



Department of Labor and Employment  
*Department Description*

FY 2013-14 Budget Request

**NOVEMBER 1, 2012**

## BACKGROUND INFORMATION

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**The Executive Office** provides support services to the Department's four divisions. Support services included the following:

- ♦ *The Office of Government, Policy and Public Relations* promotes the establishment and maintains lines of communication, understanding, acceptance and cooperation between the department and the public. This office keeps management informed and responsive to problems or issues related to public opinion and serves as an early warning system to anticipate trends.
- ♦ *The Office of Human Resources-Personnel* provides classification recruitment, exams, and referrals and ensures correct hiring procedures in accordance with state and department rules and procedures. Its staff manages and provides technical assistance in staffing and human resource management issues, as well as other personnel administrative services, e.g., performance issues, grievances and dispute resolution, corrective and disciplinary actions, review and approval of contracts and purchase orders pertaining to personal services, career counseling, employee relations projects, legal interpretation of personnel rules and statutes and processing of layoffs as well as organizational changes. The Office of Human Resources is responsible for risk management and workplace safety programs and its staff development team oversees the department's training initiatives while the Office of the Inspector General investigates complaints of alleged employee wrong-doing and recommends administrative action or criminal prosecution where warranted. The Public Employee Social Security program is also located within our Human Resources office.
- ♦ *Administrative Services* includes the Budget Office, Controller's Office, Internal Audit, Facilities, and Procurement and Contract Services. These units manage the necessary financial resources to enable the department to efficiently and effectively operate the programs designated by state, federal, and other applicable laws and rules as well as maintain the department owned building located on 251 E. 12<sup>th</sup> Street.
- ♦ *Information Management Office (IMO)* is responsible for maintaining and supporting the department's hardware and software needs. While this section has been moved to OIT, these functions are still funded through appropriations within the Executive Director's Office.
- ♦ *The Industrial Claim Appeals Panel (ICAP)* issues the final agency decision in workers' compensation and unemployment compensation cases. In addition to issuing decisions on appealed cases, the Panel advises the Executive Director of the Department of Labor and Employment on unemployment compensation and workers' compensation law and procedure.

**Unemployment Insurance Division:**

- ♦ *The Unemployment Insurance (UI) Program* is an integral part of Colorado’s Employment Security Program. The UI Program’s value cannot be overstated. It acts as an income stabilizer for both the worker and the economy. UI helps maintain purchasing power in a community where workers have been laid off and helps maintain skill levels of the labor force by providing a safety net to allow workers time to obtain employment. It helps prevent the secondary unemployment of people who provide goods and services that workers purchase. No other insurance program, public or private, so effectively safeguards the income of the worker and the economic stability of the community.

The UI Program consists of seven operating branches and a facilities branch located at 251 E. 12<sup>th</sup> Avenue in Denver, Colorado. The seven operating branches—Appeals, Benefits, Employer Services, Staff Services, Support Services, Technology and Telephony Operations—provide the UI Program’s key services to the citizens and employers of Colorado.

- Appeals has staff located throughout the state and provide a hearing venue for decisions issued by the Benefits, Employer Services, and Support Services branches that are appealed by a claimant or employer. Interested parties may attend the hearing either in person or by telephone.
- Benefits is the UI Program’s largest operating branch providing benefits-related services and has two primary units: Customer Contact Center (CCC) and Adjudication. The CCC is the Program’s centralized customer service unit that handles all inquiries from unemployed claimants. The CCC provides inbound telephone service, processes Internet issues resulting from benefit-payment requires, returns customers’ calls, and provides in-person lobby service at the central office location. The Adjudication unit processes unemployment claims and applies current statute and regulations to determine claimants’ entitlement and eligibility to collect benefits. Unemployment claims are adjudicated to ensure timeliness and quality and to allow due process to all interested parties.
- Employer Services determines employer liability, establishes accounts, obtains premiums and wage reports, collects premiums from employers, registers employee-leasing companies, audits employers, detects misclassified workers, and determines employment relationships. Employer Services is also responsible for the assignment of the appropriate paying method (contributory or reimbursing) and the experience ratings for Colorado contributory employers.
- Facilities is primarily responsible for addressing building infrastructure needs at 251 East 12th Avenue, including all interior and exterior maintenance. This branch also supports program needs such as staff relocations, equipment and fixture installations, ergonomic furniture adjustments, physical construction projects, and the moving of heavy files and materials for 251 East 12<sup>th</sup> Avenue, 633 17<sup>th</sup> Street and various workforce centers statewide. The Facilities’ staff

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includes a licensed master electrician; a licensed heating, ventilating, and air-conditioning specialist; a certified locksmith; a recycling coordinator; plumbers; carpenters; laborers; a security officer; a work request/trouble report management and card-access system administrator; and custodial staff.

- Staff Services is comprised of three functional areas: Quality Assurance, Policy, and Communications. Staff Services manages projects; develops internal and external communications, manuals, publications, grant and supplemental budget requests (SBRs), and federal and state strategic plans; drafts UI legislation and regulations; acts as the custodian of UI records and ensures the confidentiality of UI records and data is maintained; develops claimant and employer correspondence; purchases and maintains as adequate inventory of publications, forms, and envelopes; designs and maintains the web sites on the Internet and intranet; and conducts internal program audits for the U.S. Department of Labor on the quality of benefit decisions, benefit-payments paid and denied, and tax (premium) functions.
- Support Services consists of the following units: Benefit Payment Control, Fraud, Support, Employer Records, and Master Files. This branch provides integrity processing support by preventing, detecting, and recovering improperly paid benefit payments; ensures compliance with criminal law and procedures from receipt of the case through prosecution, restitution, and retention of cases; responds to employer inquiries regarding benefit charges and ensures benefit charges are correct; enters electronic benefit payment adjustments; and verifies alien status to assure legal presence. Support Services also provides administrative support functions for the UI Program by processing claimant and employer information; distributing mail to appropriate branches; providing scanner operations activity; and maintaining records retention for claimant and employer records.
- Technology consists of three primary units: Development, Maintenance and Support, and Project Management. Within the units are Business Analysts that assist in the development and test of a new system or assist in the modification of existing legacy systems, identify inefficiencies and recommend enhancements to existing systems, monitor production systems, and work with technical teams to troubleshoot problems. The Technology Branch acts as the initial point of contact for UI staff with technical problems. Project Management is assigned to manage information-technology and non-information-technology projects on behalf of the UI Program. Management staff in the Technology Branch work closely with an Office of Information Technology counterpart assigned to manage the program account. The Technology Branch develops and maintains the Internet applications.
- Telephony Operations provides technical and operational support and oversight of all telephony systems. This includes the entire facility at 251 East 12th Avenue. The branch designs, operates, enhances, implements, and administers all telephony products and services, including: IVR strategies, call-flow logic, computer-telephony interface, recordings,

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Web interfaces, e-mail integration, Web-chat integration, teleworkers, call-center operations, fax-by-e-mail application, and server/application maintenance. A second section within this group administers call-center operations (scheduling, adherence, conformity, administering systems and databases relative to the call center, statistics, reports, oversight, queue monitoring, and coordination). This includes all four call centers (Benefits, Employer Services, Appeals and Support Services).

**The Division of Employment and Training** consists of three distinct program areas: Workforce Development Programs (WDP), Colorado Workforce Development Council (CWDC), and Labor Market Information (LMI).

- ♦ *Workforce Development Programs (WDP)* provides a wide range of employment services for businesses and job seekers, delivered through a network of workforce centers located throughout the State. Programs administered by WDP are funded by federal grants, private gifts, grants, and donations, and State cash funds. State cash sources include the Employment Support Fund and Displaced Homemaker. WDP is responsible for policy guidance, program oversight and administration, and overall programmatic and fiscal integrity in accordance with federal guidelines for each employment and training program or special initiative. For all Federal funded programs, priority of services must be provided to veterans according to the law. WDP administers several programs, including the following:
  - Wagner Peyser Act (WP) - Employment Services program provides non-fee labor exchange services to businesses and job applicants, matching job applicants with appropriate job openings.
  - Workforce Investment Act (WIA) - Serves eligible adults and youth who need additional employment services, education, and/or training to prepare them to enter the workforce or to reenter the workforce after a job loss.
  - Connecting Colorado – Is the data system used to track and report performance measures on all of the local, state, and Federal programs delivered through the State’s workforce development system. ConnectingColorado.com is also CDLE’s self-service website that directly delivers services to employers and to over 500,000 job seekers each year. During FY2011-12 employers listed more than 186,000 job openings on the system. These openings included those downloaded for Denver and El Paso Counties from Job Central, the national labor exchange site sponsored by a coalition of businesses and the National Association of State Workforce Agencies. Job openings are expected to increase significantly as full access to the Job Central system is implemented throughout FY2012-13.
  - e-Colorado.org is an extension of the Department’s capabilities to provide online workforce information and is used by job seekers, employers, students and professionals to access workforce tools, resources and timely data about careers,

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employment, education and training, technology, policy and legislation, and more. e-Colorado.org also serves as a behind-the-scenes access point to connect users to information on employment and training programs and on-line learning resources to support the State's workforce development activities.

- **Virtual Job Fair (VJF):** The VJF has been rolled out to all workforce regions statewide and staff have been trained on how to create and maintain their own local VJFs. As of June 30, 2012, over 10,000 individuals have participated in VJFs statewide.
  - This system is being used to provide resources and job information to National Guard troops in Afghanistan to assist in their transition to civilian life.
  - The purpose is to reduce costs of job fairs and other services, and increase access to workforce services for job seekers and businesses statewide, especially in the rural areas of the state.
  - Features include:
    - Job listings, on-line workshops and career exploration resources
    - On-line presentations by employers and access to their websites
    - Run more than one job fair simultaneously
    - Connection with the state databases to track services
    - Tracking of usage and usage reports
  
- **Veterans Employment and Training Program** - Established under Title 38, U.S.C., Chapters 41 and 42, and amended by P.L. 107-288 Jobs for Veterans Act, and provides services to veterans ensuring that public labor exchange standards and priorities of services are being met and that businesses/employers are aware of veteran program requirements and are encouraged to hire veterans. Coordinated services are provided by the State's Disabled Veteran Outreach Program (DVOP) and Local Veteran Employment Representative (LVER) staff to ensure that veterans are receiving core and intensive employment and training services needed. Intensive services may include an individual employment plan which covers group and individual career coaching, development of learning and communication skills, interviewing skills, personal maintenance skills and professional conduct.
  
- **Migrant Seasonal Farm Worker (MSFW) Program** - Ensures that migrant and seasonal farm workers have access to the State's workforce development system and receive the same employment services as non-MSFW customers.
  
- **Work Opportunity Tax Credit (WOTC) Program** - Under the Tax Relief and Health Care Act of 2006 and the Small Business and Work Opportunity Tax Act of 2007, this program processes requests from businesses/employers for tax credit certifications for hiring workers from certain classifications of disadvantaged workers. The American Recovery and

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Reinvestment Act of 2009 (ARRA) modified the program by adding two new eligible groups, Disconnected Youth and Unemployed Veterans, qualifying for the tax credit.

- Governor's Summer Job Hunt (GSJH) Program - Since 1981, the Governor's Summer Job Hunt program has successfully helped Colorado's youth, ages 16 through 21, make the transition from school to work by matching their skills and interests with employment opportunities, providing job placements services, connecting youth to labor market needs, and increasing awareness of the linkages between academic and occupational learning. Local workforce regions use GSJH funds to provide seamless, non-duplicative services including hiring and career exploration events, resume assistance, interviewing skills, career counseling and job referrals to maximize youth employment opportunities and to leverage other WIA youth programs.
- Layoff Transition Services - The State Rapid Response Team serves companies facing corporate restructuring and downsizing, and is a cooperative effort between the local workforce centers, the Department of Labor and Employment and the Unemployment Insurance Program. Layoff transition workshops and other services are designed to benefit employers and employees through the provision of information about the Dislocated Worker Program and assistance with employment-related needs.
- Trade Adjustment Assistance (TAA) Program - is a collaborative effort of CDLE, local workforce regions, and the United States Department of Labor (USDOL) to provide training services to workers whose loss of employment is determined to be the adverse result of foreign trade. In October 2011 Congress enacted the Trade Adjustment Assistance Extension Act of 2011 (TAAEA), significantly affecting the administration of the TAA Program, especially Trade Readjustment Allowance. This federal legislation reauthorized the TAA program with restrictions to eligibility by excluding employees of public agencies.
- The Trade Readjustment Allowance Program - provides an extension of Unemployment Insurance (UI) payments to qualified trade-affected workers, and the Reemployment Trade Adjustment Assistance Program provides supplemental salary payments to a worker for two years or until the worker has received \$10,000 or until the worker is estimated to earn \$50,000 in a year. The Health Coverage Tax Credit (HCTC) Program assists individuals in receiving a tax credit from the Internal Revenue Service (IRS) providing relief from the increased cost of maintaining health insurance coverage. The Trade Adjustment Assistance Extension Act of 2011 retroactively set the amount of the tax credit to 72.5% of the eligible participant's health care insurance premium and restored previous "wage replacement" benefit levels.
- Foreign Labor Certification – Employers who anticipate a shortage of workers may request temporary labor certification of foreign workers through the United States Department of Labor's H-2A (agriculture), H-2B (non-agricultural), and other

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Foreign Labor Certification programs. WDP program staff are responsible for reviewing initial applications to ensure compliance with federal guidelines, conducting annual surveys of prevailing wages and practices within the agricultural industry, coordinating job orders, and arranging pre-occupancy housing inspections for the anticipated workers. Changes to the Federal programs during FY2011-12 required WDP staff to take a much more active role in the H-2B labor certification requests and in the recruitment of U.S. workers. In FY2012-13, it is anticipated that the workload of the WDP program staff will increase significantly.

- Displaced Homemaker Act - Provides employment and training services to eligible displaced homemakers who have lost their source of economic support as a result of divorce, separation, widowhood, or ineligibility for other public assistance. Services provided through the Community College of Denver include tuition scholarships, job training, career assessment, supportive services, personal and vocational counseling, and job development and placement. The program was expanded to allow access to training at three other community colleges and through their respective online course offerings.
- Initial funding for this program comes from divorce filing fees appropriated annually by the State legislature, with supplemental funding from WIA discretionary funds to serve an increasing number of eligible applicants. Participants must meet academic progress standards each semester in order to continue receiving tuition scholarships. FY2011-12 saw 51% of recipients enrolled in allied health programs (primarily nursing) and 18% enrolled in business services programs. Other programs available include information technology, sciences, legal services, and education. Most recipients' fields of study have immediate employment opportunities following graduation.
- SECTORS (Strategies to Enhance Colorado's Talent through Regional Solutions) Initiatives – Implementation began in FY2008-09 for regional sector initiatives to build broad partnerships among the workforce system, industry, education, and other stakeholders to help address the workforce needs of high growth/high demand industry sectors in local communities. The goal of these initiatives is to use sector partnerships as a framework to develop a highly skilled workforce that bolsters the economic vitality of the state. Ten regional sector initiatives continued through FY2010-11 and FY2011-12 using WIA Discretionary funds. Four of these initiatives addressed workforce shortages and skill needs in the health care sector, specifically targeting allied health, hospital, and long-term care occupations. As Federal funding sources were repurposed for FY2011-12 impacting the fund availability for these initiatives, CDLE evaluated regional sustainability and how these sector strategies could be integrated into the workforce development system as a best practice. The CDLE anticipates that sector strategies will be fully integrated into the workforce development system's delivery of services during FY2012-13.
- ♦ *Colorado Workforce Development Council (CWDC or Council)* advises the Governor and Legislature on workforce policy and oversees the expenditures of federal employment and training funds. The Council designates Federal Workforce Investment



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Areas, certifies local Workforce Investment Boards, and makes recommendations to the Governor as appropriate. The CWDC is also required to review local plans and plans for system partners and recommend approval or rejection to the Governor, when required. In addition, the Council solicits grants and funds to support the development of a business-led workforce system. A central function of the CWDC is to provide a vehicle for the business community to provide input and give direction/guidance to the workforce system's development. Activities the Council engages in include:

- CWDC is charged with aligning the efforts of economic development, education/training, workforce development, government, and business stakeholders at the local, regional and state levels to encourage collaboration and leveraging of resources in order to ensure a well-educated and well-trained workforce is available to meet the needs of a growing and changing economy. This includes development and maintenance of an information system and a communication network.
- CWDC works to help ensure the success of the Colorado Blueprint. The Colorado Blueprint is the Economic Development Plan for the State of Colorado, Core Objective V of the Blueprint; Educate and Train the Workforce of the Future and is led by the CWDC.
- Training and technical assistance to local Workforce Investment Boards.
- Promoting the workforce system to businesses and the community, and convene partners and stakeholders to address workforce issues through studies/projects.
- Monitoring and directing the continuous improvement of the workforce system.
- Preparing the Workforce Investment Act (WIA) Annual Report, with the CDLE, on workforce system performance.
- Exercising fiduciary stewardship of the WIA 10% Discretionary Funds, which are distributed for projects promoting the partnership of education, economic development, and workforce development. Due to these funds being cut for the 2011-2012 year, the Council works to achieve their strategic goals and the goals of the Colorado Blueprint with limited discretionary funds from other sources.
- CWDC staffs and supports the State Youth Council. The State Youth Council influences policy and practice at both the state and local level in the development and implementation of pathways to economic success for Colorado businesses and youth.

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- ♦ *Labor Market Information* (LMI) serves policy makers, the workforce development system, educators, employers, jobseekers and the general public by gathering, producing, analyzing and disseminating comprehensive information on employment conditions in Colorado. All programs are federally funded and include:
  - Quarterly Census of Employment and Wages (QCEW) builds on administrative records submitted by employers in compliance with the Colorado Employment Security Act. Employment level of and wages paid to covered workers are edited for accuracy, new establishments are provided a code under the North American Industry Classification System according to type of work and existing establishments are routinely surveyed to ensure industry codes are accurate. QCEW data are the foundation for all other programs and activities within LMI.
  - Local Area Unemployment Statistics (LAUS) provides monthly estimates of labor force, total employment, unemployed persons and rate of unemployment at the county level and statewide. Statistics from this program are used in many federal programs' funding formulas to determine Colorado's share of federal dollars.
  - Current Employment Statistics (CES) are the most current, reliable estimates of wage and salary jobs by industry available and are produced monthly for the state and all seven Metropolitan Statistical Areas. CES estimates are considered to be the foremost indicator of the state's economic condition and those produced at the national level move the financial markets.
  - Occupational Employment Statistics (OES) covers the same geographic areas as the CES program plus four balance-of-state areas. Employment level and hourly and annual wage estimates by occupation and industry are produced annually. Estimates from this program are merged with industry projections to predict demand occupations into the future.
  - Mass Layoff Statistics (MLS) program records and tracks layoff events occurring in Colorado through the use of unemployment claims data. A mass layoff event occurs when at least 50 people from a firm file a first-time or initial claim for unemployment insurance during any consecutive five-week period with the workers being separated for more than 30 days. State level data are published quarterly.
  - Short and long-term industry and occupation projections, published annually, form the basis of LMI's most popular products and services. These estimates, available for the state and all seven MSAs, are used to guide training investment, economic development, strategic planning and policy decisions for programs of all types.

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- Local Employment Dynamics estimates are produced quarterly in cooperation with the Census Bureau. Data elements include job creation, new hires, separations, turnover and average new hire earnings by age group, gender, detailed industry and down to the county level of geography.
- Training and outreach increases the awareness, access, understanding and use of LMI products and services. The education of a wide spectrum of LMI users including workforce system staff, state and local government, economic development, educators and business organizations expands the audience and application of LMI beyond the needs of the federal government.
- Customized data requests, analysis, products and presentations enable LMI to focus on specific data sets of interest to various groups. The expertise and knowledge of LMI staff responsible for gathering and analyzing data is utilized. This unique perspective is of particular value to end users.
- Database maintenance and web presence insures the availability of LMI at a level appropriate for public consumption. This enables all programs to meet federal reporting requirements while providing local end users readily available data.
- The Unemployment Insurance Program funds positions in LMI for industry coding activities to determine establishment tax rates, actuarial and financial monitoring and analysis of the State's UI Trust Fund, and fiscal analysis of proposed legislation impacting the UI system. Additionally, LMI is responsible for preparing weekly, monthly, quarterly, and annual federally mandated reports related to Colorado's UI program.

**The Division of Labor** 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, certifications of all-union provisions, and investigates and mediates allegations of unfair labor practices. The statutory authority and work of the Division is generally categorized into four main areas:

- ♦ *The Wage and Hour Section* assists Colorado employees and employers with a variety of workplace laws, including minimum wage, overtime, unpaid wages, rest and meal period regulations, and other workplace requirements. In accordance with a 2006 constitutional amendment, the Division now adjusts the state minimum wage annually per inflation. The wage and hour laws administered by the Division apply, to a varying degree, to every public and private sector employer in the state.
- ♦ *The Labor/Union Section* conducts certain union elections, assists with unfair labor practice charges, and oversees Colorado labor laws including the Colorado Labor Peace Act and the Industrial Relations Act.

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- ♦ *The Employment Verification Section* oversees the administration of the employment verification law and the public contracts for services and illegal aliens' law. The verification law applies to all private and public sector employers in the state, and the contracts law applies to all contractors with contracts for public services. The Division conducts random audits and accepts complaints related to both laws.
- ♦ *The Youth Employment Section* directs the administration of the Colorado Youth Employment Opportunity Act, and provides guidance on terms and conditions of employment for minors, including hazardous occupations, age, and work hour restrictions.

**The Division of Oil and Public Safety** is responsible for a variety of regulatory functions related to environmental and consumer protection, and public safety, including establishing and enforcing rules, regulations, and statutes which govern amusement rides and devices, explosives, boilers, conveyances, fuel products, underground and aboveground petroleum storage tanks, cleanup of petroleum spills, and reimbursement of cleanup costs to qualifying storage tank owners/operators. The Division of Oil and Public Safety is comprised of the following sections:

- *The Petroleum Compliance and Inspection Section* enforces standards governing the registration, installation, repair, upgrade, operation, and closure of underground and aboveground storage tanks containing petroleum and other regulated substances through annual records requests and periodic compliance inspections by State personnel. The Compliance Section also enforces weights and measures regulations pertaining to petroleum products, including verifying the calibration of fuel pump dispensing meters, and testing petroleum products to verify compliance with state quality standards. State inspectors from the Compliance Section respond to emergency situations involving petroleum releases and consumer concerns/complaints regarding retail fuel dispensing across the state.
- ♦ *The Petroleum Remediation Section* enforces cleanup standards governing the remediation of petroleum contamination and petroleum releases to the environment. The Remediation Section ensures petroleum impacted sites progress from release discovery through closure; meets all document review turnaround times and enforcement deadlines; protects funding sources necessary to ensure the continuation of remediation at petroleum storage tank sites; provides accurate and timely guidance and technical assistance to internal and external customers; and evaluates section, and modifies as necessary, processes and to enhance the program. In addition, the Remediation Section manages the State Lead & and LUST Trust programs. Leaking Underground Storage Tank (LUST) Trust Funds are federal grants used to cover remediation costs at sites where the owner/operator responsible for the contamination cannot be identified or located, or is unwilling to clean up the contamination

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or is financially unable to cover the cost. The Petroleum Storage Tank (State) Fund monies can also be utilized in the above situations.

- ♦ *The Petroleum Storage Tank (State) Fund (Fund) Section* manages the balance of the Fund and receives and processes applications to the Petroleum Storage Tank Fund for reimbursement of costs related to assessment and cleanup of petroleum contaminated sites. Following an initial request for reimbursement, sites are evaluated for eligibility to the Fund and on their compliance history. Compliance violations may reduce reimbursement awards, and any station facility operated in "substantial non-compliance" with OPS tank operating regulations may not be eligible for reimbursement of any costs. The results of these evaluations are presented monthly to the Petroleum Storage Tank Committee (Committee) where eligibility is determined. When a facility has been determined eligible by the Committee, the application is processed for payment. Following the Committee decision, supplemental applications are processed as they are received by the Fund Section staff. Monies in the Fund are supplied by the Environmental Response Surcharge (ERS), a fee applied to deliveries of fuel to retail stations. The ERS ranges from \$0 if the balance is above \$12 million, up to \$100 if the balance is below \$3 million.
- ♦ *The Boiler Inspection Section* includes boilers and pressure vessels. A boiler is generally defined as a closed pressure vessel in which water is heated, or steam is generated, and circulated for heating or power. Boilers and pressure vessels are located in most public buildings such as schools, churches, hotels, restaurants, health clubs, nursing homes, apartments, dry cleaners and office buildings. Boiler inspections are performed by state inspectors and by special (insurance company) inspectors commissioned by the state program. This program coordinates the efforts of state and special inspectors, verifying compliance with the established safety requirements with regard to the installation, operation, maintenance, repairs and alterations of boilers and some pressure vessels.
- ♦ *The Explosives Section* regulates individuals or businesses that use, manufacture, possess, sell, store, transport, or dispose of explosives or blasting agents. This section is responsible for administering tests to explosive permit applicants, processing all explosive applications, performing inspections of storage magazines, reviewing inventory and blasting records, investigating complaints and accidents, and evaluating explosives use during blasting operations. The section ensures that explosives used for road construction, avalanche control, oil exploration and other demolition purposes are stored safely away from populated areas and secured in locked storage facilities where inventory controls are in place to guard against theft. The explosives section does not regulate military explosives, law enforcement agencies, mining, or fireworks.
- ♦ *The Amusement Rides and Devices Section* protects the public through a registration process and enforcement of regulations related to carnivals, amusement parks, and other amusement rides and devices. The section ensures that the amusement devices that operate in the state have annual third-party safety inspections and that all required maintenance and inspections are performed daily and

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recorded prior to opening to the public. Operators of carnivals, amusement parks, and devices must maintain insurance coverage appropriate to the type of ride and provide proof of a current insurance policy to the section. As a part of the registration application process, all operators must submit a record of any accidents caused by mechanical failure during the previous permit year, and portable device operators must also submit a schedule of locations and dates of operation for the upcoming permit year.

- ♦ *The Conveyance Section* regulates the installation, alteration, and periodic inspection and testing of conveyances as defined in the Elevator and Escalator Certification Act which became effective on January 1, 2008. These conveyances consist of elevators, platform lifts, personnel hoists, dumbwaiters, escalators, moving walks, and automated people movers (trains at Denver International Airport). The section is responsible for ensuring that minimum safety standards are adhered to in the performance of the above activities within the conveyance industry. This is accomplished through registration and tracking of all conveyances in Colorado, licensing of all mechanics, contractors, and inspectors performing work in Colorado and through cooperation and execution of agreements with local jurisdictions that desire to regulate conveyances within their own jurisdiction.

**The Division of Workers' Compensation** (The Division of Workers' Compensation (DoWC) administers and enforces the provisions of the Workers' Compensation Act. The objective of the Workers' Compensation Act, and thus the Division, is to assure the quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers, with a minimum of litigation.

The DoWC is made up of a number of diverse programs. The operations of the DoWC generally fall into the categories of dealing with claims, insurance, or medical issues. The Special Funds Unit, consisting of the Major Medical Fund, the Subsequent Injury Fund, and the Medical Disaster Fund, operates like an insurance company and actually pays out benefits. These Funds are closed to new injuries and pay out to certain individuals who met the statutory criteria when the Funds were open. Otherwise, the DoWC's role is one of oversight and it does not pay benefits.

Certain workplace injuries must be reported to the DoWC and are established as claims. The DoWC strives to ensure these claims are properly filed, and then works with insurers on an ongoing basis to make sure that injured workers receive the benefits they are entitled to receive. In addition, insurers are also audited and graded on how well they follow requirements regarding the handling of claims. The Division provides information to injured workers and other constituents regarding the workers' compensation system through its phone, walk-in and web services, as well as through numerous seminars and presentations made every year by Division staff. The Division mediates disputes and assists parties with settling their claims. The DoWC has a voluntary safety program for employers to reduce the number of accidents for those employers participating in the program. While reducing the number of workplace accidents is a goal of the DoWC, it has a limited ability to directly affect this measure.

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The DoWC also administers the self-insurance program whereby qualified employers may self-insure their workers' compensation liability. If not self-insured an employer with employees is required to carry private workers' compensation insurance. The Division strives to enforce this requirement and is constantly investigating employers and fining, or even closing down, those who are violating the law. The DoWC's goal is to have 100% of employers in compliance. However, as employers constantly go into and out of business, change their name and change whether they have employees, it would take an enormous amount of resources to approach that goal, or even to confidently measure the number of uninsured employers.

The DoWC provides a number of services, many required by statute, relating to medical care for injured workers. The DoWC trains and accredits physician to perform certain functions in the workers' compensation system. It also operates the Division Independent Medical Examination process, which in many instances must be completed before parties can go to a hearing. In addition, the DoWC adopts a medical fee schedule each year that establishes maximum payment levels for all medical services provided to injured workers. The DoWC also promulgates and updates Medical Treatment Guidelines to set out optimum medical treatment for injured workers and reduce disputes over medical treatment.

## PRIOR YEAR LEGISLATION

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**HB 12-1002 CONCERNING THE RULES OF STATE AGENCIES APPLIABLE TO APPLICATIONS FOR PERMITS** (Rep. Sonnenberg and Sen. Jahn) The bill amends the State Administrative Procedure Act (APA) to establish a standard procedure for permit applications and permit renewals when an applicable rule is subject to change due to recent legislation, pending rulemaking, or an agency interpretation of statutes. Under the bill, state agencies that process permits, not including professional licenses or water well permits, are required to process the application or renewal using the rules in effect on the date of application, unless an applicant opts to be processed under new rules and requirements. The bill provides exceptions for state agencies that determine the application of new rules or requirements is likely needed to avoid an unsafe situation, or to comply with federal law or a court order. The health and safety exemption is available when an agency makes a written determination that an unsafe situation is likely. To process an application under new rules, an agency must provide notice to the applicant that the pending application.

**HB 12-1008 CONCERNING ADDITIONAL METHODS FOR PROVIDING INPUT TO EXECUTIVE BRANCH AGENCIES ABOUT PROPOSED RULES.** (Rep. Acree and Sen. Jahn) This bill modifies procedures for rule-making within the executive branch. Specifically, it directs state agencies to: establish a representative group of persons to solicit and obtain input about proposed rules; notify the General Assembly within ten days of proposing a rule or approving an emergency or temporary rule that increases fees or fines; submit a copy of the department's regulatory agenda, including specified information, to the Legislative Council on or before November 1 of each year for distribution to members of each agency's applicable legislative committee of

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reference; post the department's regulatory agenda on its website and transmit it to the Secretary of State for publication in the Colorado Register; and present regulatory agenda information at the annual meeting with each agency's applicable committee of reference.

**HB 12-1033 CONCERNING CONDITIONS ON THE AUTHORITY OF THE DIRECTOR OF THE DIVISION OF WORKERS' COMPENSATION TO IMPOSE ADMINISTRATIVE FINES AS A RESULT OF COMPLIANCE AUDITS FINDING INSTANCES OF LATE REPORTING OF INJURIES UNDER THE "WORKERS' COMPENSATION ACT OF COLORADO".** (Rep. Acree and Sen. Jahn) This bill prohibits the Director of the Workers' Compensation Division of the Department of Labor and Employment from imposing an administrative fine on an insurer or self-insured pool for late reporting of an injury, occupational disease, or fatality when the insurer or self-insured pool was not given sufficient notice of the incident to comply with the reporting deadline. The director may impose an administrative fine in cases where he finds that the late reporting constituted a knowing or repeated pattern of noncompliance by the insurer or self-insured pool and not a lack of notice of the incident.

**HB 12-1061 CONCERNING REQUIRING A REPORT OF THE CORRELATION BETWEEN THE EDUCATIONAL CREDENTIALS ISSUED AND THE STATE'S WORKFORCE NEEDS.** (Rep. Kagan and Sen. Newell) This bill requires that the Department of Higher Education (DHE), in consultation with the Colorado Department of Labor and Employment (CDLE), the Department of Regulatory Agencies (DORA), and others, produce an annual report projecting state workforce needs and the number of degrees, certificates, and other post-secondary credentials that institutions of higher education and other vocational education providers in the state expect to issue in the same period. The report must also identify any workforce needs that may not be met by existing education and training programs, and the institutions that may meet these needs by expanding existing programs or developing new ones. Institutions of higher education are encouraged to use job market information in the report when planning curricula. The annual report must be provided to specified committees of the General Assembly by January 15, 2013, and each January 15 for the following three years. The report must also be shared with each institution of higher education and the DHE must work with the Colorado Department of Education (CDE) to distribute the report to school districts.

**HB 12-1120 CONCERNING THE CREATION OF THE DIVISION OF UNEMPLOYMENT INSURANCE IN THE DEPARTMENT OF LABOR AND EMPLOYMENT TO ADMINISTER THE UNEMPLOYMENT INSURANCE PROGRAM.** (Rep. Scerdfeger and Sen. Tochtrop) This bill relocates the existing unemployment insurance (UI) program in the Department of Labor and Employment, creating a new Division of Unemployment Insurance within the department. The bill requires the appointment of a director to head the new division. Existing statutory references to the UI program are revised to reflect its new status as a division.



**HB 12-1127 CONCERNING ELIMINATION OF AN INCREASE IN THE UNEMPLOYMENT INSURANCE PREMIUM RATE FOR NEW EMPLOYERS.** (Rep. Liston and Sen. Williams S.) This bill changes the premium rate new employers are charged for unemployment insurance. House Bill 11-1288 changed the way the unemployment insurance (UI) system is financed. It created a new premium rate schedule that becomes effective once the UI Trust Fund becomes solvent. Premium rates for new employers will range from 2.96 percent to 4.65 percent of the first \$11,000 of an employee's wages. The rate depends on the reserve ratio of the UI Trust Fund, with a lower rate applied when the fund's reserves are high and a higher rate applied when the fund's reserves are low or the fund is insolvent. This bill reduces the rate for new employers to a 1.7 percent default rate unless they have benefits charged against them from involvement in an earlier business entity. In that situation they are charged a computed rate that takes those charges into account. New employers will also be subject to a computed rate if they start having benefits charged against them while they are still classified as new employers.

