

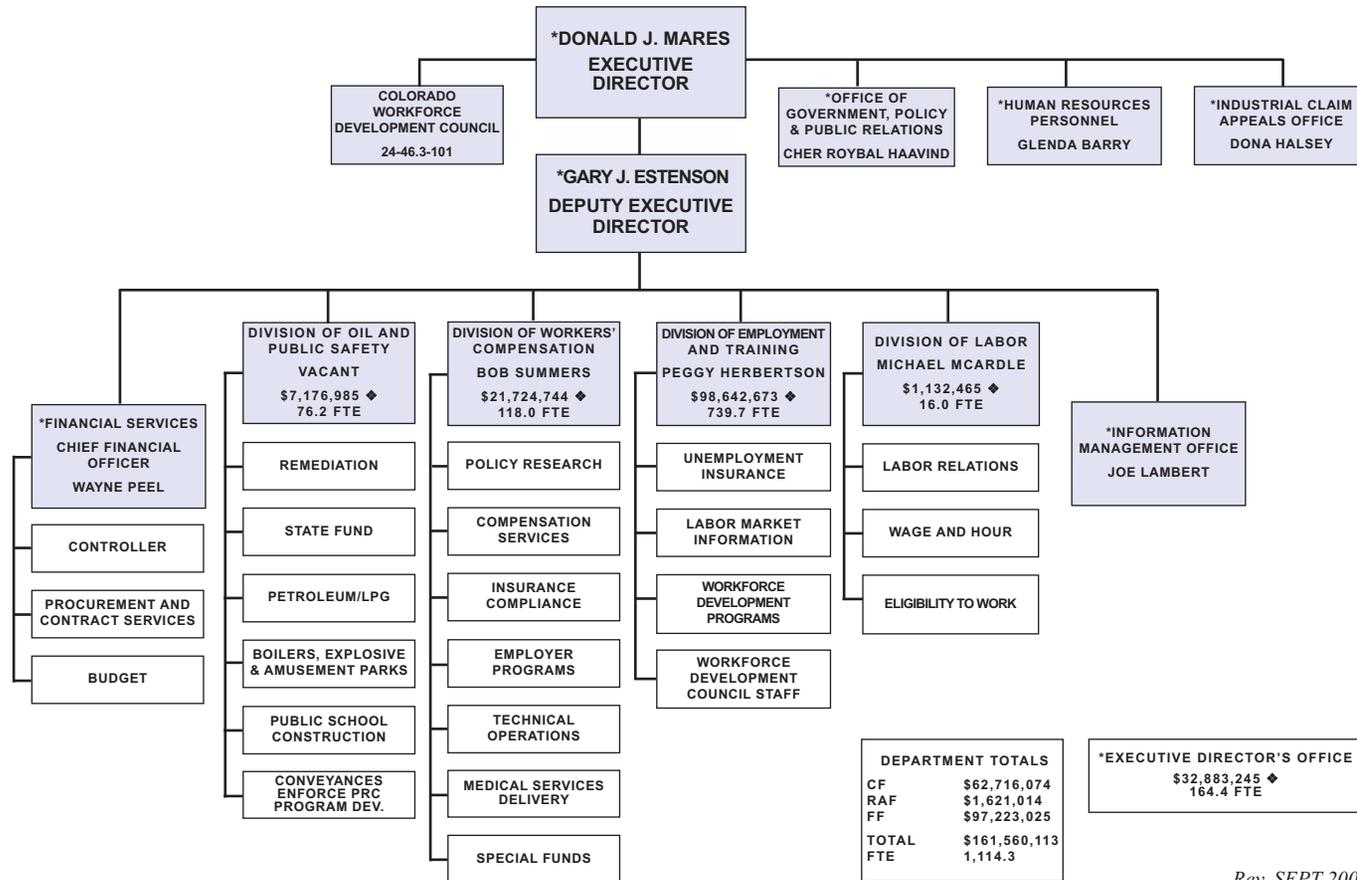


Department of Labor and Employment  
*Department Description*

FY 09-10 Budget Request

**NOVEMBER 1, 2008**

# Colorado Department of Labor and Employment



Rev. SEPT 2008

## BACKGROUND INFORMATION

---

**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. Additionally, this office keeps the department alerted to the status of legislation, assists legislators regarding constituent problems and provides Legislative Council with definitive information on a variety of programs.
- ♦ *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.
- ♦ *Financial Services* includes the Budget Office, Controller's Office 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.
- ♦ *Information Management Office (IMO)* is responsible for maintaining and supporting the department's hardware and software needs.
- ♦ *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.
- ♦ *Colorado Workforce Development Council (CWDC)*. With the passage of Senate Bill 08-231, the Colorado Workforce Development Council in the Department of Local Affairs transferred to the Department of Labor and Employment effective

Department Description: FY09-10 Budget Request

July 1, 2008. The Colorado Workforce Development Council (CWDC) advises the Governor and the Colorado Legislature on policy matters related to all programs and activities funded by the Workforce Investment Act. The CWDC engages in creative alliances with industry, economic development, and education to support the enrollment, training, and placement of the unemployed, under-employed, and incumbent workers into high-wage jobs.

**The Division of Employment and Training** consists of four distinct program areas: the Unemployment Insurance (UI) Program; Workforce Development Programs (WDP); Colorado Workforce Development Council (CWDC); and Labor Market Information (LMI).

- ♦ *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 four operating branches and a facilities branch located at 251 E. 12<sup>th</sup> Avenue in Denver, Colorado. The four operating branches—UI Operations, UI Integrity, UI Appeals, and UI Staff Services—provide the UI Program's key services to the citizens and employers of Colorado.

- UI Operations is the UI Program's largest operating branch providing benefits- and tax-related services, including establishing claims and collecting taxes. The Training Team provides staff with a formal training program and training manuals. A team of business analysts facilitates modifications to automated systems by IMO or vendors. Four records-retention units support the entire UI Program by maintaining wage, billing, employer, and claimant files and records.
- UI Integrity consists of Benefits Accuracy Measurement, which reviews and evaluates the accuracy of the UI benefit payment and denial; Benefits Payment Control, which collects payment from improperly paid UI claimants and conducts multiple programs to detect UI fraud; Investigations and Criminal Enforcement, which investigates and prosecutes criminal UI fraud cases; and Tax Audits, which has staff located throughout the state who routinely examine and audit employers' UI tax records.
- UI Appeals has staff located throughout the state and provides a hearing venue for UI Operations and UI Integrity decisions that are appealed by a claimant or employer. Interested parties may attend the hearing either in person or by telephone.

Department Description: FY09-10 Budget Request

- UI Staff Services manages projects; develops internal and external communications, manuals, publications, grant and supplemental budget requests, 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 an adequate inventory of publications, forms, warrants, and envelopes; and conducts Benefits Timeliness and (BTQ) and Tax Performance System (TPS) reviews.
- UI Facilities is primarily responsible for addressing building infrastructure needs at 251 East 12th Avenue, including all interior and exterior maintenance. This team also supports program needs such as staff relocations, equipment and fixture installations, ergonomic furniture adjustments, and the moving of heavy files and materials. The Facilities' staff includes a licensed master electrician; a licensed heating, ventilating, and air-conditioning specialist; plumbers; carpenters; laborers; security officer; and custodial staff.
- ♦ *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 federal and cash funded. State cash sources include the Employment Support Fund and Displaced Homemaker. The State is responsible for policy guidance, program oversight and administration, and overall programmatic and fiscal integrity in accordance with federal guidelines for each program. For all Federal funded programs, priority of services must be provided to veterans according to the law. WDP administer several programs and including the following:
  - Wagner Peyser (WP) Act - Employment Services program provides non-fee labor exchange services to businesses and 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.
  - Veterans Employment and Training Program - Established under Title 38, U.S.C., Chapters 41 and 42, provides services to veterans and ensures 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.
  - Migrant Seasonal Farm Workers (MSFWs) Program - Established to ensure 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.

Department Description: FY09-10 Budget Request

- Work Opportunity Tax Credit (WOTC) - Businesses/employers apply to the WOTC program requesting tax credit certification. Under the Tax Relief and Health Care Act of 2006 and the Small Business and Work Opportunity Tax Act of 2007, businesses/employers can apply for tax credits in exchange for hiring workers from certain classifications of disadvantaged workers.
- Governor's Summer Job Hunt (GSJH) - Each year this program provides youth ages sixteen through twenty-one with job placement services and employment opportunities. Services are provided to youth regardless of geographic boundaries, income, ethnicity, or special needs.
- Layoff Transition Services - The Rapid Response Team serves companies facing corporate restructuring and downsizing. The Rapid Response Team is a cooperative effort between the local Workforce Centers, the Department of Labor and Employment and the Unemployment Insurance Program. The services are designed to benefit employers and employees through the provision of information about the Dislocated Worker Program and other useful information and assistance with employment related needs.
- Trade Adjustment Assistance (TAA) - This program is a collaborative effort of CDLE, the Workforce Regions, and the US Department of Labor to provide services to workers whose loss of employment is determined to be the adverse result of foreign trade. The Trade Readjustment Allowance Program provides an extension of Unemployment Insurance (UI) payments to qualified trade-affected workers. The Alternative 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 for Health Insurance premiums from the Internal Revenue Service (IRS) and provides relief from the increased cost to continue health insurance.
- Foreign Labor Certification - Employers requesting temporary labor certification for foreign workers must demonstrate that they have attempted to recruit U.S workers through advertising with the Workforce Development system, and by other specified means. This program performs initial processing of applications of Federal H-2A (agriculture), H-2B (non-agricultural), and H-1B (specialty occupation) Foreign Labor Certification programs; determines prevailing wages, assists employers in recruiting U.S. workers, and gathers information to determine whether to grant or deny temporary labor certification.

## Department Description: FY09-10 Budget Request

- Displaced Homemaker Act - Provides employment and training services to eligible displaced homemakers who, through divorce, separation, widowhood, or ineligibility for other public assistance have lost their source of economic support. Services provided include tuition scholarships, job training, career assessment, supportive services, personal and vocational counseling, and job development and placement.
- ♦ *Workforce Development Council Staff (WDC)* provides the administrative support for the Colorado Workforce Development Council described above in the Executive Office section. The Council and staff are supported by funds departments that receive allocations of federal funds, including Department of Labor and Employment (CDLE), the Department of Human Services (DHS), the Department of Education (CDE), and the Community Colleges (CCOES). The Office of State Planning and Budgeting (OSPB) is required to annually determine each agency's contributions.
- ♦ *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.

Department Description: FY09-10 Budget Request

- 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.
- 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.

Department Description: FY09-10 Budget Request

**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, elections to certify or decertify collective bargaining agreements, certifications of all-union provisions in the building and construction trades industries, and investigates and mediates allegations of unfair labor practices.

The 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. This Section is actively involved with the implementation of Governor Ritter's 2007 Executive Order on employee partnerships.
- ♦ *The Immigration Section* oversees the administration of the employment verification law and the public contracts for services and illegal aliens law. These laws were enacted in 2006; 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 public health and safety, including establishing and enforcing rules, regulations, and statutes, which govern public school construction, carnival and amusement park rides, explosives, boilers, underground and aboveground petroleum storage tanks, cleanup of oil 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 Boiler Inspection Section* includes boilers and pressure vessels. A boiler is generally defined as a closed pressure vessel in which water is heated and circulated for heating or power. Boilers and pressure vessels are located in most public buildings

Department Description: FY09-10 Budget Request

such as schools, churches, hotels, restaurants, health clubs, nursing homes, and office buildings Boiler inspections are performed by nine state inspectors and by special (insurance company) inspectors commissioned by the state program. This program coordinates the efforts of state and insurance company special inspectors, verifying compliance with the established safety requirements with regard to the installation, operation and closure 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 conducting testing of potential explosive permittees performing inspections and reviews, and processing all explosive applications. The program 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, agricultural, 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. The section ensures that the amusement devices that operate in the state have annual safety inspections and that visual maintenance inspections are performed daily. Operators of carnivals, amusement parks, and devices also must maintain insurance coverage appropriate to the type of ride and provide proof of a current insurance policy. The operators must also submit a record from the previous year of any accidents caused by mechanical failure.
- ♦ *The Conveyance Section* regulates the installation, alternation, 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, stairway char lifts, dumbwaiters, escalators, moving walks, and automated people movers. The Division 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 territory.
- ♦ *The Petroleum Inspection Program* enforces standards governing the registration, installation, operations and closure of underground and aboveground storage tanks containing petroleum and other regulated materials; enforces weights and measures regulations pertaining to petroleum products, including the calibration of fuel pumps, and testing petroleum products to verify compliance with state quality standards; and responds to emergency situations involving petroleum releases.
- ♦ *The Remediation Section* enforces cleanup standards governing the remediation of petroleum contamination and petroleum releases. The Remediation Section ensures petroleum impacted sites progress from release discovery through closure; meets

## Department Description: FY09-10 Budget Request

all review turn around times (TAT) and enforcement deadlines; protects funding sources necessary to ensure the continuation of remediation at petroleum storage tank sites; provide accurate and timely guidance and technical assistance to our internal and external customers; and evaluate section processes and modify as necessary to enhance the program.

In addition, the Remediation Section manages the State Lead & 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; is unwilling to clean up the contamination; or is financially unable to cover the cost. The State Fund monies can also be utilized by the above situations as well.

- ♦ *The Petroleum Storage Tank (State) Fund Program* receives and processes applications to the Petroleum Storage Tank Fund for reimbursement of costs related to assessment and cleanup of petroleum contaminated sites. Initially, sites are evaluated for eligibility to the Fund based on their compliance history. Any station operated in "substantial non-compliance" with OPS tank operating regulations may not be eligible. The results of these evaluations are presented monthly to the Petroleum Storage Tank Committee where eligibility decisions are made. Following the committee decision, supplemental applications are processed as they are received by the Fund Section staff.
- ♦ *The Public Schools section* oversees the construction of public school projects for all K-12 and junior (community) colleges statewide. The Division is responsible for adopting building code standards, reviewing and approving building construction plans, issuing building permits, inspecting the schools throughout the construction phase to ensure the schools have been designed and built in compliance and issues certificates of occupancy. Public school construction projects include new schools, additions, remodels, and freestanding structures.

**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.

## Department Description: FY09-10 Budget Request

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 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.

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 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

### **HB08-1027 Building Inspection Requirements for Educational Institutions** (Sen. Taylor and Rep. Marshall)

The bill addresses deficiencies in the Public School Construction Program of the Department of Labor and Employment, Division of Oil and Public Safety (DOPS), as identified in a 2007 performance audit. The bill also requires the Department of Public Safety, Division of Fire Safety (DFS) to assist the DOPS in tracking building plans that have been referred to fire departments for review or to conduct the reviews when the appropriate fire department is unwilling or unable to do so. The DFS is authorized to pursue enforcement actions for fire code violations and to charge fees set by rule, to cover the costs for fire inspections of buildings. To increase the resources available for plan reviews and inspections, the DOPS is required to certify and contract with third-party inspectors for the inspection of construction projects for public schools and junior college district buildings. The affected board of education, state

charter school institute, charter school, or junior college district, will hire and pay the inspectors. If these inspections are not completed satisfactorily or all violations are not corrected, the DOPS is authorized to take enforcement action.

**HB08-1103 Regulations of Amusement Rides by CDLE and Public Safety** (Rep. J Kerr and Sen. Isgar)

This legislation addressed deficiencies in the Carnivals and Amusement Park Program in the Department of Labor and Employment, Division of Oil and Public Safety. The legislation allows the division to implement a more comprehensive monitoring and enforcement program, and requires: the division to promulgate rules for the registration, construction, repair, and maintenance of amusement rides, and for the financial responsibility of operators; operators to submit annual certificates of inspection from division certified, third-party inspectors as part of their annual registration process; and operators to notify the division of injuries, installation of new rides, and the schedule for the operation of amusement rides at carnivals within a time and manner as established by rule.

**HB08-1115 Retaliation Against a Judge** (Rep. Liston and Sen. Renfro)

This bill makes it a class 3 felony if an individual makes a credible threat or commits an act of harassment or an act of harm or injury upon a person or property as retaliation or retribution against a judge. The definition of judge includes the Unemployment Insurance Hearing Officers.

**HB08-1180 Unemployment Insurance Benefit Active Military Transfer** (Rep. Stephens and Rep. Looper)

This bill extends unemployment insurance (UI) benefits to spouses of military personnel who are transferred as part of their military responsibilities.

**HB08-1189 Prohibition of strikes against employees in the state personnel system** (Rep. Riesberg and Sen. Gibbs)

The bill prohibits any employee in the state personnel system or any labor organization, through formal action or through its agents, from inciting, encouraging, aiding, or participating in a strike, stoppage of work, slowdown, or interruption of operations.

**HB08-1325 Colorado Nonimmigrant Agriculture Seasonal Worker Pilot Program** (Representative(s) Looper, Rose, Curry, Gallegos, Garza-Hicks, Labuda, McFadyen, Todd, and McKinley; also Senator(s) Tapia, and Romer)

This bill creates the “Nonimmigrant Agricultural Seasonal Worker Pilot Program” in the Department of Labor and Employment. The purpose of the program is to expedite the federal H-2A visa certification process so that eligible workers can come to Colorado legally to meet the staffing needs of Colorado farmers and ranchers. The pilot program is limited to 1,000 employees in the first year, with annual increases of 1,000 each year for 4 years. The Nonimmigrant Agricultural Seasonal Worker Pilot Program Advisory Council, made up of legislators, agency executives and

stakeholders, is created to make recommendations for the adoption of rules and to assist in the preparation of reports to the General Assembly. The bill establishes requirements for employers and employees who participate in the program. Violation of any provision in the bill is a misdemeanor criminal offense and allows the department to assess civil penalties for violations. The program will generate cash funds revenue that will be deposited into the Nonimmigrant Agricultural Seasonal Worker Pilot Program Cash Fund from fees paid by employers.

