Department of Labor and Employment

FY 2026-27 Joint Budget Committee Hearing Agenda

Monday, December 15, 2025

3:30 pm – 5:00 pm

3:30 – 3:35 Introductions and Opening Comments

Presenter: Joe Barela, Executive Director

3:35 – 3:50 Quarterly Census of Employment and Wages Data Issues

Main Presenters:

- Joe Barela, Executive Director
- Cher Haavind, Deputy Executive Director/Chief Communications Officer

Supporting Presenters:

- Meghan Kulp, UI Employer Services Branch Manager
- Tim Wonhof, Labor Market Information Director

Topics:

- QCEW Data Issues: Page 5-7, Questions 2-4 in the packet

3:50 – 4:15 R1 New Special Purpose Authority (SPA) Creation

Main Presenters:

- Joe Barela, Executive Director
- Danny Combs, Director of the Colorado Disability Opportunity Office
- Darcy Kennedy, Deputy Executive Director/Chief Financial Officer
- Christine Bonorino, Budget Director

Supporting Presenters:

Topics:

- Details on the SPA Proposal: Page 7-12, Questions 5-9 in the packet
- Impacts of the SPA Proposal: Page 12-13, Questions 10-12 in the packet
- Additional Questions on Support for Individuals with Disabilities: Page 13-14, Question 13 in the packet

4:15 – 4:45 Budget Reductions Submitted with the Department's Request

Main Presenters:

- Joe Barela, Executive Director
- Darcy Kennedy, Deputy Executive Director/CFO
- Christine Bonorino, Budget Director

Supporting Presenters:

- Kristin Corash, Director of Division of Voc Rehab and Independent Living Services
- Kristina Rosett, Director of Division of Labor Standards and Statistics
- Kelly Folks, Director of Division of Employment and Training

Topics:

- R3 Employment Support and Job Retention Program Elimination: Page 14-18, Questions 14-18 in the packet
- R5 Labor Standards Program Reduction: Page 18-19, Question 19 in the packet
- R7 Office of Independent Living Services Reduction: Page 19-21, Questions 20-23 in the packet
- Statewide R6 Hospitality Education Grant Reduction: Page 21, Question 24 in the packet

4:45 – 5:00 Other Budget Reductions and Miscellaneous Questions

Main Presenters:

- Joe Barela, Executive Director

- Darcy Kennedy, Deputy Executive Director/CFO
- Cher Haavind, Deputy Executive Director/CCO
- Christine Bonorino, Budget Director

Supporting Presenters:

- Kathy Duffin, CDLE Human Resources Director/CHRO
- Tracy Marshall, Director of FAMLI
- Kristina Rosett, Director of Division of Labor Standards and Statistics
- Zach Herman, UI Policy Manager

Topics:

- Cost Containment in the UI Division: Page 22-23, Question 25 in the packet
- Administrative and Staffing Costs: Page 24-32, Questions 26-27 in the packet
- Reduction to H.B. 25-1001 Appropriations: Page 33-35, Question 28 in the packet

Department of Labor and Employment

FY 2026-27 Joint Budget Committee Hearing

Monday, December 15, 2025

3:30 pm – 5:00 pm

Common question For Department Hearings (Written-only Response)

1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:

   a. What is the total amount budgeted and expended on advertising and media placement type?

   Response: See table below.

   b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?

Campaign	Budget	Schedule	Media Type Allocation	Performance Highlights
Apprenticeship New & Emerging Tax Credit Campaign	$54,000 *Campaign total paid by June 30, 2025 (federal funding)	July 2025 - September 2025	NCSA (Radio Only)	Radio = ● 21,980 placements ●total value: $860,670 producing a 15:1 ROI
Work Opportunity Tax Credit (WOTC) Campaign	$180,000 *Campaign total paid by September 30,	September 1 - November 30, 2025	NCSA (Radio & TV) = $60,000 ● Digital = $120,000	Broadcast Radio = ●13,573 placements TV =

	2025 (federal funding)		(allocation was shuffled between channels based on performance) ○ Google Platforms – 75% ○ YouTube – 14% ○ LinkedIn – 11%	●1,456 placements ●total value: $528,683 producing a 12:1 ROI Digital PMax (Google performance max includes Search, YouTube, Display, Discover, Gmail and Maps) = ●Impressions: 15,435,636 ●Clicks: 178,177 LinkedIn = ●Impressions: 93,645 ●Clicks: 1,783 *This campaign just ended and final results are not yet available. Above results reflect performance in the month of October.
Labor Law Campaign	$40,000 *Campaign total paid by June 30, 2025. (GF per SB 23-261)	June 2025 - August 2025	NCSA (Radio Only in June) = $18,000 ● YouTube = $22,000	Radio = ●5,477 placements ●total value: $258,285 producing a 13:1 ROI YouTube = ●Video View Rate: High 96.37% (industry average is 31–45%) ●Impressions: 1,743,911 ●Cost per View: 1.3¢ - $0.0131 (average range: $0.03–$0.06)
Workers' Comp Social Media Campaign	FY24/25 - $6,450 (Workers Comp Cash Fund)	12 social media campaigns were executed throughout FY 24/25	Social Only ● Meta = 45% ● LinkedIn = 55%	Meta = ●816,00 accounts reached ●Impressions: 1.657 million LinkedIn = ●Impressions: 1.39

				million
Connecting Colorado Campaign	$150,000 *Campaign total paid by September 30, 2025 (federal funding)	October 2025 - January 2026	80% of Budget Targets Job Seekers via: DOOH: $16,650 YouTube: $22,200 Search: $27,750 Meta: $27,750 Display/IBV: $16,650 20% of Budget Targets Employers via: LinkedIn: $5,550 Search: $9,712 Display/IBV: $12,488	Totals* across platforms: ●Impressions: 5,328,084 ●Conversions (clicking "Register" in Connecting Colorado): 3,711 ●Click Through Rate: 4.91% *This campaign is still active. Above results reflect performance as of November 9, 2025.
Total Paid Outreach Funds Spent in FY24/25:	**$430,450**			

c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?

