTER

The Medical Disaster Fund provides benefits to workers who sustained catastrophic injuries prior to July 1, 1971. The JBC approved the appropriation. (See JBC figure setting document, February 7, 2008, page 35.)