

Schedule 13 Funding Request for the 2012-13 Budget Cycle

Department: Labor and Employment
 Request Title: Letternote Revision for Division of Labor Long Bill
 Priority Number: 1

Dept. Approval by: *Wagner Jones* 10-12-11
 Date

- | |
|--|
| <input checked="" type="checkbox"/> Decision Item FY 2012-13 |
| <input type="checkbox"/> Base Reduction Item FY 2012-13 |
| <input type="checkbox"/> Supplemental FY 2011-12 |
| <input type="checkbox"/> Budget Amendment FY 2012-13 |

OSPB Approval by: _____
 Date

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	1,147,311	-	1,171,056	-	1,171,056
	FTE	15.0	-	15.0	-	15.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,147,311	-	1,171,056	-	1,171,056
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(3) Division of Labor, Program Costs	Total	1,147,311	-	1,171,056	-	1,171,056
	FTE	15.0	-	15.0	-	15.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,147,311	-	1,171,056	-	1,171,056
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:
 Of this amount, it shall be estimated that \$1,148,664 shall be from the Employment Support Fund created in Section 8-77-109(1), C.R.S. and it is estimated that \$42,395 shall be from the Employment Verification Fund created in Section 8-2-122 (4), C.R.S.

Cash or Federal Fund Name and COFRS Fund Number: Employment Support Cash Fund, #232 and Employment Verification Cash Fund #23T

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: No

Other Information:



DEPARTMENT OF LABOR AND EMPLOYMENT

John W. Hickenlooper
Governor

*FY 2012-13 Funding Request
November 1, 2011*

Ellen Golombek
Executive Director

Department Priority: 2
Letternote Revision for Division of Labor Long Bill Line Item

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Employment Verification Program	\$0	\$0	0.0

Request Summary:

The Department of Labor and Employment (CDLE) is requesting a revision to the letternote for the Division of Labor's Long Bill line item titled "Program Costs". The request will add an additional funding source to the letternote to show that funds are available to pay for the line item from the Employment Verification Cash Fund. This request does not change the overall appropriation or the FTE.

This request allows the Department to offset some of its expenses for employment verification activities with fines collected from employers. Currently, there is funding available in the Employment Verification Cash Fund for these purposes, which the Department does not have an appropriation for. This Fund receives fines placed on employers for supplying falsified employment information or failing to submit employment information and is intended to offset the Department's costs for implementing employment verification activities.

HB06S-1017 requires Colorado employers to examine and affirm the legal work status of newly-hired employees. Duties include ensuring that copies of documents required by the I-9 employment eligibility verification form are retained, that an employer has not altered or falsified employee identification documents and that an employer has not knowingly hired an unauthorized alien. The Division of Labor is

authorized to conduct random audits on employers to verify compliance. Additionally, documentation may be requested upon receipt of a credible complaint. In addition, one of the Department's primary focuses since enactment has been on educating the business community of the new program.

The Department began conducting these activities in 2007. Fine revenue, however, was not generated until June 2009 and has been slow to come into the Department. There is currently \$22,392 which can be used by the Department for employment verification activities

The Department would like to revise the letternote for the Division of Labor, Program Costs line item to read:

"Of this amount, it is estimated that \$1,148,664 shall be from the Employment Support Fund created in Section 8-77-109 (1), C.R.S. and it is estimated that \$42,392 shall be from the Employment Verification Cash Fund created in Section 8-2-122 (4), C.R.S."

Anticipated Outcomes:

The ability to utilize the Employment Verification Cash Fund would reduce the amount of funds currently being used from the Employment Support Fund to fund this activity. The Division can only expend as much as it

collects in fines from the Employment Verification Fund per fiscal Year. At this time it is still unknown if the Division can collect enough fines to fully offset its annual expenses or meet its appropriated level. However, any revenue received will be used for its anticipated purpose.

Assumptions for Calculations:

The Division's expenses for Employment Verification activities are comingled within other employment expenses and are not tracked separately. The Division estimated administrative costs for this program to be \$202,864 in the fiscal note for this bill. The fund balance for this new cash fund cannot support this full estimate and will not support it for some time. \$22,392 is currently available though to offset these costs. It is difficult to estimate the number of fines issued and collected in a given year. Currently it is estimated that the Division will collect \$20,000 in fines for the 2011-12 FY. Therefore, it is requested that the letternote indicate that the amount available from the two funds are estimates.

Consequences if not Funded:

If this request is not approved the Division will be unable to offset the administrative costs with the fines collected which was the intent of the legislation.

Impact to Other State Government Agency:

Not applicable

Cash Fund Projections:

In Fiscal Year 2009-10, the cash balance of the fund was \$17,377. The Division had a cash balance at the end of FY 2010-11 of \$22,392.

Relation to Performance Measures:

Not applicable

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

Not applicable

Current Statutory Authority or Needed Statutory Change:

C.R.S. 8-2-122 (2011) Employment verification requirements. (4) An employer who, with reckless disregard, fails to submit the documentation required by this section, or who, with reckless disregard, submits false or fraudulent documentation, shall be subject to a fine of not more than five thousand dollars for the first offense and not more than twenty-five thousand dollars for the second and any subsequent offense. The moneys collected pursuant to this subsection (4) shall be deposited in the employment verification cash fund, which is hereby created in the state treasury. The moneys in the fund shall be appropriated to the department of labor and employment for the purpose of implementing, administering, and enforcing this section. The moneys in the fund shall remain in the fund and not revert to the general fund or any other fund at the end of any fiscal year.

C.R.S. 8-77-109 (2011) Employment Support Fund - employment and training technology fund. (1) There is hereby established the employment support fund... (2) (a) Moneys collected pursuant to this section shall be credited by the state treasurer to the employment support fund, created in subsection (1) of this section. Moneys in the employment support fund shall be annually appropriated by the general assembly to the department of labor and employment: (II) (A) To fund labor standards, labor relations, and the Colorado works grievance procedure under the provisions of articles 1 to 6, 9, 10, 12, and 13 of this title and section 26-2-716 (3) (b), C.R.S.

(For Department and OSPB use only – this will not appear in final request)

Additional Request Information	Yes	No	Additional Information
Is this request driven by a new statutory mandate?		X	
Will this request require a statutory change?		X	
Is this a one-time request?		X	
Will this request involve any IT components?		X	

Schedule 13
Funding Request for the 2012-13 Budget Cycle

Department: Labor and Employment
 Request Title: Annual Fleet Replacement
 Priority Number: _____

Dept. Approval by: *[Signature]* 10-7-11
 Date
 OSPB Approval by: *[Signature]* 10/20/11
 Date

- Decision Item FY 2012-13
 Base Reduction Item FY 2012-13
 Supplemental FY 2011-12
 Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	107,625	-	107,625	(2,367)	(2,367)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	75,853	-	75,853	(1,657)	(1,657)
	RF	-	-	-	-	-
	FF	31,772	-	31,772	(710)	(710)
(1) Executive Director's Office, Vehicle Lease Payments	Total	107,625	-	107,625	(2,367)	(2,367)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	75,853	-	75,853	(1,657)	(1,657)
	RF	-	-	-	-	-
	FF	31,772	-	31,772	(710)	(710)

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: Various cash and federal sources

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: DPA

Other Information: