



Line Item Description

FY 15-16 Budget Request

**NOVEMBER 1, 2014**

## ***(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 FY 15-16 request is for a continuation of level spending.

### **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 2015-16.

### **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 0.22 percent of base personal services salaries. The request reflects OSPB approved common policy adjustments for FY 2015-16.

### **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 request reflects OSPB approved common policy adjustments for FY 2015-16.

**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 request reflects OSPB approved common policy adjustments for FY 2015-16.

**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.

**MERIT PAY**

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.

**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.

**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**

Operating expenses for the Executive Director's Office.

The FY 15-16 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 FY 2014-15 request for a continuation of 7,905 legal services hours.

### **PAYMENTS TO OIT**

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.

The request reflects OSPB approved common policy adjustments for FY 2015-16.

### **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 2015-16.

### **COFRS MODERNIZATION**

This line item is used by the Department to reimburse the Department of Personnel and Administration (DPA) for the costs associated with updating the state's accounting system. The FY 15-16 request is for a continuation level appropriation.

### **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 2015-16.

### **LEASED SPACE**

This line item is used by the Department to pay for leased space in locations around the state. The FY 2015-16 request reflects an increase of 3.0% over the FY 2014-15 appropriation. The bulk of the increase is due to leased space escalators

### **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 2015-16.

### **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 2015-16 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.

The request for FY 2015-16 requests continuation funding for this line item.

### **STATEWIDE INDIRECT COST ASSESSMENT**

The JBC funded this line item through the FY2014-15 Figure Setting process in accordance with JBC common policy. (See JBC figure setting documents). The current request is in accordance with DPA common policy.

## ***(2) Unemployment Insurance Division***

### ***(A) 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 premium collection functions.

### ***(3) EMPLOYMENT AND TRAINING DIVISION***

#### **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 FY 15-16 request is for a continuation of level spending.

#### **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 FY 15-16 request is for a continuation of level spending.

#### **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.

The FY 15-16 request is for a continuation of level spending.

#### **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 FY 15-16 request is for a continuation of level spending.

### **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.

The FY 14-15 request is for a continuation of level spending.

### **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.

The FY 15-16 request is for a continuation of level spending.

### **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 FY 15-16 request is for a continuation of level spending.

#### ***(4) DIVISION OF LABOR***

##### **PROGRAM COSTS**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process for the Division to administer the labor laws within Colorado.

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.

#### ***(5) DIVISION OF OIL AND PUBLIC SAFETY***

##### **PERSONNEL SERVICES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process for the Division's personnel services to administer the laws within Colorado for its programs.

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.

##### **OPERATING EXPENSES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process for the Division's operating expenses for its programs.

This line supports the operating costs for the Division.



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

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

#### **PERSONEL SERVICES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process for the Division's personnel services to administer the laws within Colorado for workers' compensation programs: utilization review, self-insurance, premium cost containment, immediate payment, guarantee, and physicians accreditation.

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

#### **OPERATING EXPENSES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process for the Division's operating expenses for its programs.

This line supports the operating costs for the Division.

#### **ADMINISTRATIVE LAW JUDGE SERVICES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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

#### **PHYSICIANS ACCREDITATION**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### **UTILIZATION REVIEW**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### **IMMEDIATE PAYMENT**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### ***(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.

#### **OPERATING EXPENSES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

This line supports the operating costs for the Division.

### **MAJOR MEDICAL BENEFITS**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### **MAJOR MEDICAL LEGAL SERVICES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### **SUBSEQUENT INJURY BENEFITS**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### **SUBSEQUENT INJURY LEGAL SERVICES**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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.

### **MEDICAL DISASTER**

The Joint Budget Committee funded this line item through the FY 2014-15 Figure Setting process.

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