



Department of Labor and Employment  
Line Item Descriptions

FY 12-13 Budget Request

**NOVEMBER 1, 2011**

## ***(1) EXECUTIVE DIRECTOR'S OFFICE***

\*\*All fund splits for Executive Director's Office line items within the Budget Schedules are estimates. These estimates cannot be relied upon for any reason. The actual fund split is only determined after each month is closed and is based on CDLE's federally approved cost allocation plan.\*\*

### **PERSONAL SERVICES**

This line item provides 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.

The actual FY2008-09 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions and an increase of \$29,308 from SB 07-228 that required the department to monitor various aspects of the performance of vendors with whom it contracts. (See JBC figure setting document, February 7, 2008, page 11).

The actual FY2009-10 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions and included a reduction (\$74,738) as a result of a January 2008 Supplemental and Budget Amendment to consolidate funding for the Governor's Office of Information Technology. (See JBC figure setting document, February 17, 2009, page 12). JBC approved the department's request for an internal auditor adding \$76,790. JBC implemented a 1.82% across the board cut, decreasing the personal services line item by \$239,797.

The appropriation FY2010-11 and FY 2011-12 are continuations of the base appropriation amount in accordance with OSPB common policy, thus restoring the 1.82% personal services cut and increasing the line. The IT consolidation decision item reduced the FTE and funding for this line item significantly (almost \$5.5 million). There was also a reduction due to the passage of the 2.5% increased employee PERA contribution and a similar decrease in state contributions to PERA.

The FY2012-13 request restores the 2.5% PERA cut but otherwise is a continuation request compared with FY 2010-11 and FY 2011-12.

### **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. The request reflects OSPB approved common policy adjustments for FY 2012-13.

**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 0.155 percent of base personal services salaries. The request reflects OSPB approved common policy adjustments for FY 2012-13.

**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 was 1.40 percent of base salaries; for CY 2009 it was 1.80 percent of base salaries; for CY2010 it is 2.2 percent; and for CY 2011 the rate is 2.6%. The request reflects OSPB approved common policy adjustments for FY 2012-13.

**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 rate for CY 2008 was 0.50 percent, CY 2009 is 1.00 percent, and CY2010 is 1.5 percent. The rate increases to 2.0 percent for CY 2011. The request reflects OSPB approved common policy adjustments for FY 2012-13.

**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.

The actual FY2008-09 expenditures were \$2,545,895.

The actual FY2009-10 expenditures were \$0 as this line item was not funded. (See JBC figure setting document, February 17, 2009, page 13).

The appropriation for FY2010-11 as well as FY 2011-12 was not funded. (See JBC figure setting document, January 28, 2010, page 5).

The FY2012-13 request is for \$0. This is due to the current statewide budget shortfall.

### **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 17, 2009, page 13).

The actual FY2008-09 expenditures were \$957,125.

The actual FY2009-10 expenditures were \$0 as this line item was not funded. (See JBC figure setting document, February 17, 2009, page 14).

The appropriation for FY2010-11 and FY 2011-12 was not funded. (See JBC figure setting document, January 28, 2010, page 5).

The FY2012-13 request is for \$0. This is due to the current statewide budget shortfall.

### **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.

The actual FY2008-09 expenditures were \$28,162.

The actual FY2009-10 expenditures were \$26,300 and in accordance with JBC common policy, 80% of prior year actual costs or \$26,300. FY 2010-11 appropriation was set at \$11,084.

The FY2011-12 appropriation was set according to JBC common policy at \$9,734. However, this amount is significantly reduced from prior years due to the consolidation of the IT functions.

The FY 2012-13 request is for 80% of the prior year actual or \$14,460.

### **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 and is set by DPA common policy adjustments.

### **OPERATING EXPENSES**

The actual FY2008-09 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions and an increase of \$1,753 for expenses related to SB 07-228 that required the department to monitor various aspects of the performance of vendors with whom it contracts. (See JBC figure setting document, February 7, 2008, page 13).