Response:

All of CDLE's broadcast messages are directed only to Colorado-based media outlets, and all of its digital messages are targeted regionally to Colorado across platforms. CDLE has worked with the Colorado Broadcasters Association (CBA) for more than 15 years as a partner in their Non-commercial Supporting Announcement (NCSA) Program to place all of its broadcast media buys. The NCSA Program allows us to broadcast our messages across radio and television stations statewide at a discounted rate and provides unprecedented ROI. Our campaigns often see a 10:1 ROI or higher.

The CBA recently started offering digital media buys to pair with their NCSA program. Combining broadcast with digital and social media tactics provides significant impact, typically delivering as much reach in one week as a social media campaign alone can deliver in one month.

Before the CBA added digital campaigns to their offerings, we also contracted other media buying agencies, like SE2, to execute campaigns that do not include broadcast tactics and are focused on digital display, search, outdoor, social and place-based media.

d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?

Response:

The performance of broadcast campaigns through the NCSA Program is measured by key performance indicators including ROI, number of placements and the percentage of placements in key dayparts. Our goal for broadcast campaigns is to achieve a minimum monthly ROI of $4 to every $1 invested.

The performance of digital campaigns are measured by several key performance indicators relative to each platform, including but not limited to: impressions, cost per click, engagement, cost per view, video view rates etc. Goals at the start of each campaign are dependent on the campaign's budget and size of the target audience.

The impact of awareness campaigns are measured by correlating activities like web traffic or submitted applications depending on the call to action of the campaign. For example, during the months the WOTC campaign was active, the WOTC team saw a 5.8% increase in requests compared to the same period of the previous year and a 5% increase from the previous three months.

e. If any portion of advertising is managed through third-party vendors (or 'partners';) or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?

Response:

See the above chart for the performance highlights of the campaigns executed this calendar year. When a campaign is active, we require that our contractors provide a monthly performance report. These reports are digested via email and reviewed during calls if need be. If the campaign includes digital tactics, we adjust the allocation of those digital tactics based on the performance of the campaign. For example, in the digital campaign promoting WOTC, based on the performance of the first month, in the second month we combined our Google Search and YouTube budgets into one PMax (Google performance max), which shows messages across Google's platforms (Search, YouTube, Display, Discover, Gmail and Maps). Doing so optimized campaign performance by increasing awareness through impressions via Display and Discovery (in addition to continuing Search and YouTube) and increased impressions by over 3450%.

f. Monthly or quarterly reporting - how is reporting delivered?

Response:

Performance reports are typically shared and reviewed monthly. They are delivered via email and discussed during meetings with the media buying partners.

Quarterly Census of Employment and Wages Data Issues

2. *[Rep. Taggart]* Please have ready by the day of the hearing a specific identification of what is causing under-reporting issues. What exactly are employers doing that they need to fix?

Response:

The UI Division debuted MyUI Employer+ in October, 2023. The introduction of the new employer wages and premiums system completed the modernization of the State UI program, integrating the claimant and employer systems for the first time in 40 years. Prior to the modernized system, CO employers reported employment and wage data via quarterly summary reports containing aggregate wages and employment counts, as well as premiums paid. MyUI Employer+ is designed to gather more detailed employment and wage data by requiring employers to report gross wages and employment data for each employee SSN record, then calculating and collecting the premiums owed, in alignment with USDOL recommendations.

Employers report wages and employment to the UI Division in MyUI Employer+, through either a file upload or a manual process within the system. About 80% of employers and third-party administrators utilize the file upload option. Both reporting options require input or files to have a minimum threshold of errors for the files to be accepted. These errors could include incomplete SSN, typos or special characters, missing or invalid data. The system is designed to identify and reject records with errors, and provide the user a list of those errors. While we believe this process, as well as the more-detailed reporting requirements, increases the integrity of the information collected, it may have caused challenges for employers using the new system.

The possibility that reduced household and establishment survey response rates since the pandemic, larger-than-normal revisions and other economic factors also influencing the data needs to be considered.

3. [Sen. Amabile] What is the new UI system actually doing so that lower rates of employment are being recorded or estimated? Why are higher employer reporting rates not actually translating to higher employment rate reporting?

Response:

The data irregularities may stem from errors in employer input data, which would lead to incompleteness. This does not stem from an error in system functionality. The new system is designed to gather more accurate information, identify inaccurate data and reject the associated records. However, because it is possible for some records to be accepted by the system while others are rejected, the result is data that is more accurate in the individual records, but possibly incomplete as a whole.

For example, an employer submits a report with 100 employee SSN records, but 9 of the records contain errors. The system will reject those 9 SSN records with errors and accept and process the other 91. In this example, the employer has successfully submitted their report, but because 9 records were rejected, the report as a whole is incomplete. The system informs the employer that the file was "accepted with errors," and provides a list of all errors that happened in the file with a hyperlink to view, correct, and resubmit the records.

Although we are seeing higher reporting rates, the QCEW team is having to estimate a higher proportion of employment and wages. This could be a result of a higher number of incomplete reports being filed, making the product as a whole less comprehensive, despite the more accurate data being collected.

4. [Rep. Sirota] Explain the Department's timeline and process to fix ongoing issues with the QCEW. When does the Department expect this to get resolved?

