

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0594

**Date:** January 28, 2013

**Prime Sponsor(s):** Rep. Exum

**Bill Status:** House Business, Labor Economic and Workforce Development

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**TITLE:** CONCERNING THE RIGHT OF A PERSON TO WAIVE CONFIDENTIALITY REQUIREMENTS PROTECTING PERSONAL WORK INFORMATION OBTAINED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT FOR UNEMPLOYMENT BENEFIT CLAIMS TO PERMIT THE DEPARTMENT TO FORWARD CERTAIN INFORMATION TO POTENTIAL EMPLOYERS.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
Cash Funds		
Employment Support Fund	\$80,796	\$77,707
<b>FTE Position Change</b>	2.0 FTE	2.2 FTE
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

Under current law, the Department of Labor and Employment is required to maintain records regarding applicants and claimants in unemployment insurance (UI) claims beginning with the application process and continuing for at least five years following the active period of a claim. These records are confidential and accessible only by the claimant and certain public employees as required to administer UI benefits.

This bill directs the department to offer each applicant the opportunity to waive confidentiality for four specific record items containing contact information. These are name, address, telephone number, and e-mail address. The department is authorized to make the waived information available to bona fide employers seeking employees.

**Background**

The State of Colorado is currently paying UI benefits to approximately 216,000 people. Most people receiving UI benefits initially apply and make continuing claims for benefits using the department's web-based CUBLine Online portal. The remainder of UI claimants, approximately 25 percent of the total population, apply for benefits using phone support. Phone support will not be phased out in the next two fiscal years, though the department's long-term plans call for further automation of the UI benefits system.

**State Expenditures**

**The bill increases costs for the Division of Employment and Training in the Department of Labor and Employment by \$80,796 and 2.0 FTE in FY 2013-14 and by \$77,707 and 2.2 FTE in FY 2014-15 from the Employment Support Fund.**

For applicants who use the phone support system, division personnel will be required to explain the confidentiality waiver, choices for the waiver, and how the information will be used. This is estimated to require approximately 54,000 contacts by phone support per year. The length of contact will vary based on the individual applicant but will average five minutes, for a total of 4,500 hours or 2.2 FTE of administrative personal services. This is prorated in the first year to reflect 11 months of implementation. The cost to implement phone support consistent with the bill is summarized in Table 1.

<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Personal Services	\$69,490	\$75,807
FTE	1.8	2.2
Operating Expenses	1,900	1,900
Capital Outlay	9,406	
<b>TOTAL</b>	<b>\$80,796</b>	<b>\$77,707</b>

The requirement to offer the confidentiality waiver must also be extended to web-based applicants for UI benefits. This will be achieved by reprogramming the CUBLine Online portal to explain and prompt waiver choices. Programming costs will be absorbed by the department within existing appropriations.

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB13-1123*</b>		
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$13,476	\$14,702
Supplemental Employee Retirement Payments	4,265	5,264
<b>TOTAL</b>	<b>\$17,741</b>	<b>\$19,966</b>

*\*More information is available at: <http://colorado.gov/fiscalnotes>*

### **State Appropriations**

For FY 2013-14, the Department of Labor and Employment requires a cash funds appropriation of \$80,796 and 2.0 FTE from the Employment Support Fund.

### **Departments Contacted**

Labor and Employment