**HB08-1335 State financial assistance to finance public school facility capital construction** (Rep. Romanoff, Sen. Groff and Schartz)

HB08-1335, the Build Excellent Schools Today Act (BEST), repeals and reenacts Article 43.7 of Title 22, C.R.S., with amendments. Article 43.7 addresses the financing of capital construction for public school buildings. In summary, the bill consolidates several sources of revenue currently used for capital construction into one account, the Public School Capital Construction Assistance Fund. The Colorado Department of Education (CDE) is authorized to enter lease purchase agreements or issue grants from the fund with school districts or Boards of Cooperative Services (BOCES). Matching funds are required to obtain funding, although a waiver process exists. The bill also creates the Division of Public School Capital Construction Assistance and the Public School Capital Construction Assistance Board within the CDE to manage the selection of projects, funding matters, and to provide technical assistance. The division of Oil and Public Safety within the Department of Labor and Employment will conduct school plan reviews and conduct inspections.

**HB08-1400 Authority of the Division of Employment and Training to accept and expend money from gifts, grants, and donations** (Representative(s) Scanlan, Looper, Summers, and Labuda; also Senator(s) Gibbs, and Schwartz)

This bill allows the Department of Labor and Employment, Division of Employment and Training, to accept and expend moneys from gifts, grants, donations and other nongovernmental contributions for the purposes of administering workforce development programs.

**SB08-051 Grant of additional enforcement authority to the Director of CDLE, Division of Oil and Public Safety** (Sen. Taylor and Rep. Marshall)

This bill addresses deficiencies in the enforcement authority of the Department of Labor and Employment, Division of Oil and Public Safety, as identified in a 2007 performance audit. The bill broadens the division's enforcement authority to include boilers and explosives by the following: enabling the director to assess civil penalties up to \$1,000 per violation, per day of violation; authorizing the director to apply for a temporary or permanent injunction; requiring entities that conduct blasting to notify the division; authorizing the division to inspect blast sites or to request blast demonstrations; and removing the \$75 limit on fees for explosives permits.

- SB08-114**     **Registration of employee leasing companies** (Sen. Veiga)  
This bill amends existing statutes governing employee leasing companies (ELCs) that have on-going relationships with work-site employers. The bill requires certification of ELCs with the Department of Labor and Employment within 60 days of the bill becoming law for a fee not to exceed \$500 per year. It clarifies that ELCs are required to pay unemployment insurance taxes for all employees covered under an ELC contract; requires ELCs to prove they have sufficient funds to make tax payments; updates definitions to reflect current employee leasing terminology; clarifies that workers' compensation insurance employer protections cover both the ELC and the work-site employer regardless of who holds the policy; and authorizes the executive director to take disciplinary action against ELCs including probation, financial penalties, and revocation of certification.
- SB08-120**     **Authorization of paycard use by employers** (Sen. Penry and Rep. Rice)  
This bill authorizes an employer to deposit wages on a paycard so long as the employee receiving the paycard is provided free means of access to the entire amount of net pay at least once per pay period. Allows the employee to choose to receive payment of wages by other authorized means.
- SB08-122**     **Wage sharing information** (Sen. Windels and Rep. Carroll T.)  
This bill makes it a discriminatory or unfair labor practice for an employer to discharge, discipline, discriminate against, coerce, intimidate, threaten, or interfere with an employee because the employee inquired about, disclosed, compared, or otherwise discussed wages; to require as a condition of employment nondisclosure by an employee of his or her wages; or to require an employee to sign a waiver denying the employee the right to discuss wages.
- SB08-139**     **Notice to Employers of Federal E-Verify** (Sen. Lundberg and Rep. Schultheis)  
This bill requires the Department of Labor and Employment to notify employers, quarterly for the next 2 years and twice per year thereafter, of the prohibition against hiring or continuing to employ an unauthorized alien and the availability of and participation requirements for the federal electronic verification program (E-Verify program) to verify the work eligibility status of new employees. Also requires the department and the secretary of state to post on their respective web sites information about the prohibition against hiring unauthorized aliens and the E-Verify program and a link to the E-Verify program web site.
- SB08-155**     **Centralization of state agency information technology resources in OIT** (Sen. Cadman and Rep. Kerr)  
This bill consolidates the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT). It does not affect the legislative or judicial

Department Description: FY09-10 Budget Request

branches, or the departments of law, state, or the treasury. Specifically, the bill transfers several IT functions and staff positions from various state agencies to OIT on July 1, 2008. The largest single agency transfer involves moving most of the Division of Information Technology from the Department of Personnel and Administration. These portions include the General Government Computer Center (GGCC), telecommunications coordination, and statewide IT management and support functions. The bill also makes the chief information officer of each state agency subject to supervision by the director of OIT instead of the agency's executive director, although any official transferred in this way would maintain his or her duties or responsibilities related to the information technology resources of the agency. Before July 1, 2012, the bill also transfers to OIT the oversight of other IT employees across several state agencies. Money in the revolving fund is continuously appropriated to OIT to pay the costs of consolidation and IT maintenance and upgrades.

**SB08-193 Public Contracts for Services** (Sen. McElhany and Rep. Judd)

This bill requires the Executive Director of the Department of Labor and Employment to establish a program to allow a contractor to verify or otherwise provide evidence of the employment eligibility of all employees who are newly hired for work on a public contract for services. Excludes certain types of agreements from the definition of public contract for services.

**SB08-204 Exception to requirement that decisions be issued on every UI claim submitted** (Sen. Veiga and Rep. Carroll T.)

This bill adds an exception to the requirement that decisions be issued on every claim submitted for unemployment benefits. If after filing an initial claim, a claimant does not file a continued claim, no decision is required to be issued.