Response:

The Department has prioritized and expanded our internal data gathering and analysis efforts to expedite identifying and investigating irregularities in the UI data QCEW uses. The Department is taking efforts to better understand the ongoing issues, but has not yet identified any tangible fix and therefore no specific timeline, until the issue is better understood. Now that the federal government has re-opened, LMI can continue its work towards understanding whether an undercount exists, and if it does, what the causes and impact might be. Those efforts include:

- Ongoing LMI reviews of wage detail records rejected by the system due to user error or incompleteness
- Ongoing reconciliation of UI employment and wage data with comparable FAMLI data to identify employers who may be reporting differently to each division
- Examining new, reactivated or experienced accounts suspended for non-reporting but may still be operating
- Ongoing review and analysis of UI generated reports and system interfaces to ensure the data received by LMI matches the source data from the UI system
- Exploring possible system safeguards to better address and decrease user-submitted errors
- Reviewing all compliance-related language included in system correspondence sent to employers
- Maintaining up-to-date compliance-related employer information and resources
- Gathering employer feedback in quarterly surveys on required reporting processes
- Inviting willing employers to participate in focus groups to identify any systematic, informational, or other challenges when submitting reports

This work will allow us to implement targeted outreach to non-compliant, non-reporting and under-reporting employers, and identify future system enhancements to address unwanted user trends. Monitoring and maintaining results can only be done on a quarterly basis, once the data is reported and analysed, and may still be influenced by other economic factors.

R1 New Special Purpose Authority (SPA) Creation

Details on the SPA Proposal

5. [Rep. Sirota] Please explain how this SPA would work and what legislation would look like.

Response:

The SPA would replace the functions of the current CDFC for grant making to support the disability community and legislative changes would take place over two years.

FY27

In FY27 the Department is proposing the creation of the SPA in addition to a new cash fund for the SPA to use funds separate from the DSF. During this time the DSF would transfer an initial amount to the SPA cash fund to begin starting up so that by FY28 the SPA would be able to assume the responsibilities similar to the CDFC. The CDFC would continue to distribute grants for FY27 however spending of the grants would need to be completed by FY28.

During this time the license plate fee position that goes to the DSF would be eliminated for FY27. The DSF has enough funds currently that a one-year pause on the fee would not affect the amount of grants the CDFC could distribute in FY27.

FY28

The CDFC would be dissolved and grant distribution and other functions would be established in the SPA. A new license plate fee would be established to ensure that CDOO continues to have funding in the DSF for its statutory obligations, while a separate donation would be set up and fund the SPA cash fund so that it would be able to distribute grants to assist the disability community. The total amount would not exceed the past historical fees. There would also be one more transfer from the DSF to the SPA cash fund to ensure that grants from the SPA could go out as soon as possible.

Table below added of proposed changes in legislative changes:

Section	Changes
8-88-202 Colorado disability funding committee - powers and duties.	Eliminate the CDFC and responsibilities beginning FY 2027-28
8-88-203 Program to assist individuals to obtain disability benefits.	Remove section and program beginning FY 2027-28 the SPA will take on similar responsibilities in FY 2027-28
8-88-204. Program to investigate, fund, and pilot projects or programs to benefit individuals with disabilities.	Remove section from statute in FY 2027-28 the SPA will take on similar responsibilities in FY 2027-28
8-88-205. Disability support fund.	Move the Disability Support Fund under CDOO statute 8-88-101 –

	8-88-102.5. The DSF will support CDOO statutory obligations. Transfer $550,000 to the SPA cash fund in FY 2026-27 for start-up costs Transfer remaining funds minus CDOO appropriation to the SPA cash fund FY 2027-28
8-88-206. Sale of registration numbers for license plates - license to buy and sell - market for - royalty payment - administration - third-party contracting entity.	Move auctioning authority for license plate combinations to the SPA beginning FY 2027-28
8-88-207. Sunset review - repeal of part.	Eliminate section from statute
42-1-227. Disabled parking education program.	Repeal program FY 2026-27. Program does not receive enough revenue or have enough reserves to carry out statutory duties. SPA to be authorized to distribute similar awards to this program. This will be further described in a Budget Amendment in the January 2nd submission.
42-3-206.5(b). Issuance of plates in a retired style authorized - additional fee - rules.	Strike out current $25 fee in FY 2026-27 and beginning FY 2027-28 DOR in consultation with CDLE, the amount in license plate fee shall be reviewed and adjusted up to once per year to not exceed the appropriation for CDOO as determined by the general assembly.
42-3-206.5(new)	An annual twenty-five-dollar license plate renewal donation minus the fee determined by 42-3-206.5(b) donation shall be transmitted to the state treasurer, who shall credit the same to the SPA account; except that the department and its authorized agents may retain the portion of the donation necessary to offset

	implementing this paragraph (c)
New	Establish a new SPA FY 2026-27 structure shall be similar with a board that helps to determine and review awards
New	SPA to be allowed to distribute grants that support organizations/agencies assisting people applying for disability benefits, funding new innovative and unique pilot projects to improve quality of life for persons living with disabilities, and education and empowerment for disability parking enforcement and compliance.
New	Creation of a new SPA cash fund which would receive transferred funds based on changes to 8-88-205 and ongoing donations from 42-3-206.5

6. *[Sen. Amabile]* How will the fee split, distribution mechanism, and annual adjustment process work? Additionally, who will make fee split and distribution decisions?

Response:

- The new fee will be split according to the revenue from license plates and the appropriation for CDOO.
- The DOR will be the distributing entity and would be reimbursed for its services.
- In consultation between CDLE and DOR the fee amount for CDOO operations shall be determined based on the estimated revenue for the next fiscal year in addition to the CDOOs total appropriation for the following fiscal year.
- The SPA will receive a separate donation that is determined by the $25 minus the fee for CDOO. Making the sum total of the fee and donation equal to the current $25 license plate fee.

7. *[Rep. Sirota]* How will the Colorado Disability Funding Committee's role to auction license plates fit into this?

Response:

The Department will submit a budget amendment to clarify where the ability to auction unique license plate configurations will reside.

8. *[Rep. Sirota]* Please explain the $14.3 million transfer into the Disability Support Fund in FY 2024-25, where did this money come from?

Response:

In FY 2024-25, The DSF received $21M in revenue. Of this revenue, $14.2 million was a transfer into the Disability Support Fund From DPA, to complete the transfer of CDOO from DPA to CDLE. From this transfer $5.3M was from FY25 license plate revenue while the remaining $8.9M was from prior years revenue. In that same fiscal year, CDLE itself received a further 6.3M in License Plate revenue and $0.5M in interest income.