The actual FY2009-10 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions and three adjustments: (1) a reduction of \$7,410 as a result of the elimination of a fleet vehicle rate reimbursement decision item; (2) an increase of \$6,178 in expenses related to decision item #3 requesting an internal auditor; and (3) \$17,040 in postage increases and mail equipment upgrades. (See JBC figure setting document, February 17, 2009, page 14).

The FY2010-11 appropriation includes a reduction of \$5,228 for the one time costs associated with the Auditor and a reduction of \$17,040 for the one time DPA mail equipment decision item as well as an increase of \$222,494 due to the OIT consolidation. These changes resulted in a total FY 2010-11 appropriation of \$1,759,608. FY 2011-12 was a continuation appropriation.

The FY2012-13 request is a continuation of the prior year appropriation.

### **LEGAL SERVICES FOR 7,905 HOURS**

This line item is used to pay the Department of Law for the provision of legal services to the Department.

The request for the FY 2008-09 Long Bill appropriation was 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).

The request and appropriation for FY 2009-10 was for 7,905 hours of legal services at the common policy legal services rate. (See JBC figure setting document, February 17, 2009, page 15).

The FY 2010-11 appropriation was for a continuation of the prior year appropriated hours of 7,905.

The FY 2012-13 request is for a continuation of 7,905 legal services hours.

### **PURCHASE OF SERVICES FROM COMPUTER CENTER**

This line item is used to reimburse the Governor's Office of Information Technology for the Department's share of costs associated with the state's computer system. (See JBC figure setting document, February 17, 2009, page 15).

For FY 2010-11, this line item includes a statewide decision item to consolidate all IT FTE. A significant portion of the CDLE IT FTE will be funded through OIT charges to this line item. FY 2011-12 was funded based on JBC common policy.

The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **MULTI-USE NETWORK PAYMENTS**

This line item reimburses the Governor's Office of Information Technology for the Department's share of costs for the statewide multi-use network. (See JBC figure setting document, February 17, 2009, page 15).

For FY 2010-11, this line item includes a statewide decision item to consolidate all IT FTE. A significant portion of the CDLE IT FTE will be funded through OIT charges to this line item. FY 2011-12 was funded based on JBC common policy.

The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **MANAGEMENT AND ADMINISTRATION OF OIT**

This line item is new for FY 2009-10. It is used to reimburse the Governor's Office of Information Technology for the Department's share of costs for the management and administration of OIT. (See JBC figure setting document, February 17, 2009, page 15).

For FY 2010-11, this line item includes a statewide decision item to consolidate all IT FTE. A significant portion of the CDLE IT FTE will be funded through OIT charges to this line item. FY 2011-12 was appropriated based on JBC common policy.

The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **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. The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **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. The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **LEASED SPACE**

This line item is used by the Department to pay for leased space in locations around the state. The FY 2008-09 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).

The FY 2009-10 request reflects an increase simple lease escalator increases over the FY 2008-09 appropriation. The request was approved. (See JBC figure setting document, February 17, 2009, page 16).

FY 2010-11 appropriations were a continuation request and this line was funded accordingly. The JBC reduced the Lease Space appropriation to \$3,800,000 for FY 2011-12 based on prior year reversions.

The FY 2012-13 request is for a continuation lease space amount of \$3,800,000.

### **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. 62<sup>nd</sup> Avenue in Denver. The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **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. The request reflects OSPB approved common policy adjustments for FY 2012-13.

### **UTILITIES**

This line item is used to pay for the utilities expenses at 251 E. 12<sup>th</sup> Avenue. The building is owned by the state, and the utility expenses are paid by the Department of Labor and Employment. There were no changes to this line item based on JBC common policy. The request for FY 2012-13 is for continuation funding with no adjustments.

### **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. Continuation funding has been approved since that date (See JBC figure setting documents).

The request for FY 2012-13 requests continuation funding for this line item.

### **STATEWIDE INDIRECT COST ASSESSMENT**

The JBC funded this line item through the FY2009-10 Figure Setting process in accordance with JBC common policy. (See JBC figure setting documents). The current request is in accordance with DPA common policy.

### **DISASTER RECOVERY**

This line item was one-time funding in FY2008-09 that resulted from Decision Item #2: Disaster Recovery Plan. This request was part of a Disaster Recovery Plan to comply with the State's Disaster Recovery model. Two primary elements were 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). This line item was a one-time appropriation and has been discontinued.