**HB 12-1169 CONCERNING A CLARIFICATION OF THE CIRCUMSTANCES UNDER WHICH VOTING TO ELECT LEADERSHIP OF A PUBLIC BODY MAY BE HELD BY SECRET BALLOT IN ACCORDANCE WITH THE STATE OPEN MEETINGS LAW.** (Rep. Gardner B.; Duran and Sen. Brophy; Morse) The bill amends the state's open meetings law to prohibit a state or local public body from adopting any proposed policy, position, resolution, rule, or regulation, or take other formal action, by secret ballot unless otherwise authorized in accordance with the state's open meetings law. State and local public bodies may conduct leadership elections by secret ballot, and a secret ballot may be used in connection with a state or local public body of members of a search committee that is otherwise subject to the open meetings law, but the total number of votes cast for each candidate must be recorded in the meeting minutes during the meeting.

**HB 12-1188 CONCERNING A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF LABOR AND EMPLOYMENT.** (Rep. Gerou and Sen. Hodge) The bill amends the Department's Long Bill Appropriation.

**HB 12-1217 CONCERNING THE AUTHORITY OF AN ORGANIZATION THAT MAINTAINS A REGULARLY ESTABLISHED INSPECTION DEPARTMENT TO CONDUCT INSPECTIONS OF ITS OWN PRESSURE-RETAINING ITEMS.** (Rep. Tyler) Under current law, boilers and other pressure vessels regulated by the Division of Oil and Public Safety (DOPS) in the Department of Labor and Employment must be inspected periodically by an inspector holding a valid National Board commission and employed by the DOPS or by a special insurance inspector employed by an insurance agency that has an insurable interest in the pressure retaining equipment. This bill permits owners and users of such boilers to conduct self-inspections in lieu of a state inspector or special insurance inspector by obtaining certification as an owner-user inspection organization. Owner-user inspectors who are qualified to perform boiler inspections on behalf of owner-user inspection organizations are commissioned by the National Board of Boiler and Pressure Vessel Inspectors (NBBI) following an examination and are certified by meeting certain requirements of the American Petroleum Institute. Owner-user inspection organizations must apply to the DOPS for approval and

registration. Following registration, an organization must maintain a list of boilers subject to inspection, conduct regular inspections, complete and retain all inspection records, notify the DOPS of deficiencies found during inspections and their Owner / User program is subject to audits by the DOPS.

**HB 12-1246 CONCERNING A REVERSAL OF THE ANNUAL PAYDAY SHIFT AS IT APPLIES TO STATE EMPLOYEES PAID ON A BIWEEKLY BASIS.** (Rep. Becker and Sen. Hodge) this bill undoes the pay date shift enacted in 2003. Under current law, the General Fund portion of June payroll is shifted to the next fiscal year and paid with July moneys. Regardless of the funding source, most employees receive the June paycheck on July 1. Part-time employees are currently paid on a bi-weekly basis.

**HB 12-1263 CONCERNING REDUCING BARRIERS TO EMPLOYMENT BY STATE OF COLORADO AGENCIES FOR PEOPLE WITH CRIMINAL RECORDS.** (Rep. Levy and Sen. Steadman) This bill prohibits state agencies that solicit job applications to advertise that a person with a criminal background may not apply, unless a specific crime statutorily prevents the applicant from having that job. It also prevents agencies from stating this criteria on the application. In addition, the bill prevents agencies from performing background checks until a conditional offer has been given, and defines areas where discretion may be used when considering an applicant's criminal history. Finally, the bill specifies similar considerations for applicants under review by the Department of Regulatory Agencies.

**HB 12-1272 CONCERNING CONTINUATION OF ENHANCED UNEMPLOYMENT INSURANCE BENEFITS FOR UNEMPLOYED INDIVIDUALS PARTICIPATING IN APPROVED TRAINING PROGRAMS.** (Rep. Duran; Ramirez and Sen. Newell) This bill extends until June 30, 2014, enhanced unemployment insurance compensation benefits for eligible unemployment insurance (UI) claimants engaged in an approved training program for entry into an occupation. Under current law, the Colorado Department of Labor and Employment (CDLE) can obligate \$15 million over three years, ending June 30, 2012, for enhanced UI benefits. This bill authorizes the CDLE to obligate \$8 million for FY 2012-13 and FY 2013-14. The division may seek, accept, and expend gifts, grants, and donations to cover its administrative costs. The definition of approved training program is expanded to include employer-based or entrepreneurial training programs approved by the director. The bill removes the options of training for entry into an occupation that leads to stable, long-term employment, or an occupation in the renewable energy field. The definition of eligible UI claimant is expanded to include those receiving extended benefits, or benefits under a military or federal claim. The bill is repealed effective July 1, 2014. The bill continues the reporting of demographic analysis of participants in existing law and adds a return on investment calculation requirement on the benefits and fiscal contribution of UI claimants participating in the program who become employed. Employers participating in the program are required to provide information to the CDLE on permanent hires of program participants as well as feedback on program value and issues for inclusion in the return on investment calculation.

**HB 12-1321 CONCERNING THE STATE PERSONNEL SYSTEM, AND, IN CONNECTION THEREWITH, ENACTING THE "MODERNIZATION OF THE STATE PERSONNEL SYSTEM ACT".** (Rep. Ferrandino; Vaad and Sen. Johnston, King K.) This bill creates the Modernization of the State Personnel System Act. The bill does not apply to tenured or tenure track faculty, an employee of a unit of local government, or any certified employee who is separated from state service and receives post-employment compensation or other benefits.

**HB 12-1335 LONG BILL** This the general appropriations act.

**HB 12S-1002 CONCERNING ADMINISTRATION OF THE UNEMPLOYMENT INSURANCE PROGRAM IN ORDER TO STABILIZE UNEMPLOYMENT INSURANCE RATES, AND, IN CONNECTION THEREWITH, FACILITATING THE ISSUANCE OF UNEMPLOYMENT REVENUE BONDS, ACCELERATING THE CREATION OF THE DIVISION OF UNEMPLOYMENT INSURANCE IN THE DEPARTMENT OF LABOR AND EMPLOYMENT, AND MAKING TECHNICAL CHANGES TO PROVISIONS ENACTED AS PART OF HOUSE BILL 11-1288 TO ENSURE APPROPRIATE TRANSITION TO THE NEW UNEMPLOYMENT INSURANCE PREMIUM RATE STRUCTURE.** (Rep Liston; Pabon and Sen. Jahn.) Under current law, the Colorado Housing and Finance Authority (CHFA) is authorized to issue revenue bonds on behalf of the unemployment insurance (UI) program in the Colorado Department of Labor and Employment (CDLE), to stabilize unemployment insurance rates paid by employers. This bill authorizes the Division of Unemployment Insurance (the UI division) in CDLE to issue these bonds as an alternative to CHFA. In the event of a bond issuance, this bill also allows special assessments charged to employers for bond principal repayment to be deposited in the UI Trust Fund (i.e., the Unemployment Compensation Fund). By crediting employer assessments to the UI Trust Fund, the experience rating of employers paying the assessment may be improved. Assessments for interest and other bond costs are authorized, and the bill conforms UI bonding statutes with CHFA bonding statutes.

## HOT ISSUES

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### **Aging Legacy Systems**

One of the greatest challenges facing the UI Program is replacing its aging legacy systems, which were created over 25 years ago. A Request for Proposal is anticipated within the next 18–24 months for the replacement of the Colorado Automated Tax System. The legacy systems have a severe impact on program performance because of slow response time and downtime, and staff must use several applications to access information in order to process a single claim. Also, the inadequate design of the legacy systems has resulted in extensive manual processes.

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### **Funding and High Unemployment**

Colorado's workload has increased steadily, and the unemployment rate is currently at 8.7 percent. As an example, there were 169,862 Colorado initial claims filed in 2008; 284,708 were filed in 2009; and 237,928 were filed in 2010. The federal and state extended benefits program contributed to the increased claims workload. The American Recovery and Reinvestment Act (Recovery Act) funds and federal contingency funding enabled the UI Program to hire additional staff to meet the public's needs and the increased workload. However, the extraordinary demands on all aspects of the UI Program's services impacted the ability to meet all of the federal performance metrics, especially in the key areas of first-payment promptness, quality and timely nonmonetary determinations, and overpayment detection.

Without Recovery Act funds and the decrease in contingency funding, the UI Program will not be able to sustain the additional staff that was hired to meet the increased workload. To address these funding deficiencies and minimize the impact to customers, a reorganization and redesign of the UI Program's processes is in progress. The UI Program is undergoing the organizational redesign in an effort to streamline services; maximize resources designated to direct customer service; provide more comprehensive team and individual accountability metrics; and improve overall federal and state performance expectations.

In collaboration with the Treasurer and with support from the business community, in June 2012 sold bonds to repay the UI Trust Fund debt which will also provide relief to Colorado employers.

Active communications and outreach to employers July – Nov. on impact to premiums.

2011-2012 completed reorganization of the UI program and successfully ran legislation to create the UI division.