FY 2024-25 DSF Revenue

Revenue Source	Amount
DPA Transfer: FY 25 License Plate Revenue	$5.3M
DPA Transfer: Prior Years Revenue	$8.9M
Total DPA Transfer	$14.2M
License Plate Revenue	$6.3M
Interest Income	$0.5M
Total Revenue FY25	$21.0M

9. *[Rep. Brown]* Why should this be under a SPA instead of an enterprise?

Response:

Enterprises must have a clear business purpose, while special purpose authorities don't. There isn't a clear business purpose for this as an enterprise since it sells license plates to interested motorists then uses the money for grants to support the disability community. Structuring this entity as an SPA carries less risk to the entity's status compared to an enterprise. While enterprises are more widely known, Colorado also has around 20 SPAs including CHFA, the Middle-Income Housing Authority, UCHealth, and Great Outdoors Colorado (GoCO).

Impacts of the SPA Proposal

10. [Rep. Taggart] How does the proposal to create a SPA benefit the disability community? How will it improve services?

Response:

The CDFC was created by the disability community to support the needs of the disability community. As revenue has grown exponentially, administrative resource demands to manage the grants have also increased. The state contracting process may take three to seven months from request for applications to award to payment, and operates on a reimbursement model. This timeline includes the thirty-day posting requirement for awards less than $50,000 or the sixty-day posting requirement for awards in excess of $50,000, the evaluation committee review and recommendation for award timeframe, budget and budget narrative drafting, contract negotiation and execution, and invoice review and approval. This may not work for many disability organizations. Since the grant funds are appropriated annually, the state budget process leaves many organizations only nine months, or even as short as five months, to fully expend their grant awards. This is further exacerbated by the fact that CDOO has only one grant administrator to review the invoices for sufficiency and approval ensuring grant objectives are getting met and only two contract administrators/purchasing agents dedicated to the procurement and contracting grant process for CDOO.

Moving these grants to a SPA will allow the creation of a more efficient contracting process that could include the ability to pay upfront costs, benefitting start up projects that are unable to work on a reimbursement basis - as this can only be done at CDLE with a Fiscal Rule Waiver. The SPA will also have flexibility to adjust costs, including FTE, throughout the year based on revenue and needs, rather than having to go through the lengthy state budget process. Ultimately this means that more organizations working within the disability community will be able to apply for and get funds to address vital disability community needs.

11. [Rep. Sirota] How will the proposal to stop fees and then resume them under a SPA/Department fee split structure impact revenue projections? Does the Department anticipate any decreases or increases in revenue as a result of temporarily pausing fees?

Response:

Though revenue will be paused for a year, future years' revenue is not expected to fluctuate significantly from current revenue. No revenue will be earned during FY26-27, but there is adequate funding in the Disability Support Fund (DSF) to cover expenses in FY26-27 for both CDOO, including the Disability Funding Committee, and start-up costs for the new SPA. Beginning in FY27-28, there will be sufficient funds in the DSF for CDOO's annual expenses with the additional transferred to the new SPA to begin operations. Revenue in FY27-28 is expected to be close to revenue in FYs24-25 and 25-26, as the fee applies not just to new sales, but to all renewals. There may be an increase in license plates purchased while the fee is paused in FY26-27, but it is not anticipated to dramatically impact revenue in forward years. The on-going revenue from the sales and renewals will continue to fully fund CDOO and the new SPA thereafter.

12. [Rep. Sirota] Explain how this proposal will impact the grant programs currently offered by the Colorado Disability Funding Committee.

Response:

This proposal is not expected to impact any current grants. In R-01, the Department has requested additional staffing to support grant management to provide grantees adequate time to finish their grant-funded projects by the end of FY26-27. All CDFC FY26-27 grantees will be required to finish all work and invoicing by the end of FY 26-27. All organizations seeking grants for FY27-28 and beyond will apply for those grants through the SPA.

Additional Questions on Support for Individuals with Disabilities

13. [Sen. Amabile] There are many organizations that help individuals get Social Security Disability Insurance benefits and other services. How is that current support not sufficient to meet the need? Where can efficiencies be had? What are options to make this system better for people universally?

Response:

Approximately 65% of Social Security Disability Insurance claims are denied on initial request. The application process for SSDI and other benefits is notoriously complex, with strict requirements and deadlines that many applicants struggle to meet. Appeals get increasingly more difficult, including an adversarial hearing process that most applicants do not feel equipped to handle alone. Benefits assistance programs are crucial to support applicants with disabilities. Though there are various local government and community organizations that offer support, most do so only when grant funded to provide those services. Continued grant support is important to ensure the programs' viability.

To ensure this vital support continues, the CDFC funds local government and community organizations across the state to provide crucial benefits assistance, while ensuring appropriate oversight and accountability. Since 2019, the CDFC has provided $2.91M to grantees, resulting in assistance for approximately 3,000 individuals.

Budget Reductions Submitted with the Department's Request

R3 Employment Support and Job Retention Program Elimination

14. [Rep. Sirota] How would the population currently served by the grant be served if this program is eliminated?

Response:

The Department will try to minimize the impact of the loss of this program by referring clients to our Workforce Centers and Community partners for similar supportive services.

15. [Rep. Sirota] Are there other fund sources that can fund the Employment Support and Job Retention program so it can continue? For example, the Governor's discretionary set-aside of WIOA funding?

Response:

There are no other fund sources accessible to the Division that would be able to cover the elimination of ESJR funding without reduction in other services or programs. Funds from the Workforce Development Fund (WDF) may be eligible, but would require board approval and legal analysis on use of enterprise funds, and possibly a statutory change.

The Governor's discretionary set-aside of WIOA funding is a variable amount that is based on 15% of the Title I-B funds allocated to Colorado each year. Federal statute and regulation details specific activities that must be funded by these dollars and sets the parameters for allowable activities that may be funded by these dollars. These stipulations can be viewed in this document. Colorado utilizes 1/3rd of the 15% (or 5% of the total) of this funding for the administrative and oversight functions. Annually, the remaining WIOA 10% set aside funds are allocated by the Governor and the CWDC to first fulfill all required functions and then to fund allowable activities to the extent funds are available. Colorado focuses on innovation and system enhancement with these dollars and does not use them for permanent programs.