**SB08-224 Measures to ease the regulatory burden of compliance with the "Elevator and Escalator Certificate Act"** (Sen. Harvey and Tapia)

This bill extends the deadline for adopting rules from within 6 months of the national standard's effective date to within 3 years. The bill allows the division to promulgate rules exempting conveyances from specific national standards if installed prior to that standard's effective date. At the time of writing, the fiscal note is prepared without knowing the above standard's effective dates. Once the effective dates are learned, this fiscal note will be updated with the new information. The bill also allows the division to do the following: (1) establish a schedule for local jurisdictions to adopt local standards that meet or exceed the listed national standards; and (2) promulgate rules modifying national standards to accommodate inspectors witnessing safety tests. Finally, the bill clarifies that the insurance requirement for conveyance contractors does not extend to local jurisdictions or employees of the local jurisdictions.

- SB08-231**     **Transfer of Workforce Development responsibilities from Department of Local Affairs to the Department of Labor and Employment** (Senator(s) Veiga; also Representative(s) Vaad, Buescher, Marshall, Soper, and Summers)  
This bill transfers the Colorado Workforce Development Council and the Office of Work Force Development from the Department of Local Affairs to the Department of Labor and Employment. The council exists to administer the state requirements under the federal Workforce Investment Act of 1998.
- SB08-241**     **Concerning certain benefits under the Workers' Compensation Act** (Sen. Tochtrop and Rep. Marshall)  
This bill addresses issues in the workers' compensation system. It removes the limit of one device such as glasses, hearing aid, or prosthesis that can be provided to an injured worker. The bill clarifies that the medical fee schedule applies to all services, whether related to treatment or not. Finally, the bill modifies the circumstances under which an insurer can reduce benefits to an injured worker as a result of a prior injury.

## HOT ISSUES

---

### **Federal Funding**

- ♦     Unemployment Insurance Program: Historically Congress appropriated amounts requested by USDOL that reflected state UI programs' needs fairly accurately. Beginning in the mid-1990s federal-funding policies changed from reflecting state UI programs' costs to limiting the amount of the annual cost increases. This has led to state UI programs not being adequately funded and has forced states to spend state funds to cover the costs associated in administering the UI program. Federal funds continue to decline.  
  
In August 2006 USDOL advised all state UI programs of their intentions to eliminate their current procedure of paying the U.S. Postal Service directly for postage costs incurred by each state program effective October 1, 2007. This required UI to assume the responsibility for paying its own postage costs, as well as any mail-management service charges that were reimbursed by USDOL. As a result of this change, Colorado experienced additional negative impacts to federal funding as of October 2007.
- ♦     Workforce Development Programs: The major sources of federal funding include the Wagner Peyser (WP) and Workforce Investment Act (WIA) grants. The WP grant has experienced small increases and decreases over several years; however, funding has remained flat. From FY2007-08 to FY2008-09, WP funding increased slightly by .21%. The WIA grant has decreased annually since FY2005-06. From FY2006-07 to FY2007-08, WIA funding decreased by 14.5%, and from FY2007-08 to FY2008-09, WIA funding decreased by 11.5%. The situation was further exacerbated by U.S. Department of Labor's

## Department Description: FY09-10 Budget Request

WIA Rescission of \$8.9 million thereby reducing the allocations for all workforce regions and limiting the delivery of intensive and training services statewide. The Department was recently granted authority to spend state cash funds to supplement some of the losses in federal funding; however WDP is still at a reduced funding level for FY2008-09.

- ♦ **Labor Market Information:** The U.S. Bureau of Labor Statistics programs are funded from the Labor Force Statistics line item in the BLS budget. The FY 2008 request is for \$253.584 million. Historically, about 33% of this line item funds the cooperative programs with states. The BLS request represents a 2.6% increase in the Labor Force line item over the 2007 rescission level. The Unemployment Insurance Trust Fund (UTF) accounts for \$78.264 million of the FY 2008 request. The UTF increase is 1.6% over FY 2007. However, BLS funding to states in FY 2007 was 3% below the FY 2003 level.

The Employment and Training Administration's workforce information core products grant is funded from the "One-Stop Career Centers/Labor Market Information" line item. ETA requested \$55.985 million for FY 2008 to provide workforce information, national electronic tools, and one-stop system building under the Wagner-Peyser Act. The line item has been cut significantly in the past several years. The amount provided to states from the line item held at \$38.0 million until rescissions lowered the amount slightly in PY 2005. Total funding to states in PY 2007 is 16% below the PY 2005 level. ETA is proposing another 12.3% cut to this funding in PY 2008.

While BLS and ETA are cutting funding, business costs of producing LMI have increased. According to the Employment Cost Index produced by BLS, salaries and benefits in state and local government have increased by 17.6% since 2003, with benefit costs rising faster than wages. These cuts to this information lifeline threaten the ability for states to target talent development, promote innovation and respond effectively in other ways to the challenges of the global economy.

### **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.
- ♦ **Unemployment Insurance Program:** One of the greatest challenges facing the UI Program is replacing its aging legacy systems which were established more than 20 years ago. In light of the continued decrease of funding, the UI Program is undertaking a broad reassessment of current and future business needs and exploring technology capable of fulfilling these

## Department Description: FY09-10 Budget Request

needs without negatively impacting its existing and desired customer service levels. 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.

In 2008 the UI Program received partial funding from the state to design, develop, and implement additional Internet self-service applications for claimants and employers. This effort will allow the UI Program to modernize its current Internet self-service applications; develop, implement, and maintain the functionality of new applications; and integrate these elements into an Internet self-service suite. Over a two-year span, ten Internet self-service applications will be deployed. The resulting Internet suite will require minimal intervention by business staff and provide a viable conduit for claimants and employers to conduct business with the UI Program.

### **Unemployment Insurance Trust Fund Solvency**

CESA 8-76-102 (5)(a) states a solvency tax surcharge (STS) is assessed and added to the standard or computed tax rate when the UI Trust Fund balance on any June 30 is equal to or less than nine-tenths of one percent of the total wages reported by ratable employers for the calendar year or the most recent available four consecutive quarters prior to the last computation date. This surcharge ensures the rapid recovery of trust fund solvency following periods of recession. The STS has been in effect since calendar year 2004 and remains in effect for calendar year 2008.