Hiring and intensive training are still required to improve division operations and customer service and will continue through FY2013.

In 2011 joined a four-state consortium (WYCAN) to pursue an IT system replacement for the UI divisions' tax and benefits platforms. Current UI system is more than 20 years old and new technology is essential to meeting claimant and employer needs. A vendor will be selected in the fall of 2012. It is estimated the full system replacement will be completed by 2016.

### **Federal Sequestration**

Unless Congress takes specific action before January 2, 2013, Federal funding for all workforce programs will be hit by across-the-board cuts in the amount of approximately 7.8%, impacting the budget for FY13-14. This reduction will come at the same time as other Federal funding cuts will have the potential to result in over 1,000,000 layoffs nationally in both the public and private sectors. Colorado's workforce system will need to prepare for a higher demand for services with fewer resources available to provide

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employment and training assistance to either businesses or job seekers. The system will need to seek non-federal sources of support, including gifts, grants, and donations, as well as enhance virtual self-service systems for increased customer access.

### **Automation Issues and Improvements**

- ♦ **Workers' Compensation:** The Division continues to utilize a mainframe computer system developed in 1991 when the Division was created. As technology changes and fewer people with the ability to support such a legacy system are available, the Division will continue to examine moving to a different system and is hopeful that consideration will be given to implement a newer system at a state-wide level. In addition, many states are moving to a paperless system. Such a system dramatically reduces the problems that a natural disaster or fire could cause, and allows multiple users to access documents at the same time.
- ♦ **Oil and Public Safety:** Each of the Sections within the Division of Oil and Public Safety (OPS) store, access and process their data via separate databases comprised of vendor applications and internally developed applications. These applications are built on platforms that are obsolete and most are no longer supported which will negatively impact the operating efficiency of the Division. The Division received \$1.6 million in funding via a decision item and capital construction request to build a common platform for all programs to run on. The Division solicited bids on a new Enterprise System through the RFP process, selected a vendor, and began development of the new system in September, 2011. It is expected that the entire system will be fully functional in two years, moving OPS towards a paperless environment.
- ♦ One of the UI Program's focus areas is to incorporate the use of the Internet in as many services as possible. Internet services provide customers with a more convenient alternative to conduct business with the UI Program 24 hours a day, 7 days a week, and to minimize, if not eliminate, customers' frustration with doing business on paper or through a busy call center as well as alleviate staff workload. The UI Program is focusing on various options to replace its legacy mainframe systems. An interim solution to replacing the legacy systems is to incorporate the use of as many Internet self-service (ISS) options as possible. To date, two ISS applications have been implemented.
  - MyUI Claimant was implemented December 2009 and offers customers 24/7 online access to their claims, including online tracking of the claim, convenient account access, and answers to many questions about the customer's claim. Currently, there are 180,853 registered users.
  - A new Initial Claims self-service application was released on July 7, 2011, as a soft launch and its effectiveness was tested. This application makes it easier to file a claim for unemployment benefits, and allows customer to file any type of claim—regular benefits, as well as federal and state extended benefits—and allows customers to reopen their

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claims. The UI Program projects that this application will reduce the need for claimants to contact call-center staff by approximately 20 percent.

- The remaining ISS phases scheduled for implementation in federal fiscal year 2012 are Internet Continued Claims, Employer Services, and the appeals process, as well as an improved method of tracking and completing correspondence with an enhanced data structure. The final releases are expected by the end of June 2012.
  
- ♦ The UI Scanner Enhancement Project was developed in an effort to create a paperless work environment. The project began December 2009 and has milestones scheduled for completion in mid-2012. The Scanning Project team transitioned the data-capture Form UIB-290, Request for Facts About a Former Employee's Employment, to ongoing operations and maintenance status in January 2011. In addition, the workflow functionality was deployed in July 2011, which enables scanning operations managers to assign and manage the large volume of scanning currently completed by staff. Future project milestones include developing the capability to scan all UI forms for electronic retrieval and discontinue filing of paper documents, which is targeted for implementation no later than December 2011, and implementing a fax-server capability, which is targeted for implementation no later than December 2012.
  
- ♦ The UI Program's Voice over Internet Protocol (VoIP) mission-critical telephony systems were expanded in 2009 to meet the high-volume demand and continues to be enhanced and expanded to meet the access demands and expectations of UI claimants. In 2010 the Customer Contact Center answered 603,183 calls. The following two projects were awarded supplemental funds. The targeted completion date is December 2012.
  - Customer Access Modernization (CAM) is an enhancement enabling multiple e-government access points, including e-mail and Web chat. It forms the foundation for a blended queue design (e-mail, Web chat, and calls) and automated CUBLine filing confirmations.
  
  - Cisco Unified Intelligence Suite (CUIS) is an application that provides the initial platform for a true Management Information System. This includes the ability to import data from external sources, provide customized reports, and provide executive dashboards.
  
- ♦ The Separation Information Data Exchange System (SIDES) is a national electronic-transmission system that communicates and transmits UI job-separation information efficiently, accurately, and securely between UI agencies, large multi-state employers, and third-party agencies. On December 31, 2010, Colorado launched its system to exchange separation data

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through SIDES and officially became a participant in the SIDES program. Over 50 electronic requests for separation data have been sent to national SIDES instead of sending paper requests.

The UI Program is working on a modification of the SIDES software application to allow for connectivity of the SIDES Employer Web site. Modifications will include integration of the SIDES Employer Web site with the Colorado legacy and national systems, as well as the development of a personal-identification-number system; a creation, distribution, and maintenance process; and logic and administrative functions. The UI Program anticipates implementing the SIDES Employer Web site by June 30, 2012.

### **WIA Reauthorization**

The reauthorization of the Workforce Investment Act (WIA)/Wagner Peysner Act (WP), debated since 2002 and further delayed by the 2008 Presidential and Congressional elections, continues to be part of the legislative agenda in the 2012 session of Congress. Recent versions of the legislation that have been introduced mandate a major restructuring of the programs, which could result in adjustments to funding levels in the future. It is anticipated that the proposed reauthorization will bring major changes to workforce development programs and the State's workforce development system; however, such changes are not anticipated to happen before FY2013-14. WIA Reauthorization may be contingent on the state of the national economy and Federal budgetary issues, as well as the results of the November 2012 elections.

### **Colorado On-line Portal**

*e-Colorado.org* is CDLE's centralized, on-line portal providing workforce development resources to the State's workforce development system, higher education institutions, employers, jobs seekers, economists, community colleges, and other labor market professionals. *e-Colorado* coordinates a variety of on-line tools and resources including electronic portfolios, Virtual Job Fairs, and Virtual Online Training courses. Through the availability of Team Rooms, *e-Colorado* serves as a major access point to support strategic planning and implementation of the State's employment and training goals and economic development endeavors.

Since its inception in FY2002-03, *e-Colorado.org* has been funded with WIA State Incentive Grants and with WIA discretionary funding approved by the Colorado Workforce Development Council. Due to reductions in Federal discretionary dollars in FY2011-12, WDP will focus on evaluating options for financial sustainability of *e-Colorado.org* through expanded partnerships with businesses, education, the community college system, and other private grant funding sources in FY2013-14.

### **Career Ready Colorado Certificate (CRC) Initiative**

The Career Ready Colorado Certificate (CRC) Initiative uses Work Keys (a series of work-based tests developed by ACT Inc.) to assess an individual's basic skill levels, and provides a certificate that can be used in addition to other credentials to demonstrate an

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individual's ability to successfully perform the basic skills required by a job. The CRC eliminates much of the guesswork for employers in determining whether an applicant has the basic skills needed for the job, and at the same time provides an opportunity to identify job seekers who are deficient in basic skills and provide remedial training. The goal of the initiative is to provide a standardization of skill levels to ensure job readiness of Colorado workers to fulfill business and industry needs of qualified applicants.

The CRC Initiative was implemented in FY2008-09 and continued to expand through FY2011-12 with funding from the Colorado Workforce Development Council and WIA 25% Discretionary funds. Throughout FY2010-11 and FY2011-12, the CRC Initiative expanded to include the secondary/post-secondary educational systems and the State's correctional system, reaching a total of 10,000 certificates issued in the summer of 2011. During FY2013-14, CDLE will pursue additional education and workforce partners, to leverage resources and available assessments and tools, and to secure additional sources of funding needed to offset anticipated reductions in WIA discretionary funds. This strategy will insure the sustainability of the initiative and expand usage of the CRC to all regions of the state.

### **Colorado Online Energy Training Consortium**

Extensive collaboration with the Colorado Community College System (CCCS) has resulted in the September 2011 award of \$17+ million for the Trade Adjustment Assistance grant from the U.S. Department of Labor for the *Colorado Online Energy Training Consortium* (COETC). Department staff and regional workforce center staff across the state worked closely with the CCCS in proposal development and will continue to work with individual community colleges throughout the three-year grant period.