## ***(2) DIVISION OF EMPLOYMENT AND TRAINING***

### ***(A) UNEMPLOYMENT INSURANCE PROGRAMS***

#### **PROGRAM COSTS**

This line item supports 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, quality control and fraud. The majority of the staff in this section are responsible for the payment of benefits and tax collection functions.

The actual FY2008-09 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions and the effects of SB 08-114 (.9 FTE and \$44,659), which requires the department to register employee leasing companies and SB 08-204 which allowed the UI Program to change the processing of UI benefits and only adjudicate claims that draw benefits. SB 08-204 results in savings to the UI Program and decreased the appropriation by \$212,485 and -3.7 FTE. (See JBC figure setting document, February 7, 2008, page 17).

The actual FY2009-10 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions along with the effects of Decision Item #2: Maximize Federal Funding for the Unemployment Insurance Program. The department requested that the separate line item appropriation for the UI Fraud Program be combined into this UI Program Cost line. JBC approved this request for FY2009-10 and all years thereafter increasing the UI Program Costs line by \$1,563,807 in cash funds (Revenue Fund) and 26.0 FTE. (See JBC figure setting document, February 17, 2009, page 22). In addition, the JBC approved a request by the Department of Personnel and Administration related to mail services that increased this appropriation by \$183,817 in federal funds. (See non-prioritized common policy schedule 13, Postage Increase and Mail Equipment Upgrade).

Three pieces of legislation were passed in 2009 that impacted this appropriation. SB 09-247 expanded the UI benefits program to allow for the calculation of an alternate base period, created training benefits and established an extended benefits program if certain unemployment levels are reached. These changes resulted in an increase of \$234,192 in federal funds and 2.0 FTE. HB 09-1076 provided for the postponement of benefits on a week for week basis for claimants receiving various types of payment when leaving employment. This legislation results in a savings in administrative costs and therefore decreased the appropriation by \$47,803 and 1.0 FTE. Finally, HB 09-1310 directs the department to provide employers with advisory opinions as to the proper classification of employees as independent contractors. This legislation increased the line by \$10,815 and .2 FTE.

The FY2010-11 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy and the annualized effects of the two bills passed during the FY2009 Legislative Session. These bills resulted in an increase of \$93,161 in

federal funds, \$10,815 in cash funds and 0.2 FTE. In addition, HB 10-1304 was the department's supplemental bill which reflects a \$137,231 reduction as the result of a technical adjustment by JBC staff and a common policy mail services decision item through the Department of Personnel and Administration. There were three statewide common policy decision items that impacted this line. The first is the annualized effect of the FY09-10 Decision Item for a postage increase and mail equipment upgrade and the second is the FY10-11 Decision Item to consolidate OIT services. Both of these resulted in a decrease of \$216,504 in federal funds and a loss of 1.0 FTE. The third common policy related item was an FY10-11 Decision Item for mail equipment that resulted in an increase of \$43,354 in federal funds. Finally, there was a statewide change that reduces the state's contribution to PERA by 2.5%. This resulted in a decrease of \$648,185. (See JBC figure setting document, February 18, 2010, page 23).

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy, the annualized result of adding back in the 2.5% PERA reduction from FY10-11 which was approved for only one year, and an increase of \$62,900 due to the passage of HB11-1288, UI Solvency Reform.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$772,158, a reduction of \$62,900, the annualized result of HB11-1288, and a reduction of \$500,00, the annualized result of the American Recovery and Reinvestment Act Special Transfer.

### **INTERNET SELF-SERVICE**

This line item funds the operating portion of a project 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.

The actual FY2008-09 appropriation was one year funding as a result of Decision Item #1: Modernization and Enhancement of Internet Self-Service. The JBC approved an operating appropriation of \$503,720 in cash funds (Employment Support Fund) and 2.5 FTE. There was a corresponding capital construction request. (See JBC figure setting document, February 7, 2008, page 18).