### **Emergency Unemployment Compensation**

The U.S. Congress passed legislation for the payment of Emergency Unemployment Compensation (EUC) benefits. The President signed the EUC legislation into law on June 30, 2008 which provides up to 13 weeks of extended unemployment insurance benefits and provides administrative funding to compensate for increased claims workload. Nationwide UI claims had reached a level nearly 18 percent greater than the previous year.

### **WIA Reauthorization**

The reauthorization of the Workforce Investment Act (WIA)/Wagner Peyser Act (WP) has been debated since 2002, but Congressional action is not anticipated until after the 2008 Presidential and Congressional elections. Several proposals for reauthorizing WIA/WP have been circulated and presented in Congress during the last several legislative sessions. Most of these proposals suggest a major restructuring of the program which could result in additional budget cuts in the future. It is highly probable that a reauthorization could bring major changes to CDLE's workforce development programs and the State's workforce development system; however, such changes are not anticipated to happen before FY2010-2011.

### **Healthcare Industry**

In FY2007-08, the department received a supplemental appropriation of \$1.4 million to continue the operation and delivery of state-of-the-art healthcare training programs through the "Work Education and Lifelong Learning Simulation Center" (WELLS Center), a collaborative healthcare training center located at 1999 North Fitzsimons Parkway, Suite 180, in Aurora. The WELLS Center has been crucial in providing additional clinical training capacity for the healthcare industry and providing healthcare simulation training courses to new and practicing healthcare professions. In FY2008-2009, the CDLE will work to increase the marketability of services through the WELLS Center to create a self-sustaining training facility independent of federal and state funding support. Since the establishment of the WELLS Center, the CDLE has been part of the solution of the healthcare labor shortage by training over 2,000 new and practicing healthcare professionals.

The labor shortage in the Long Term Care industry has become a priority issue in Colorado. WDP staff is currently developing strategies to address the supply/demand challenges and the training needs of this high-growth industry, and are taking steps in FY2008-2009 to launch preliminary solutions.

In addition, the increased cost of healthcare is an issue in the workers' compensation system of every state. Due to some of the systems put in place in Colorado, we have not been hit as hard by this issue as many other states. 2008 is the first year that a change in the law allows an injured worker to choose the treating doctor from a list provided by the employer.

### **Energy Industry**

Energy development in Colorado is rapidly changing the labor landscape in Western Colorado and the Denver Metro region. The state has entered into another energy boom creating a high demand for skilled workers in oil and gas extraction, alternative energy and fuel development, mining, and industry support. Collaborating with economic development advocates, education leaders, and the business community to design educational programs and productive partnerships, the CDLE has implemented solutions to address both the short and long term workforce needs emerging from the energy industry. In FY2008-09, the CDLE will launch the "Western Colorado Energy and Mining Training Initiative" to build capacity within western regional technical colleges and develop and deliver new customized courses focusing on short-term, skill specific trainings in the energy and mining industries. The CDLE estimates that at least 2,520 new and incumbent workers will be trained through FY2010-2011 with at least 65% placed in new or advanced employment positions.

### **Alternative and Renewable Fuels**

With the increased demand and use of petroleum, and the need for cleaner fuels there is an increasing trend in development and use of alternative and renewable fuels. Today there is a wide array of alternative fuel sources that are finding their way into the marketplace. New standards for the safe storage and product quality of these fuels are being developed.

## Department Description: FY09-10 Budget Request

House Bill 07-031 concerning renewable energy requires the division to establish policies regarding the storage of renewable fuels. The bill also requires the Division to promulgate, and enforce, rules concerning the placement of underground and aboveground storage tanks that contain renewable fuels by April 30, 2008. The purpose of the rules is to develop a uniform statewide standard of issuing permits for underground and aboveground storage tanks to promote the use of renewable fuels so that the process of obtaining a permit for an aboveground storage tank that contains renewable fuels may be more efficient and affordable.

In addition, staff will now need to educate themselves regarding potential releases of these fuels and their unique chemical components. The staff needs to be aware of the unique properties of these components, and appropriate methods of assessment cleanup.

### **Online Workforce Education and Training**

The CDLE will be receiving a grant called "*Collaborative Online Workforce Education and Training Portal Demonstration: Online Innovation 4 Talent Development*" allowing the CDLE to build upon its existing *e-Colorado* portal to connect incumbent workers, career changers, unemployed, underemployed and veterans with opportunities for access to targeted on-line education and training courses currently unavailable in Colorado. The project will support regional educational partnerships, expanding the pool of on-line training resources for workers in the informational technology, energy, and healthcare industries. The project aims to provide 200 student scholarships to enhance workers' skill sets and make them more competitive in the labor market of Colorado's high-growth industries.

With the leverage of matching dollars from the Sloan Foundation and the Western Interstate Commission for Higher Education, Colorado will increase its national visibility of *e-Colorado* while providing valuable training to workers who may not otherwise be able to access such training. The CDLE will have the opportunity to showcase its leadership in applying internet technology to develop the talents of its workforce.

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

Although the total number of veterans registering for Employment and Training services has not significantly changed in the last several years, the number of Disabled, Recently Separated, Homeless and Incarcerated veterans released from prison has increased. These groups of veterans require a greater degree of staff assisted and intensive services than other veterans. With the continued conflict in Iraq and Afghanistan, there will be a significant increase in veteran customers suffering from Traumatic Brain Injuries (TBI) and Post Traumatic Stress Disorder (PTSD) requiring additional intensive assistance to successfully reenter the civilian workforce. Additionally, as a result of recent Base Realignment and Closure (BRAC) actions, approximately 10,000 troops are

## Department Description: FY09-10 Budget Request

anticipated to be transferred to Fort Carson in Colorado Springs by 2010. This will significantly increase the need for employment and training assistance for military spouses and military dependents.