Workforce Center Business Service Units will provide information on employer needs and assist student placement in internships and employment. In addition, workforce system staff will offer training for the Career Readiness Certificate, conduct assessments and refer clients to COETC energy programs developed with grant funds, and collaborate to offer customized hiring event/job fairs for graduates. This partnership will result in more than \$668,542 being awarded to the CDLE to provide these concurrent services in the workforce centers as part of the grant deliverables. Over the 3-year life of the grant:

- A total of 2,106 will be enrolled in the green energy training programs
- 75% or 1,579 of those enrolled will attain industry recognized certificates or AAS degrees
- 75% or 1,184 of those attaining certificates or degrees will enter employment in a training related field

### **Regulation of Natural Gas**

Natural gas, comprised of compressed natural gas (CNG) and liquefied natural gas (LNG), may be used as a fossil fuel substitute for gasoline, diesel, or propane (liquefied petroleum gas [LPG]). CNG and LNG are generally considered to be a more environmentally clean alternative to those fuels and much safer than other fuels in the event of a spill (natural gas is lighter than air, and disperses quickly when released). CNG and LNG are becoming more prevalent in the retail fueling marketplace, but because these fuels are not



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specifically identified in statute and regulations, regulatory authority over their transport, storage, use, and tax revenue can be difficult to consistently recognize and enforce.

House Bill 12-1167 regarding the regulation of natural gas (inclusive of CNG and LNG) was introduced this last legislative session. This bill broadens the duties of the Division of Oil and Public Safety (OPS) to specifically include the regulation of natural gas when used as a fuel product. The bill requires that natural gas be subject to inspection, comply with certain national standards, be subject to the same environmental response surcharge as LPG, and modifies the collection of the tax on special fuels. HB 12-1167 was killed in the Committee on Agriculture, Livestock & Natural Resources.

OPS currently interprets authority in statute as allowing for the regulation of the dispensing (metering, measuring and labeling) of natural gas. HB 12-1167 as written would clarify the authority of OPS regarding regulation of anything related to the compressor, storage, and piping, because statutory language currently states that we have regulatory authority only regarding "liquid fuel products". OPS currently does not have the equipment to check calibration or calibrate the meters, although inspectors can witness their calibration by other parties.

### **Veterans Employment and Training Programs**

Veterans Employment and Training Programs provide intensive services to veterans who are economically and/or educationally disadvantaged. These intensive services include a comprehensive assessment of education and skills and abilities to identify employment barriers, determine appropriate employment goals, and to develop an employment development plan which might include group and individual career coaching to develop communication, interviewing, professional conduct, and personal maintenance skills. Intensive services are provided to eligible participants by a Disabled Veteran Outreach Program (DVOP) specialist who works closely with the Local Veteran Employment Representative (LVER) to obtain gainful employment for the Veterans. The LVER is responsible for outreach activities to employers, including conducting seminars for employers, job fairs, and facilitating employment, training and placement services.

Both DVOP and LVER staff are funded by the USDOL Jobs for Veterans Staff Grant (JVSG). Allocations for these programs have remained flat since FY2006-07 despite an increase in personnel and operating costs. However, with the increased number of Veterans returning from Iraq and Afghanistan with Traumatic Brain Injuries (TBI), Post Traumatic Stress Disorder (PTSD), and other high level needs, and with an increased unemployment rate among Veterans, CDLE expects an increase of Federal funding during FY2012-13 to support additional JVSG staff.

### **Minimum Wage Increase and Wage Orders**

The Colorado Constitution requires that the minimum wage be adjusted annually for inflation as measured by the Consumer Price Index used for Colorado. The inflation adjustment is based on the Consumer Price Index for All Urban Consumers in the Denver-Boulder-Greeley combined metropolitan statistical area published by the United States Bureau of Labor Statistics. The Consumer Price Index used for Colorado is determined by comparing changes in the Bureau of Labor Statistics CPI-U from the first half of the preceding year with the first half of the current year. The information needed to adjust the Colorado Minimum Wage for 2014 will be available during the third quarter of 2013. The Division of Labor will begin the rulemaking process in September, 2013, to set the minimum wage for 2014. The new minimum wage will become effective January 1, 2014.

### **Employment Verification Law and the Public Contracts for Services Law**

All Colorado employers must abide by the employment verification law, (§ 8-2-122, C.R.S.) which requires employers to verify and document the legal eligibility for employment of newly-hired employees. In addition the Colorado Public Contracts for Services and Illegal Aliens Law (§ 8-17.5-101 & 102, C.R.S.) applies to contractors who enter into or renew public contracts for services with a state agency or political subdivision. The Division has prepared extensive guidance, (fact sheets, guides, affirmations, notifications), crafted comprehensive websites, provided direct assistance to employers and employees, and initiated enforcement activities under these two laws.

The administration of the employment verification law, § 8-2-122, C.R.S., has evolved significantly over the past year. The Division has conducted over 4,000 compliance audits, educated thousands of Colorado employers about their statutory obligations, and created extensive guidance for the public. In addition, the Division has strengthened the employment verification law program by implementing all of the recommendations from a recent performance audit conducted by the State Auditor. Enhancements to the program include new documentation policies and procedures, quality control oversight, expanded educational materials for employers and employees, standardization of compliance procedures, the issuance of updated rules, and the utilization of contemporary workforce data to continually improve audits and outreach to employers.

### **Amusement Ride Industry**

The amusement ride industry is experiencing growth in a segment of the industry that does not fall within the traditional definition of amusement rides such as challenge courses including zip-lines and climbing walls; water parks and water slides; go-karts; trackless trains; and simulated extreme sports such as sky diving. The Division met with several stakeholder groups and promulgated regulations effective May 1, 2011 that addressed go-karts, bumper boats, climbing walls and water slides. In addition, the Division provided exemptions and waivers for governmental entities responsible for operation of amusement devices if their oversight was equivalent to that provided by the Division, eliminating duplication and saving money for governmental entities during the current

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economic recovery. During the 2011 legislative session, a bill was introduced to include inflatable rides, such as bounce houses, as regulated amusement rides. The bill died in committee.

In the spring of 2012, the Division met with stakeholders from the emerging zip line industry to explain how commercial amusement zip line operations fall under the definition of amusement devices. A guidance document clarifying the Division's intent to regulate the zip line industry was developed with stakeholder input and released in September 2012. Due dates for complying with different portions of the registration process were given to allow zip line operators sufficient time to comply with the permitting requirements. The Division has also proposed regulation revisions to further clarify existing rules, and has utilized the Executive Order 5 process for notification to local governments. A rule revision stakeholder meeting is planned for the end of October for the entire amusement device industry for the presentation and invitation for feedback on the proposed rule changes.

### **Conveyances**

Provisions within the Elevator and Escalator Certification Act allow local jurisdictions to execute Memorandums of Agreement (MOA) with the Division of Oil and Public Safety (OPS) allowing them to regulate conveyances within their territories. Recently the City and County of Denver Fire Department has expressed interest in executing an MOA with OPS. If an MOA is executed with the City and County of Denver, they would assume the responsibility of regulating approximately 7,000 conveyances currently under the state's jurisdiction.

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WORKLOAD REPORTS

UNEMPLOYMENT INSURANCE PROGRAM Workload Indicators	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Number of Unemployment Insurance Initial Claims	210,845	186,264	167,638	150,874
Number of Appeals Decisions	28,295	22,166	19,949	17,954
Number of New Employer Accounts	18,475	20,212	20,250	20,300

UNEMPLOYMENT INSURANCE PROGRAM Benefit and Claim Statistics	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Average duration of a benefits claim in weeks	16.89	15.7	15	14.5
Average weekly benefit amount	\$331.07	\$332.82	\$343.40	\$351.19

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WORKFORCE DEVELOPMENT PROGRAMS Workload Indicators		FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Total applicants	Target	450,000	450,000	483,700	507,800
	Actual	508,428	460,660		
Total applicants referred to jobs	Target	160,000	160,000	182,000	191,250
	Actual	190,005	173,393		
Total job openings received from employers	Target	95,000	90,000	195,350	205,150
	Actual	93,330	186,046*		

\*The jump in job openings is primarily due to recent implementation of access to the Job Central national job opening data base.

WORKFORCE DEVELOPMENT PROGRAMS Workload Indicators -Applicants Served by Program	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Workforce Investment Act	9,240*	8,994	9,443	9,500
Wagner Peyser	491,519	460,660	483,700	507,800
Veterans	49,652	44,360	46,578	48,910
Migrant Seasonal Farm Workers	760	802	802**	802**
Work Opportunity Tax Credit	15,959***	38,059***	39,062	40,000
Governor's Summer Job Hunt	46,161	30,540****	40,000	40,000
Trade Adjustment Assistance	1,220	1,409	1,480	1,550
Trade Readjustment Allowance	950	766	804	845
Displaced Homemaker	87	134*****	35	35

\* FY10-11 was the last year of Recovery Act funding, which temporarily inflated the number served in the WIA Program. In addition, customer demand was high because of the recession. FY11-12 actual numbers are more reflective of an ongoing level of service.