The appropriation for FY2009-10 is one year funding based on the JBC approval of Decision Item #1: Internet Self Service Year 2 which is a continuation of this two-year project. This request provided \$167,126 in cash funds (Employment Support Fund) and 2.5 FTE. A separate capital construction request for year 2 was also submitted. (See JBC figure setting document, February 17, 2009, page 18).

The FY2010-11 request did not include this line item as no additional operating funds were being requested. During JBC hearings, the analyst did include a continuation of the 2.5 FTE and \$162,948 since this project is continuing throughout this fiscal year. (See JBC figure setting document, February 18, 2010, page 24).

The FY2011-12 request did not include this line item as no additional operating funds were being requested. During JBC figure setting, staff recommended an appropriation of \$162,948 from the Employment Support Fund and 2.5 FTE. Actual FY2011-12 appropriation was \$167,126. The projected completion date is March 2012 and any unspent funds will revert to the Employment Support Fund.

The FY2012-13 request does not include this line item because the project will be completed in FY2011-12.

## ***(B) UNEMPLOYMENT INSURANCE FRAUD PROGRAMS***

### **PROGRAM COSTS**

This line item supports 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, page 19).

The actual FY2008-09 appropriation was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 18).

The appropriation for FY2009-10 was added to the Unemployment Insurance Programs line above as a result of Decision Item #2: Maximize Federal Funding for the Unemployment Insurance Program. The department requested that this separate line item appropriation for the UI Fraud Program be combined into the UI Program Costs line. JBC approved this request for FY2009-10 and all years thereafter increasing the UI Program Costs line by \$1,563,807 in cash funds (Revenue Fund) and 26.0 FTE. (See JBC figure setting document, February 17, 2009, page 22).

The FY2010-11 appropriation does not include this line item as it has been combined into the UI Program Costs line above.

## ***(C) EMPLOYMENT AND TRAINING PROGRAMS***

### **STATE OPERATIONS**

This line funds state run one-stop centers. Each one-stop center provides job search assistance, classes, and services for individuals with special needs. In addition, this line supports the administration of several other employment programs.

The actual FY2008-09 expenditures were \$15,081,435 of which \$8,964,370 is cash funds (Employment Support Fund or ESF and Displaced Homemaker), \$9,600 is reappropriated (contract with other programs), and \$6,107,465 is federal funds. The federal appropriation reflects an anticipated decrease in federal funding from the previous fiscal year. The Department submitted Decision Item #1: Restore Services at Workforce Centers in November 2007 as part of the FY2008-09 budget submission. The JBC approved an increase of \$2,230,569 cash funds (ESF) which is intended to offset program cuts due to decreases in federal funding. In addition, the appropriation reflects Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 21).

The actual FY2009-10 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions plus changes due to passage of legislation, a budget amendment, and decision item. The cash fund appropriation increased by \$77,725 and 1.0 FTE due to the passage of House Bill 08-1325, Nonimmigrant Agricultural Seasonal Worker Pilot Program. Additionally, the Department submitted a budget amendment that increased the cash fund appropriation by \$7,020 for expenses incurred by the Advisory Council for this pilot program. Federal funds increased by \$5,059 due to Decision Item #4 for Mail Equipment and Postage Increases. (See JBC figure setting document, February 17, 2009, page 27). A supplemental was approved by the JBC for the transfer of \$1,470,328 federal funds and 13.0 FTE from this line to the One-Stop County Contract line to reflect the transfer of responsibilities from the state to the Arapahoe /Douglas Workforce Region. This is a permanent transfer of funds and FTE.

The FY2010-11 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy, thus restoring the 1.82% personal services cut and increasing the line by \$73,095. The JBC also implemented a one-time 2.5% PERA reduction in the amount of \$191,324. There was a Statewide Decision Item to consolidate OIT services resulting in a decrease of \$74,952 and 1.0 FTE. Finally, there was an annualization of the FY09-10 Decision Item for postage and mail equipment upgrade resulting in a decrease of \$3,889. (See JBC figure setting document, February 18, 2010, page 25).

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$191,324 one-time 2.5% PERA reduction.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$230,772.