The first table below provides a high-level break down of the uses of the WIOA 10% funds for the last two state fiscal years, and additional details are provided following the table:

Use Category	**FY25**	**FY26**
Governor's Strategic Initiatives:	$1,068,807	$1,185,870.00
Industry-led strategies to implement the WIOA State Plan with a focus on, expanding work-based learning and skills-based hiring	$337,654	$620,316.00
Evaluation, technical assistance, and technology	$1,432,369	$863,355.00
Incentive Funds and Local Board Training Support	$487,555	
Council Initiatives	$236,303	$717,794.00
Total	**$3,562,689**	**$3,387,335.00**

Governor's Strategic Initiatives:
The use of the funds is determined by the Governor in accordance with federal statute and is not subject to appropriation by the legislature. Funds have been committed to develop curriculum for training in the Quantum industry, to advance the use of registered apprenticeship and skills-based hiring in state government, to support teacher externships; and to advance the work of the Governor's executive order to reimagine the postsecondary education and talent development system in Colorado.

Industry-led Strategies:
These required activities fulfill the obligation to engage in sector strategies and have supported the Good Sectors, Good Jobs grant program, CWDC staff with expertise in industry engagement, implementation of the regional tactical plans developed through the Opportunity Now Regional Talent Summits, and statewide business engagement activities.

Evaluation, Technical Assistance, and Technology:

These funds are used for the required activities to conduct evaluations of the workforce system that is done through a multi-year agreement with Northern Illinois University; providing technical assistance to local workforce areas to achieve performance targets; develop and utilize labor market information to guide talent development; the development of the annual talent pipeline report. Specifically regarding technology, this category funds the state Eligible Training Provider List, My Colorado Journey, and talentfound.org as critical platforms to engage individuals and organizations in career and academic planning, exploration, and matching to jobs

Incentive Funds and Local Board Training:
These dollars awarded performance incentives to the ten local workforce areas based on their execution against their local WIOA plans and their achievement of state performance targets. These dollars are not authorized in state fiscal year 2026.

Council Initiatives:
These funds support concepts that were solicited from partners and approved by the Governor appointed CWDC. The current funds have been allocated to develop a work-based learning program for the Quantum industry in Boulder County, expand career coaching by local workforce awareness, raise awareness and promote the adoption of skills-first hiring practices, and to award grants to active sector partnerships.

16. [Rep. Sirota] Please describe the statutory requirements for people to be eligible for this funding. Is there a criteria that people must not have access to other support services?

Response:

ESJR payments are used as a last resort, so customers can't use ESJR funding if another funding source could provide assistance. Here's a brief summary of the eligibility requirements:

- Household income at or below the Federal poverty line
- At least 16 years of age
- Eligible to work in the United States
- Underemployed (6 months or less) or unemployed and actively pursuing employment, employment preparation job training, or job retention services with the assistance of a service provider
- Supportive services cannot be provided to the individual by another source - ESJR is used as a provider of last resort for supportive services. ESJR clients may be eligible for different services offered by other agencies, however, the

goal is to ensure that services aren't duplicated. ESJR clients may require support from multiple agencies or funding sources in order to find and or maintain employment.

17. [Rep. Sirota] How does this funding get distributed? How is it more efficient for the program to be operated by Goodwill but go back to workforce centers? Please explain the mechanics of fund distribution.

Response:

The Colorado Department of Labor and Employment, through a competitive process, entered into a contract with Goodwill of Colorado to operate as the Administering Entity for the ESJR program. Goodwill establishes memorandums of understanding with employment-related service providers statewide and reimburses them up to $400 per person for approved supportive services for eligible participants.

18. [Sen. Kirkmeyer] What other programs are duplicating services covered by the Employment Support and Job Retention program? Do the workforce centers have other programs or support services available that cover this need? For example, counties offer similar services through TANF funding.

Response:

Workforce Centers, utilizing initiatives like WIOA and discretionary grants, frequently offer support and programs similar to the Employment Support and Job Retention (ESJR) program. However, those supportive services are typically done in conjunction with enrollment into case management services and require eligibility determination.

Furthermore, Colorado TANF (called Colorado Works) offers supportive services that are similar in some aspects to ESJR however, the services are not an exact match. TANF provides basic cash assistance *plus* supportive services like job training, help with childcare, transportation (bus passes, car repair), housing/utility help, diapers, school supplies, and referrals for mental health/substance abuse to move families toward self-sufficiency, with county-specific variations. These services aim to remove barriers to employment, focusing on economic stability for low-income families with children, often through an Individualized Plan with a case manager.

In 2024, CDHS and CDLE jointly reviewed ReHire Colorado, CW STEP, the Workforce Innovation and Opportunity Act programming, and other CDLE workforce programs. The analysis confirmed that each program offers distinct services that complement one another. As such, ReHire Colorado is statutorily designated to serve low-income populations who typically would not qualify for TANF or CW STEP which requires TANF eligibility.

Specifically, ReHire Colorado and other mainstream workforce programs in Colorado cater to distinct populations and provide tailored services to meet the varying needs of Coloradans:

- ReHire Colorado prioritizes serving low-income veterans, individuals aged 50 and older, and non-custodial parents who owe child support with significant barriers to and/or gaps in employment. It provides intensive case management and paid work experience opportunities with local employers to help participants establish a work history and transition into stable jobs. ReHire's unique services demonstrate exceptionally high evidence-based outcomes.
- *CW STEP* provides paid work-experience opportunities for TANF Basic Cash Assistance recipients who have been assessed by their TANF case manager as ready to work. The program helps participants acquire practical job skills and transition toward long-term employment.
- Workforce Innovation and Opportunity Act (WIOA) program offers short-term, skills-focused training and career services to low-income individuals who are eager to re-enter the workforce quickly. Programming focuses on education and credential development.