In FY2007-2008, the CDLE implemented a Federal National Emergency Grant under the provisions of WIA to provide employment and training services to military spouses in the Pikes Peak Workforce Region. The program will expand to the Arapahoe/Douglas Workforce region for services through FY2008-2009. The \$2.1 million Military Spouse Career Advancement Account Demonstration Grant was also implemented in FY2007-2008 and continues through FY2009-2010 providing 650 military spouses in the Pikes Peak workforce region increased access to post-secondary education and training opportunities, while testing the Career Advancement Account approach to providing workforce training services.

The Local Veterans Employment Representatives (LVER) and Disabled Veterans Outreach Program (DVOP) federal funding allocations have remained flat since FY2006-2007 although personnel, benefits, and operating costs have continued to increase. Changes in staffing levels and budget adjustments to meet the increased need for specialized veterans' services as described above will continue to present challenges to these programs through FY2009-2010.

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

Planned changes to the Federal minimum wage on July 24<sup>th</sup> of 2009 may necessitate the issuance of another Wage Order at that time in the event that the federal minimum wage exceeds the state minimum wage (the Minimum Wage Act requires the Division to match the federal minimum wage when it exceeds the state minimum wage).

### **Employment Verification Law**

Effective January 1, 2007, all Colorado employers must abide by a new employment verification law, 8-2-122 C.R.S. The Division assumed responsibility in late February of 2007 over this law, and has prepared extensive guidance and provided assistance to employers and employees. The Division crafted a comprehensive website specifically for this law, accessible at [www.coworkforce.com/lab/evr](http://www.coworkforce.com/lab/evr).

### **Public Contracts for Services Law**

The Colorado Public Contracts for Services and Illegal Aliens Law, effective August 7, 2006, was amended by SB 08-193, signed by the Governor on May 13, 2008. The Division has prepared extensive guidance on the new law and related processes, including new fact sheets, guides, affirmations, notifications, and website overhaul here: [www.coworkforce.com/lab/pcs](http://www.coworkforce.com/lab/pcs)

**D-028 07 Executive Order on State Employee Partnership Elections**

Pursuant to Governor Ritter’s Executive Order D 028 07, the Division of Labor is charged with acting as the neutral party implementing the Executive Order in order to improve government services, achieve efficiencies, and establish the framework for discussing issues of mutual concern to the employees and the State.

The Division of Labor is responsible for promulgating guidelines and procedures for the proper implementation of this Executive Order, appointing mediators to assist parties in resolving impasses and disputes, and conducting elections to make determinations regarding the certification of exclusive representation of Covered Employees in a Partnership Unit.

**Amusement Ride Industry**

The state is experiencing growth in a segment of the amusement industry that does not fall within the traditional definition of amusement parks: challenge courses such as zip-lines and climbing walls; and simulated extreme sports such as sky diving. With the passage of HB 08-1103, the division will be promulgating rules to include these previously unregulated segments of the amusement ride industry.

**WORKLOAD REPORTS**

UNEMPLOYMENT INSURANCE PROGRAM Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Number of Unemployment Insurance Initial Claims	119,726	135,684	120,074	120,074
Number of Appeals Decisions	17,632	17,315	18,904	18,904
Number of New Employer Accounts	23,832	not available	28,103	28,103

UNEMPLOYMENT INSURANCE PROGRAM Benefit and Claim Statistics	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Average duration of a benefits claim in weeks	13.3	13.5	13.5	13.5
Average weekly benefit amount	\$317.05	\$333.18	\$339.63	\$339.63

Department Description: FY09-10 Budget Request

WORKFORCE DEVELOPMENT PROGRAMS Workload Indicators		FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Total applicants	Target	350,000	350,000	350,000	350,000
	Actual	351,576	400,662		
Total applicants referred to jobs	Target	155,000	155,000	155,000	155,000
	Actual	156,740	162,228		
Total job openings received from employers	Target	104,000	105,000	110,000	115,000
	Actual	112,058	128,749		

WORKFORCE DEVELOPMENT PROGRAMS Workload Indicators -Applicants Served by Program	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Workforce Investment Act	8,934	6,202	8,500	8,500
Wagner Peyser	318,964	346,077	310,000	310,000
Veterans	33,700	35,970	34,000	35,000
Migrant Seasonal Farm Workers	639	912	500	500
Work Opportunity Tax Credit	20,434	27,191	23,000	24,000
Governor's Summer Job Hunt	33,902	39,200	30,000	32,000
Trade Adjustment Assistance	1,599	1,531	1,880	2,210
Trade Readjustment Allowance	850	1,145	900	900
Alien Labor Certification	727	15,016	750	750
Displaced Homemaker	68	71	70	70

Department Description: FY09-10 Budget Request

WORKFORCE DEVELOPMENT PROGRAMS Workload Indicators -Employers Served by Program	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Wagner Peyser	18,721	19,340	19,000	19,000
Work Opportunity Tax Credit - Number of employers registered	2,957	1,543	1,800	1,800
Alien Labor Certification	727	1,154	750	750

LABOR MARKET INFORMATION Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Establishments on QCEW data file	212,827		216,000	220,000
New establishments classified by industry	24,100		25,000	25,000
Establishments verified for proper classification	31,710		25,000	26,000
LMI Gateway website hits	103,456		125,000	140,000
Products distributed	12,737		35,000	70,000
Training sessions and presentations	30		45	60

DIVISION OF LABOR Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Claims successfully resolved	5,515	5,540 <sup>1</sup>	5,000	5,000
Money recovered	\$1,350,000	\$1,270,000 <sup>2</sup>	\$1,750,000	\$1,750,000
Employee group presentations / number in attendance	35 / 1,500	28 / 1,000	45 / 1,200	45 / 1,200
External investigations	43	25	50	50
Walk-in customers	2,016	2,088	2,000	2,000

Department Description: FY09-10 Budget Request

Wage claims per FTE	1,057	900	900	900
Dollars recovered per FTE	\$192,857	\$159,000	\$217,000	\$217,000
Average dollars recovered per claimant	\$182	\$177	\$225	\$225
Estimated taxes recovered (State & Federal)	\$337,500	\$317,500	\$460,000	\$460,000
Collective Bargaining Elections	0	9	5	5
All-Union Agreement Elections	5	7	5	5
Unfair labor practices charges	0	2	5	5
Employment verification claims	35	780 <sup>3</sup> , 87 <sup>4</sup>		
Public contracts for services claims	8	4		

<sup>1</sup> The unsuccessful claims include employers filing for bankruptcy, claims that do not fall under the Division’s jurisdiction, claims past the statute of limitations, and disputes best handled by the judicial system due to complexity to by the preference of the parties involved.