### **ONE-STOP COUNTY CONTRACTS**

This line supports the federally funded county operated one-stop centers. These one-stop serve as centers for the dissemination of all federal employment program information, including job training and search programs. The FTE represents state employees in county run regions and are anticipated to decrease over the years. An agreement was made between the state and counties when counties took over one-stop centers; when a state employee leaves their position, the position will be replaced by a county employee.

The actual FY2008-09 appropriation was \$7,636,656 and 17.0 FTE. This is a reduction relative to the previous year and reflects an anticipated decrease in federal funding. The decrease in FTE is due to state workers no longer working at county run centers. The appropriation also reflects Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 22).

The actual FY2009-10 appropriation was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 28). The JBC approved a Supplemental for the Transfer of Wagner Peyser Employment Services Program from the state to the Arapahoe/Douglas Workforce Region, resulting in an increase in federal funds of \$1,470,328 and 13.0 FTE.

The FY2010-11 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy. In addition, there was a statewide 2.5% PERA reduction of \$40,791 (See JBC figure setting document, February 18, 2010, page 26).

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$40,791 one-time 2.5% PERA reduction.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$40,791.

### **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.)

The actual FY2008-09 appropriation reflects the anticipated level of federal funding of \$1,921,826. (See JBC figure setting document, February 21, 2008, page 23).

The actual FY2009-10 appropriation reflects the anticipated level of federal funding as the prior fiscal year of \$1,921,826. (See JBC figure setting document, February 21, 2009, page 29). The Trade and Globalization Adjustment Assistance Act of 2009 was signed into law as part of the American Recovery and Reinvestment Act. This new legislation has changed the Trade Adjustment Assistance (TAA) for Workers program and significantly expands existing TAA programs. Some of the more significant provisions include

extending TAA to trade-affected services sector workers and workers affected by off shoring or outsourcing to countries like China or India; increasing training funding by 160 percent to up to \$575 million for fiscal years 2009 and 2010; providing \$86 million per year to states for administrative and case management services; and making training, healthcare and reemployment TAA benefits more accessible and flexible.

The FY2010-11 appropriation reflects the anticipated level of federal funding of \$3,837,827. (See JBC figure setting document, February 18, 2010, page 27).

The FY2011-12 request reflects a decrease in the anticipated level of federal funding of \$3,288,070. (See JBC figure setting document, March 3, 2011, page 21).

The FY2012-13 appropriation reflects the anticipated level of federal funding of \$1,769,848.

## **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 actual FY2008-09 appropriation was \$36,675,686 of which \$35,868,146 is federal and \$807,540 is cash funds (Employment Support Fund or ESF). The federal appropriation reflects an anticipated decrease in federal funding from the previous fiscal year. The Department submitted Decision Item #1: Restore Services at Workforce Centers in November 2007 as part of the FY2008-09 budget submission. The JBC approved an increase of \$807,540 of ESF cash funds which is intended to offset program cuts due to decreases in federal funding. In addition, the appropriation reflects Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 23).

The actual FY2009-10 appropriation of \$33,180,871 reflects a decrease in anticipated level of federal funding resulting in \$32,373,331 and continuation of ESF cash funds appropriation of \$807,540. (See JBC figure setting document, February 21, 2009, page 29).

The FY2010-11 appropriation of \$32,373,331 reflects the anticipated level of Workforce Investment Act federal funds of \$31,415,505 and continuation of ESF cash funds of \$807,540. The appropriation restores the 1.82% personal services reduction in FY09-10 with an increase of \$24,365 and includes a statewide 2.5% PERA reduction of \$78,004 (See JBC figure setting document, February 18, 2010, page 28). In addition, the appropriation is increased by \$100,000 and 1.4 FTE due to the passage of HB10-1333, which creates the Green Jobs Colorado Training Program for two years.

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$78,004 one-time 2.5% PERA reduction.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$92,912 and a decrease of \$100,000 due to the repeal of the Green Jobs Colorado Training Program on June 30, 2012 (per 24-38.9-108 C.R.S.).