It is important to remember that ESJR is generally a funder of last resort. Therefore, clients who are eligible for supportive services are typically referred to the Workforce Center or other community agencies before utilizing ESJR.

R5 Labor Standards Program Reduction

19. [Rep. Sirota] Can the Department explain its response to R5 of how the Department can make this reduction without reducing FTE in the Long Bill, and its plan to use vacancy savings and attrition to cover this reduction?

Response:

DLSS' appropriations are set up with a "program costs" (both personal services and operating costs in the same appropriation) which allows flexibility to allocate between operating and personal services costs, and spend within the appropriations according to meet its workload and budget needs - i.e., to the extent more of the appropriated amount must go to personal services, the Division may decrease operating expenses; though as noted below, personal services funding needs may be captured through vacancy savings from delayed, decreased, and deferred filling of staff attrition.

The Division captures vacancy savings when positions go unfilled for a time after a staff departure (or are in some cases, abolished), as often is the case with Compliance Investigator vacancies because the Division tends to do cyclical hiring of these positions. Savings are also captured when departed employees' positions are temporarily filled through acting positions using pay differentials of up to $600/month, compared to a full new employee salary and benefits - e.g., when the Division Director departed in August, the position was filled on an Acting basis by an existing employee, capturing 2.5 months of an executive level salary that was not paid during the interim period. In some cases, the Division also replaces positions that become vacant with lower-paid positions; e.g., when a Policy Advisor V recently departed on the retaliation team, the team hired a Compliance Investigator I instead of a new Policy Advisor V, resulting in an ongoing salary savings. Finally, the Division uses some malleable staffing sources like temporary and term-limited positions (e.g., Policy Advisor Vs when additional support is needed during rulemaking; Program Assistant Is for administrative support in initial implementation of new laws); these positions needn't necessarily be permanently filled upon the end date, and therefore, reopen funds when these employees depart.

R7 Office of Independent Living Services Reduction

20. [Sen. Kirkmeyer] Are there other programs throughout the state, including in HCPF and CDHS, that offer similar programs offered by Centers for Independent Living? Are there other options for streamlining or eliminating this work to avoid duplication with other state programs?

Response:

No. The Centers for Independent Living (CILs) are unique in the support they provide. CILs provide services to any Coloradan with a disability, regardless of age, type of disability, or severity of disability. Services are consumer-led and at least 51% of the staff at each CIL must be an individual with a disability. The CILs often create a hub of community and advocacy, they provide community-based services and are able to develop programming to meet the unique needs of their consumers, while still providing the core IL services. The unique characteristics of the CILs are based on the Rehabilitation Act, as amended, Title VII, Part C.

21. [Sen. Amabile] What does $6,000 of reductions look like in practice for people who get services from Centers for Independent Living?

Response:

As private non-profit organizations, each CIL establishes and prioritizes spending within their own budget. Three of the smallest CILs would experience a reduction of approximately $6,000-$6,500. The remaining six CILs would see larger cuts. Each of the CILs are committed to reducing the impact felt by the consumers who receive services. Reductions by each CIL is contingent on their budget structure could impact reduced travel across their region to meet consumers in the community, purchasing materials and supplies that support programming, and in some cases they may need to reduce some programs by reducing staff time

22. *[Rep. Taggart]* Are there Department administration costs for this program that could be cut instead of cutting services and funding to Centers of Independent Living?

Response:

There are no administrative costs that can be cut without causing significant disruption or inefficiencies in program operation. The Department receives an appropriation of $313,516, which supports 2 FTE within the Office of Independent Living Services, a Program Manager II and an Administrator IV. These two positions are responsible for implementing the Independent Living Services programs at the state level, including oversight of the $6.7M GF and $1M in FF granted to the CILs, conducting state rule required CIL certification reviews and administering the mandated Statewide Independent Living Council. This appropriation further supports annual fiscal monitoring to ensure compliance with state and federal grant requirements. These positions are critical to effectively administering the Independent Living Services grant and monitoring subrecipients for program compliance.

23. *[Sen. Kirkmeyer]* Why isn't the Disability Support Fund used to fund Centers for Independent Living?

Response:

Centers for Independent Living were established through the Rehabilitation Act of 1973. Each CIL must be certified by the Office of Independent Living Services and designated a CIL by the US Department of Health and Human Services, Administration for Community Living. Certification requires adherence to specific requirements outlined in 45 CFR 1329 and C.R.S. 8-87-105. While some of the CILs have applied for and been awarded small competitive grants offered by CDOO/CDFC, these would typically be for more specialized, time-limited programs rather than ongoing funding of core independent living services. The Disability Support Fund is not specifically authorized to fund the Centers for Independent Living based on current statute. Six out of the nine active Centers for Independent Living are current CDFC grant recipients. All six of those have Disability Application Assistance Grants (helping the community apply for benefits), and two of those also have New and Innovative Idea Grants as well.

Statewide R6: Hospitality Education Grant Reduction

24. [Sen. Kirkmeyer] Why is the Hospital Education Grant program funded by General Fund instead of the Governor's discretionary set-aside of WIOA funding, since it's a workforce development program?

Response:

The HospitalityEducation Grant program, created under Senate Bill 14-015 (2014), was intentionally funded through the **Colorado General Fund** rather than **WIOA's Governor's discretionary reserve** because it was a state-initiated program outside the scope of federal WIOA Title I restrictions. WIOA discretionary funds are limited to federally defined statewide activities (rapid response, sector strategies, evaluation). At the same time, SB14-015 established a Colorado-specific grant program for secondary education in hospitality careers, requiring a dedicated state appropriation to ensure flexibility, sustainability, and alignment.

Background

- Senate Bill 14-015 (2014) created the *Hospitality Career Secondary Education Grant Program* to expand career pathways in the hospitality industry for high school students.
- The bill explicitly appropriated General Fund dollars to the Colorado Department of Education to administer the program, signaling legislative intent to make this a state-owned initiative, not contingent on federal workforce funding streams.
- The program was signed into law in June 2014 by then-Governor John Hickenlooper, but it originated in the legislature, not the executive branch.