<sup>2</sup> There has been an increase in the number of employees filing claims against companies unable to pay due to economic downturn.

<sup>3</sup> Employment Verification Random audits

<sup>4</sup> Complaint based Employment Verification audits

OIL & PUBLIC SAFETY Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Number of required Public School inspections per fiscal year - new for FY 08	n/a	669	700	600
Number of Public School projects and plan per fiscal year	350	511	350	350
Number of preliminary meetings with architects concerning public schools	262	188	281	281
Percent of Public School plan reviews that receive management quality control review	n/a	100	100%	100%
Number of boilers requiring inspection	24,912	24,761	27,000	29,000
Percent of boiler inspections performed by certificate expiration date	64%	57%	75%	80%

Department Description: FY09-10 Budget Request

Percent of boiler violations corrected by deadline	71%	64%	75%	80%
Percent of boiler initial inspections on new installations performed within 30 days of installation	56%	68%	75%	80%
Number of explosive magazine inspections required	75	122	85	85
Explosive exams conducted	278	409	250	250
Explosive permits processed and issued	456	650	500	500
Number of carnivals and amusement parks inspected	n/a	10	15	15
Percent of daily amusement ride inspection reports reviewed for compliance	n/a	11	15	15
Number of petroleum facilities	2,307	3,082	2,400	2,400
Number of LPG facilities	1,849	960	1,900	1,900
Percent of retail petroleum facilities inspected each year to ensure 18 month inspection frequency goal is achieved	66%	65%	67%	67%
Number of confirmed petroleum releases reported	190	199	200	200
Number of open events	1,205	1,120	1,120	1,120
Number of site characterization reports received	164	200	175	175
Percent of site characterization reports reviewed and NFA, CAP request or Final SCR letter issued within 60 working days.	76%	95%	95%	95%
Number of corrective action plans received	402	353	250	200
Percent of corrective action plans reviewed and a CAP approval or denial letter issued within 90 days.	90%	90%	90%	90%
Average turnaround time for petroleum product sample analysis	17 days	10 days	10 days	10 days
Processing time of traditional original reimbursement applications with a fund payment report prepared within 90 working days	87 days	71 days	85 days	85 days
Processing time of electronic reimbursement applications with a fund payment report prepared within 90 working days	66 days	50 days	65 days	65 days
Leak/spill/special investigations	146	115	150	150
Tank installations and upgrades	296	216	325	350
Tank closures	164	133	190	190

Department Description: FY09-10 Budget Request

Percent of facilities in operational compliance with regulations	75%	68%	95%	95%
Number of petroleum impacted sites receiving a No Further Action status	273	259	225	225
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	90%	89%	95%	95%
Consumer complaints	423	301	450	450
Percentage of consumer complaint investigations completed within 5 working days	94%	96%	98%	98%

DIVISION OF WORKERS' COMPENSATION Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Projected
Number of customer contacts with the Customer Service Unit	56,467	55,691	57,000	55,000
Number of customer contacts via telephone calls	50,217	48,571	50,000	48,000
Number of customer contacts via walk-ins	6,250	7,120	7,000	7,000
Reduce caller telephone wait time in Customer Service as measured in seconds	18	19	20	20
Reduce percentage of lost calls	4%	4%	3%	3%
Number of Independent Medical Exam (IME) applications processed	3,150	3,178	3,100	3,100
Number of IMEs held by workers' compensation number, not event	2,558	2,512	2,700	2,700
Percentage of workers' compensation cases with IME applications that requested hearings	47%	50%	35%	35%
Number of applications for indigent determination filed with Office of Administrative Courts (OAC) - data provided by the OAC	578	570	600	600
Number of applications for indigent determination where the claimant was determined to be indigent	359	367	400	400
Number of utilization reviews (UR) processed	14	2	15	15

Department Description: FY09-10 Budget Request

Percentage of UR orders upheld	100%	100%	95%	95%
Number of injury reports filed by employers and claimants	40,608	38,378	41,000	41,000
Number of reviews of admissions of liability for benefits	68,514	64,032	60,000	60,000
Orders related to requests for administrative closure for claims	708	932	700	800
Orders related to requests for penalties or compliance issues	494	728	606	658
Respond to inquiries about the fee schedule	2,240	1,775	1,800	1,600
Number of motions addressed by prehearing Administrative Law Judge (ALJ) through motions practice, including prehearing conf.	9,256	11,702	11,000	11,000
Number of stipulations for settlement approved	6,438	6,418	7,000	7,000
Major Medical Insurance and Subsequent Injury Funds: Savings by fee scheduling and denying charges for treatment of non-related conditions	\$6,988,300	\$6,095,111	\$5,500,000	\$5,500,000
Average number of days from receipt to resolution of medical billing disputes	14	16	20	20
Total current accredited physicians	1,073	1,021	1,100	1,100
Number of seminars provided by the Division to the public	47	64	50	50
Number of Division-sponsored seminars held outside of the metro area	14	24	25	25
Number of audited and on-site reviews of commercial carriers' claims handling practices	23	24	30	33
Premium cost containment cumulative employers certified	4,738	5,127	5,427	5,727
Cumulative employers self-insured	101	95	95	95
Cash flow advantage to self-insured employers program wide	\$124M	\$95M	\$99M	\$102M
Number of self-insured employers audited for regulatory compliance	36	45	30	30
Number of insolvent self-insured employers who default on workers' compensation	0	0	0	0
Number of cumulative defaulted self-insured employers under supervision	3	3	3	3
Number of revoked permits annually reviewed	51	63	63	63