## **WORKFORCE DEVELOPMENT COUNCIL**

This line supports the staff of the Workforce Development Council. The Council was created to meet the requirements of Title I of the federal Workforce Investment Act of 1998. The Council is responsible for designating local workforce investment areas,

coordinating the delivery of workforce development programs, and reviewing the allocation of federal Title I funds for adult employment and training activities and youth activities.

In FY08-09, Senate Bill 08-231 transferred \$466,016 reappropriated funds and 4.0 FTE for the Workforce Development Council from the Department of Local Affairs to the Department of Labor and Employment. The Council and staff are supported by funds transferred to the Department from other departments that receive allocations of federal funds. Funds are transferred from the Departments of Human Services, Education, Local Affairs, and Community Colleges. The office of State Planning and Budgeting is required to determine each agency's contributions on an annual basis.

The appropriation for FY2009-10 is a continuation of the base appropriation amount. (See JBC figure setting document, February 17, 2009, page 30).

The FY2010-11 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy and restores the 1.82% personal services reduction in FY09-10 with an increase of \$8,884. In addition, there was a statewide 2.5% PERA reduction of \$6,469 (See JBC figure setting document, February 18, 2010, page 28).

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$6,469 one-time 2.5% PERA reduction.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$3,600.

### **WORKFORCE IMPROVEMENT GRANTS**

The Workforce Improvement Grants are federal and private grants awarded to the Workforce Development Council for the development of workforce development activities for special populations.

In FY08-09, Senate Bill 08-231 transferred \$870,000 and 1.0 FTE from the Department of Local Affairs to the Department of Labor and Employment. In October 2009, the Department submitted a supplemental to transfer the DPN Program from Human Services to the Department resulting in 6.7 FTE. Further, a Decision Item was submitted to increase FTE by an additional 2.3 FTE to reflect FTE for a full fiscal year.

The appropriation for FY2009-10 is a continuation of the base appropriation amount. (See JBC figure setting document, February 17, 2009, page 31).



The FY2010-11 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy along with a statewide change that reduces the state's contribution to PERA by 2.5%. This resulted in a decrease of \$9,964 in federal funds for this line item. (See JBC figure setting document, February 18, 2010, page 29).

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$9,964 one-time 2.5% PERA reduction.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$9,964.

***(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 actual FY2008-09 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 7, 2008, page 24).

The actual FY2009-10 expenditures were a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 32).

The FY2010-11 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy along with the effects of a statewide common policy decision item related to mail equipment in the Department of Personnel and Administration which decreased the federal funds by \$2,101. In addition, there was a statewide change that reduces the state's contribution to PERA by 2.5%. This resulted in a decrease of \$45,506 in federal funds for this line item. (See JBC figure setting document, February 18, 2010, page 30).

The FY2011-12 appropriation is a continuation of the base appropriation amount in accordance with OSPB common policy and includes the annualized result of adding back in the 2.5% PERA reduction from FY10-11 which was approved for only one year.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$43,973.

***(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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 35). JBC implemented a 1.82% across the board cut, decreasing the personal services line item by \$34,740.

The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy, thus restoring the 1.82% personal services cut and increasing the line by \$34,740. JBC also implemented a one-time 2.5% PERA reduction in the amount of \$25,293 (See JBC figure setting document, February 18, 2010, page 31).

The appropriation for FY 2011-12 is a continuation of the base appropriation amount in accordance with OSPB policy plus removing a 1.5% base reduction and the 2.5% PERA reduction of \$25,745. (See JBC figure setting document, March 3, 2011, page 24).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the 2.5% PERA reduction of \$23,745.

#### ***(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 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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 34). In addition this line was changed by Legislation from the 2008 session: SB08-051 \$109,650 and 2.0 FTE (annualization of -\$50) which creates additional enforcement to the division in the areas of boilers and explosives; HB08-1027 \$66,686 and 0.9 FTE (annualization of \$7,414 and 0.1 FTE) which allows the public school construction division to use third party inspectors (locals); HB 08-1103 \$100,700 and 1.7 FTE and (annualization of \$0) expanding the carnival and amusement park oversight and the explosive program; HB08-1335 \$139,035 and 2.0 FTE (annualization of \$160,634 and 2.0 FTE) creating public school construction capital financing. The line item was reduced by a common policy supplemental due to the 1.82% personal services reduction of \$102,502, and common policy items.