Other Budget Reductions and Miscellaneous Questions

Cost Containment in the UI Division

25. [Rep. Sirota] The Committee would like to revisit the Governor's direction for the Department to not respond to the Department RFI #1. Instead of a cost containment question, the Committee requests the Department to provide a breakout of cash-funded administration and technology costs to the UI Division. Please provide a breakout of the specific administrative functions those cash funds are covering, and amount budgeted for each function. What are driving increases to administrative costs? How does the Division plan to achieve cost efficiencies in administrative and technology costs?

Response: Regarding the Unemployment Insurance Program Support Fund

UI Program Support Fund Budget Breakout

Function	Amount/per yr	Purpose
MyU+ System	$14,500,000	MyUI+ Maintenance, Operations, and Improvements
Fraud Detection and Prevention	$950,000	Software that helps prevent and detect fraud.
OIT Real Time Billing	$11,000,000	OIT support for OIT hardware, applications, servers, employees, contractors, etc…
Staff Costs	$4,665,554	Tech and Administration staffing.
Current Telephony and Virtual Agent systems	$3,300,000	Call Center and virtual agent systems
Printing	$2,300,000	Outgoing mail done by IDS with contract
Software (ex: licenses) and equipment (ex: cell phones)	$1,000,000	Daily UI operations (licenses include Adobe, Zoom, Tableau, Asana, and others)
Contractors	$545,000	Technology contractors not through OIT
Snowflake Data Lake*	$1,900,000	Development of a data lake for more streamlined and secure data sharing and management

New DMS System*	$1,000,000	The current document management system is experiencing frequent slow downs and crashes which significantly reduce if not eliminate UI's ability to do its work. Both our Vendor and OIT are not able to fix the issue so UI is investing in a new and better system.
Indirect Costs estimate $	$8,210,933	SB 25-242 (EDO & Common Policies)
Total	$49,371,487	

* Potentially starting next fiscal year.

What are driving increases to administrative costs?

Response:

There are two primary factors that year over year increase administrative costs. These are staffing costs and technology costs.

Staffing costs: While CDLE UI has reduced some staffing costs due to attrition from pandemic staffing levels UI has still had to hire staff to compensate for increased workloads. Additionally step raises will continue to increase the cost of FTE that are retained. Many UI decisions have to be made by merit staff, so CDLE UI employed staff. This means that UI must have staffed employed and in place and cannot decrease staff or use contract support.

Technology costs: With claim timeliness and customer service continuing to be a top priority for the division we have implemented several technological improvements for helping increase timeliness and improve claimant experience and service. While UI works to find the most cost effective options for all, in many cases technology solutions need to be customized. Customization and inflation are major drivers of technology costs.

UI's technology improvements also have the added benefit of making the UI program more scalable and able to respond to economic downturns with agility.

How does the Division plan to achieve cost efficiencies in administrative and technology costs?

Response:

The division is working to achieve cost efficiencies through right sizing of staffing levels via attrition and instituting technological changes like an AI mentor for adjudication staff to help improve staff efficiency. Additionally UI is improving both our call center and virtual agent to allow for 24/7 availability with the use of AI.

Administrative and Staffing Costs

26. [Sen. Kirkmeyer] Why has the Executive Director's Office had an increase in FTE and appropriations? What could the Department cut to result in a 10% reduction to central administration General Fund costs?

Response:

Over the past three years CDLE EDO and Offices has grown by 22.5 FTE primarily due to legislative action taken by the general assembly.

Attached below is a table of Budget Items from the past 3 years that have increased FTE in the EDO plus the Department's Budget Request.

(1) Executive Director's Office	FTE
FY 2023-24	**130.8**
Prior Year Annualizations	13.5
HB 24-104 Technical Education and apprenticeships (GF)	0.8
HB 24-1280 Welcome, Reception, Integration Program (CF)	0.8
HB 24-1360 Colorado Disability Opportunity Office (CF)	6.0
HB 24-1439 Expand Apprenticeship (CF)	3.3
FY 2024-25	**155.2**
Prior Year Annualizations	-1.9
HB 25-1017 Community Integration Plan Individuals with Disabilities (CF)	1.8
FY 2025-26	**155.1**
Prior Year Annualizations	-1.8
FY 2026-27 BASE Request	**153.3**

A reduction of 10% on the Department central administration general funds' costs will impact FTE and their ability to comply with legislative intent in addition to a reduction on common policy lines.

Currently under the Executive Director Office 23.1 FTEs are funded with General Fund dollars as it follows:

- 1(A) Executive Director's Office 2.0 FTEs (1.0 FTE as a result of SB 23-261 Direct Care Stabilization Board)
- 1(B) Office of New Americans 5.5 FTEs
- 1(C) Office of Future of Work 3.3 FTEs & State Apprenticeship Agency 8.8 FTEs
- 1(D) Office of Just Transition 3.5 FTEs

A reduction of 10% on its general administration general fund lines will result in layoff 2.31 FTE among Offices.

The chart below already demonstrates the reductions that the Department has made on its general fund lines for FY 2025-26 -$3.0M (-16.5%) and FY 2026-27 -$1.7M (-11.2%) on its budget request adding more pressure on its cash and federal funds as costs continue to rise.

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
TOTAL - (1) Executive Director's Office	64,195,381	115,412,182	148,387,615	167,592,271	12.9%
FTE	130.8	155.2	155.1	159.5	2.8%
General Fund	13,673,231	18,133,768	15,145,302	13,450,142	(11.2%)
Cash Funds	35,308,257	46,107,498	78,677,315	89,398,019	13.6%
Reappropriated Funds	333,656	440,033	613,453	755,756	23.2%
Federal Funds	14,880,237	50,730,883	53,951,545	63,988,354	18.6%

27. [Rep. Taggart] Please list the new staff the Department has hired in FY 2025-26 and is proposing to hire in its FY 2026-27 request. Why is new staff needed? Please break out by fiscal year the sources of funding supporting those FTE.