\*\* FY12-13 and FY 13-14 projected numbers are not expected to increase due to the increased "Adverse Effect Wage Rate," making it too expensive for employers to hire more workers.

\*\*\* FY11-12 actual numbers are based on total applications processed. FY10-11 actual numbers were based only on applications certified.

\*\*\*\*FY11-12 actual numbers will not be complete until September 2012.

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\*\*\*\*\* FY 11-12 actual numbers reflect additional funding available only during FY11-12; reduction in funding for FY12-13 and FY13-14 has resulted in reduced goals for those years.

WORKFORCE DEVELOPMENT PROGRAMS Workload Indicators -Employers Served by Program	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Wagner Peyser	9,247	15,640	16,425	17,250
Work Opportunity Tax Credit - Number of employers registered	1,470	1,661	1,744	1,831
Alien Labor Certification	382	208*	221	233

\* FY11-12 actual numbers decreased due to a lawsuit impacting H2B regulations, delaying the implementation of a new alien labor certification program.

LABOR MARKET INFORMATION Workload Indicators	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Establishments on QCEW data file	209,877	209,877	223,000	220,000
New establishments classified by industry	16,300	16,300	17,000	18,000
Establishments verified for proper classification	21,099	21,099	20,000	20,000
LMI Gateway website hits	Unavailable	Unavailable	140,000	140,000
Products distributed	180,000	180,000	175,000	175,000
Training sessions and presentations	26	26	25	30

Department Description: FY 13-14 Budget Request

DIVISION OF LABOR Workload Indicators	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Claims filed	5297	5348	6,000	6,000
Claims Resolved	84.7%	88%	90%	90%
Money recovered	\$1,266,025	\$1,066,780	\$1,250,000	\$1,250,000
Employee group presentations / number in attendance	14/1,000	15/1,100	15/ 1,200	15 / 1,200
Wage claims per FTE	769	764	800	800
Dollars recovered per FTE	\$180,860	\$152,397	\$200,000	\$200,000
Average dollars recovered per claimant	\$235	\$202	\$250	\$250
Estimated taxes recovered (State & Federal)	\$316,500	\$266,695	\$350,000	\$350,000
All-Union Agreement Elections	6	6	5	5
Unfair labor practices charges	1	0	3	3
Employment verification claim audits (random, complaint based)	930, 33	1187,35	900, 30	900, 30
Public contracts for services complaint based claims	1	0	3	3

Department Description: FY 13-14 Budget Request

OIL & PUBLIC SAFETY Workload Indicators	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation	FY 13-14 Request
Number of boilers requiring inspection	21,787	20570	23,330	24,930
Percent of boiler inspections performed by certificate expiration date	75%	74%	80%	80%
Percent of boiler violations corrected by deadline	63%	45%	65%	70%
Percent of boiler initial inspections on new installations performed within 30 days of installation	80%	77%	80%	80%
Number of explosive magazine inspections required	57	47	51	75
Explosive exams conducted	223	410	250	300
Explosive permits processed and issued	553	329	550	550
Number of amusement device locations inspected	89	30	100	110
Percent of daily amusement ride inspection reports reviewed for compliance	83%	52%	50%	50%
Number of conveyance registrations processed	2,262	1,073	1,000	1,000
Number of Certificates of Operation issued	6,837	7,067	9,500	12,000
Number of accidents reported	9	17	15	15
Number of licensed conveyance mechanics	353	411	394	390
Number of licensed conveyance contractors	33	35	33	33
Number of licensed conveyance inspectors	53	64	76	75
Number of petroleum facilities	4,803	4,822	4,800	4,775
Number of LPG facilities	1,122	1,197	1,200	1,250
Percent of retail petroleum facilities inspected each year to ensure 2-year inspection frequency goal is achieved	64%	54%	67%	67%
Number of confirmed petroleum releases reported	225	178	250	250
Number of open events	959	896	900	975
Number of site characterization reports received	129	75	120	120
Percent of site characterization reports reviewed and NFA, CAP	96%	81%	95%	95%



Department Description: FY 13-14 Budget Request

request or Final SCR letter issued within 60 working days.				
Number of corrective action plans received	354	334	300	300
Percent of corrective action plans reviewed and a CAP approval or denial letter issued within 90 days.	92%	73%	90%	90%
Average turnaround time for petroleum product sample analysis	6 days	7 days	8 days	8 days
Processing time of original reimbursement applications with a fund payment report prepared within 90 working days	66 days	64 days	66 days	60 days
Processing time of electronic reimbursement applications with a fund payment report prepared within 90 working days	60 days	57 days	50 days	50 days
Leak/spill/special investigations	60	83	60	60
Tank installations and upgrades	275	102	200	200
Tank closures	318	350	200	250
Percent of facilities in operational compliance with regulations	78%	76%	80%	85%
Number of petroleum impacted sites receiving a No Further Action status	279	253	250	250
Percentage of fuel meters within tolerance limits	97%	97%	95%	95%
Percentage of product samples in compliance with specifications, ensuring fuel quality and consumer protection	81%	80%	95%	90%
Consumer complaints	235	223	300	250
Percentage of consumer complaint investigations completed within 5 working days	95%	93%	98%	90%

DIVISION OF WORKERS' COMPENSATION Workload Indicators	FY 10-11	FY 11-12	FY 12-13	FY 13-14
	Actual	Actual	Appropriation	Request
Number of customer contacts with the Customer Service Unit	50,577	46,150	48,000	52,000
Number of customer contacts via telephone calls	43,678	40,132	42,000	44,500
Number of customer contacts via walk-ins	6,179	6,018	6,200	6,500

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Reduce caller telephone wait time in Customer Service as measured in seconds	.07	.09	5	5
Reduce percentage of lost calls ( <i>FY09-10 actual note – New phone system eff-10/1/09; also many UI calls hang up following our automated introduction</i> )	7%	7.4%	5%	4%
Number of Independent Medical Exam (IME) applications processed	2,925	2,829	3,000	3,000
Number of IMEs held by workers' compensation number, not event	2,385	2,233	2,400	2,600
Percentage of workers' compensation cases with IME applications that requested hearings	51%	53%	51%	49%
Number of applications for indigent determination filed with Office of Administrative Courts (OAC) - data provided by the OAC-	469	408	450	500
Number of applications for indigent determination where the claimant was determined to be indigent	324	290	350	390
Number of utilization reviews (UR) processed	8	10	12	12
Percentage of UR orders upheld	100%	100%	95%	95%
Number of injury reports filed by employers and claimants	33,061	33,860	35,000	36,000
Number of reviews of admissions of liability for benefits	68,541	68,634	70,000	70,000
Orders related to requests for administrative closure for claims	793	866	850	825
Orders related to requests for penalties or compliance issues	953	989	975	975
Respond to inquiries about the fee schedule	1,666	2,215	2,000	2,200
Number of motions addressed by prehearing Administrative Law Judge (ALJ) through motions practice, including prehearing conf.	5,357	4,243	5,000	5,250
Number of stipulations for settlement approved	5,464	5,439	5,500	6,000
Major Medical Insurance and Subsequent Injury Funds: Savings by fee scheduling and denying charges for treatment of non-related conditions	\$4,714,117	\$5,496,023	\$4,750,000	\$4,250,000
Average number of days from receipt to resolution of medical billing disputes	8.54	8.69	8	8
Total current accredited physicians	949	950	1,000	1,000
Number of presentations provided by the Division to the public	66	42	50	60

Department Description: FY 13-14 Budget Request

Number of Division-sponsored seminars held outside of the metro area <i>(FY09-10 actual note -Travel and other budgetary constraints required this reduction)</i>	5	9	7	9
Number of audited and on-site reviews of insurers claims handling practices <i>(FY09-10 actual note – Audits scheduled in two-year cycle, from 35 larger insurers to 60 smaller ones including self-insurer)</i>	41	60	50	50
Premium cost containment cumulative employers certified	5,967	6,550	6,400	6,550
Current employers self-insured	91	91	92	92
Cash flow advantage to self-insured employers program wide <i>(FY09-10 actual note- reduction proportionate to drop in commercial premiums overall in Colorado)</i>	\$77,825,000	\$71,305,000	\$72,000,000	72,000,000
Number of insolvent self-insured employers who default on workers' compensation	0	0	0	0
Number of cumulative defaulted self-insured employers under supervision	4	4	4	4
Number of revoked permits annually reviewed	65	67	65	67