The actual for FY2010-11 is a continuation of the base appropriation amount, less \$567,077 and 8.0 FTE for HB09-1151 annualization and \$102,502 for adding back in the one-time personal services cut from the 1.82% personal services reduction.

Decision Item #1 “Addition of Denver Conveyance Program” added \$177,177 and 3.3 FTE. JBC also implemented a one-time 2.5% PERA reduction in the amount of \$109,537 plus the offset of the staff moving to Dept of Publics safety PERA of \$14,177. Reduction in the annualization correction from prior bill SB07-123 of \$10,856 (See JBC figure setting document, February 18, 2010, page 33).

The appropriation for FY 2011-12 is a continuation of the base appropriation amount in accordance with OSPB policy plus removing a 1.5% base reduction of \$62,570 and the 2.5% PERA reduction of \$94,933. (See JBC figure setting document, March 3, 2011, page 26).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$95,924 one-time 2.5% PERA reduction

### **OPERATING EXPENSES**

This line supports the operating costs for the Division.

The actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 35). In addition this line was changed by Legislation from the 2008 session: SB08-051 \$14,300 (annualization of -\$6,900) which creates additional enforcement to the division in the areas of boilers and explosives; HB08-1027 \$4,300 (annualization of -\$3,300) which allows the public school construction division to use third party inspectors (locals); HB 08-1103 \$18,854 (annualization of -\$9,654) expanding the carnival and amusement park oversight and the explosive program; HB08-1335 \$37,382 (annualization of \$18,299) creating public school construction capital financing, and the removal of the previous year one-time decision item of \$440,000.

The actual for FY2010-11 is a continuation of the base appropriation amount, less \$67,572 for HB09-1151 annualization, and \$88,321 for adding additional federal spending authority, and a \$7,815 reduction for the annualization of DPA decision item for central mail services. Decision Item #1 “Addition of Denver Conveyances” added \$73,180 and Decision Item #2 “OPS Consolidated Enterprise Database System” added \$18,900. Annualization decrease from DPA common policy decision item for central mail serices reduced the appropriation by \$7,815. Additional federal funding increased the operating appropriation line by \$88,321. See JBC figure setting document, February 18, 2010, page 34).

The appropriation for FY 2011-12 is a continuation of the base appropriation amount in accordance with OSPB policy plus annualization of the Enterprise Database System of \$151,200. (See JBC figure setting document, March 3, 2011, page 26).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy. The annualization of the Decision Item #1OPS Enterprise system is \$56,700.

## **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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions (See JBC figure setting document, February 17, 2009, page 36), plus and additional \$2,754 for an internal audit decision item. In addition, this line item was further changed for the FY2009-10 long bill appropriation by a \$467 increase for an OIT supplemental, a \$31 reduction for a budget amendment for the management and administration of OIT, and a \$10,791 the 1.82% personal services cut.

The actual for FY2010-11 is a continuation of the base appropriation amount, plus \$10,791 for adding back in the one-time personal services cut from the hiring freeze. In addition, there is a downward adjustment due to the internal indirect cost assessment allocation of \$15,417. JBC also implemented a one-time 2.5% PERA reduction in the amount of \$9,993 (See JBC figure setting document, February 18, 2010, page 35.) The line was reduced by \$3,315 from the Supplemental request for the EDO legal services line (See JBC Supplemental document, Jan 10, 2011, page 1)

The appropriation for FY 2011-12 was discontinued (See JBC figure setting document, March 3, 2011, page 27).

The FY 2012-13 there is no request as this line item was eliminated in the prior FY.

## ***(5) DIVISION OF WORKERS' COMPENSATION***

### ***(A) WORKERS' COMPENSATION***

#### **PERSONEL SERVICES**

This line supports the staff costs necessary to administer the Workers' Compensation Acts.

The actual for FY2009-10 is an appropriation amount in accordance with OSPB common policy, thus restoring the 1.82% personal services cut and increasing the line by \$127,820. JBC also implemented a one-time 2.5% PERA reduction in the amount of \$156,010 (See JBC figure setting document, February 18, 2010, page 36).

The actual for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$156,010 one-time 2.5% PERA reduction. The line is increased by \$3,756 and 0.1 FTE with the passage of SB10-013 Concerning WC accountability.

The appropriation for FY 2011-12 is a continuation of the base appropriation amount in accordance with OSPB policy plus removing a 1.5% base reduction of \$105,553 and the 2.5% PERA reduction of \$143,436. (See JBC figure setting document, March 3, 2011, page 27). It also increased by 0.1 FTE and \$3,756 for the passage of SB10-013

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$143,436 one-time 2.5% PERA reduction

### **OPERATING EXPENSES**

This line supports the operating costs for the Division.

The actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 38). The appropriation was increased by a decision item for central collection fees which added \$55,944. In addition the appropriation was increased by \$15,101 for statewide postage increase and mail equipment upgrades.

The actual for FY2010-11 is a continuation of the base appropriation amount, less \$15,101 annualization for the DPA central mail services decision item. (See JBC figure setting document, February 18, 2010, page 36). The passage of HB1038 Brochure to describe WC claim decreased the appropriation by \$18,000.

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 28). It also reduced by \$18,000 for the passage of SB10-013.

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **ADMINISTRATIVE LAW JUDGE SERVICES**

This line item is used to purchase administrative law services from the Department of Personnel and Administration.

The actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 39).

The actual for FY2010-11 is a continuation of the base appropriation amount, less \$22,940 for a DPA operating baseline adjustment. See JBC figure setting document, February 18, 2010, page 37).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 28).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 39).

The actual for FY2010-11 is a continuation of the base appropriation (See JBC figure setting document, February 18, 2010, page 37).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 29).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 39).

The actual for FY2010-11 is a continuation of the base appropriation (See JBC figure setting document, February 18, 2010, page 37).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 29).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 40).

The actual for FY2010-11 is a continuation of the base appropriation (See JBC figure setting document, February 18, 2010, page 38).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 29).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### ***(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 actual for FY2009-10 is a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 42).



The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy.. JBC also implemented a one-time 2.5% PERA reduction in the amount of \$17,797 (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY 2011-12 is a continuation of the base appropriation amount in accordance with OSPB policy plus removing a 1.5% base reduction of \$19,170 and the 2.5% PERA reduction of \$19,458. (See JBC figure setting document, March 3, 2011, page 30).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy plus restoring the \$19,458 one-time 2.5% PERA reduction

### **OPERATING EXPENSES**

This line supports the operating costs for the Division.

The actual for FY2009-10 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 42).

The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 31).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **MAJOR MEDICAL BENEFITS**

The line item is for a continuation is for the Major Medical Benefit payments. This is for the open cases of workers who sustained catastrophic injuries between July 1, 1971, and June 30, 1981. The moneys in the fund are continuously appropriated for the payment of benefits. Actual expenses may fluctuate due to the specific medical treatments required by clients in a particular year.

The actual for FY2009-10 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 42).

The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 31).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **MAJOR MEDICAL LEGAL SERVICES**

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 actual for FY2009-10 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 43).

The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 31).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **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 moneys in the fund are continuously appropriated for the payment of benefits. Actual expenses may fluctuate due to the specific medical treatments required by clients in a particular year.

The actual for FY2009-10 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 43).

The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 31).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

### **SUBSEQUENT INJURY LEGAL SERVICES**

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 actual for FY2009-10 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 43).

The actual for FY2010-11 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 32).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.

## **MEDICAL DISASTER**

The Medical Disaster Fund provides benefits to workers who sustained catastrophic injuries prior to July 1, 1971. The JBC approved the appropriation.

The actual for FY2009-10 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 17, 2009, page 44).

The actual for FY2010-11 was a continuation of the base appropriation amount in accordance with Committee common policy decisions. (See JBC figure setting document, February 18, 2010, page 39).

The appropriation for FY2011-12 is a continuation of the base appropriation amount in accordance with OSPB common policy (See JBC figure setting document, March 3, 2011, page 32).

The FY2012-13 request is a continuation of the base appropriation amount in accordance with OSPB policy.