Response:

<u>Hires in FY 2025-26 (from 07/01/2025 to 11/19/2025)</u>

*This column shows if the FTE assigned to each Division is a backfill due to attrition or is a newly created position.

DIVISION	Position title	FTE	Backfilling*	GF	CF	RF	FF	Comments
(1) EXECUTIVE DIRECTOR'S OFFICE								
(A) Executive Director's Office	ADMIN ASSISTANT II	1.0	✅		60%		40%	60/40 Cash/Federal - Filled prior to Hiring Freeze
	BUDGET & POLICY ANLST III	1.0	✅		60%		40%	60/40 Cash/Federal - Filled prior to Hiring Freeze
	HUMAN RESOURCES SPEC IV	0.8	✅		60%		40%	60/40 Cash/Federal - Filled prior to Hiring Freeze
	PROJECT MANAGER I	1.0	✅		60%		40%	60/40 Cash/Federal - Filled prior to Hiring Freeze
	ACCOUNTANT III	1.0	✅		60%		40%	60/40 Cash/Federal - Filled prior to Hiring Freeze
(B) Office of New Americans	MKTG & COMM SPEC III	1.0			60%		40%	Private and federal funding sources. Tabor exempt HB 23-1283
(E) Colorado Disability Opportunity Office	LIAISON III	1.0			100%			HB 25-1017 DSF Cash Fund
(1)Total Executive Director's Office		6.8						

DIVISION	Position title	FTE	Backfilling	GF	CF	RF	FF	Comments
(3) DIVISION OF EMPLOYMENT AND TRAINING	LABOR/EMPLOYMENT SPEC I	1.0	✅				100%	Federally Funded TABOR Exempt
	ADMINISTRATOR III	1.0	✅		100%			Employment Support Fund NOT TABOR Exempt - Filled prior hiring freeze
	LABOR/EMPLOYMENT SPEC II	1.0	✅				100%	Federally Funded TABOR Exempt
	ADMINISTRATOR III	1.0	✅		100%			Workforce Development Fund - TABOR Exempt
	ADMINISTRATOR III	1.0	✅		100%			Workforce Development Fund - TABOR Exempt

	LABOR/EMPLOYMENT SPEC II	1.0	✅				100%	Federally Funded TABOR Exempt
	LABOR/EMPLOYMENT SPEC II	1.0	✅				100%	Federally Funded TABOR Exempt
	LABOR/EMPLOYMENT SPEC II	1.0	✅				100%	Federally Funded TABOR Exempt
	PROGRAM MANAGEMENT II	1.0	✅		50%		50%	Workforce Development Fund - TABOR Exempt /FF
	LABOR/EMPLOYMENT SPEC I	1.0	✅		45%		55%	Workforce Development Fund - TABOR Exempt /FF
	LABOR/EMPLOYMENT SPEC I	1.0	✅		45%		55%	Workforce Development Fund - TABOR Exempt /FF
	LABOR/EMPLOYMENT SPEC I	1.0	✅		10%		10%	Workforce Development Fund - TABOR Exempt /FF
	LABOR/EMPLOYMENT SPEC I	1.0	✅		45%		55%	Workforce Development Fund - TABOR Exempt /FF
	LABOR/EMPLOYMENT SPEC I	1.0	✅		45%		55%	Workforce Development Fund - TABOR Exempt /FF
	LABOR/EMPLOYMENT SPEC I	1.0	✅		5%		95%	Workforce Development Fund - TABOR Exempt /FF
(3)Total DIVISION OF LABOR STANDARDS AND STATISTICS		15.0						
DIVISION	**Position title**	**FTE**	**Backfilling**	**GF**	**CF**	**RF**	**FF**	**Comments**
(4)DIVISION OF LABOR STANDARDS AND STATISTICS	COMPL INVESTIGATOR I	1.0	✅	100%				Backfill HB 23-058
	COMPL INVESTIGATOR I	1.0	✅	100%				Backfill - The Wage and Hour Team
	COMPL INVESTIGATOR I	0.8		100%				HB 25-1001
	POLICY ADVISOR V	1.0	✅	100%				Backfill HB 20-1153

	COMPL INVESTIGATOR I	1.0		100%				HB 25-1001
	COMPL INVESTIGATOR I	1.0		100%				HB 25-1001
	COMPL INVESTIGATOR INT	1.0	✅	100%				Backfill - The Wage and Hour (Call Center)
	COMPL INVESTIGATOR I	1.0	✅	100%				Backfill HB 22-097
	COMPL INVESTIGATOR I	1.0	✅	100%				Backfill - The Wage and Hour Team
(4)Total DIVISION OF LABOR STANDARDS AND STATISTICS		8.8						
DIVISION	**Position title**	**FTE**	**Backfilling**	**GF**	**CF**	**RF**	**FF**	**Comments**
(5)DIVISION OF OIL AND PUBLIC SAFETY	INSPECTOR II	1.0	✅		100%			Petroleum Storage Tank fund - TABOR exempt
	INSPECTOR II	1.0	✅		100%			Petroleum Storage Tank fund - TABOR exempt
	ANALYST III	1.0	✅		100%			Petroleum Storage Tank fund - TABOR exempt
	PROGRAM ASSISTANT I	1.0		100 %				GF to help with Admin work for Underground Damage Prevention Commission SB 18-167. The prior incumbent was promoted and supervises this position.
(5)Total DIVISION OF OIL and PUBLIC SAFETY		4.0						
DIVISION	**Position title**	**FTE**	**Backfilling**	**GF**	**CF**	**RF**	**FF**	**Comments**
(6)DIVISION OF WORKERS' COMPENSATION	COMP INSURANCE SPEC II	1.0	✅		100%			Workers Compensation Cash Fund NOT TABOR Exempt - Filled prior hiring freeze
	HEALTH PROFESSIONAL III	1.0			100%			HB 23-1076 DIME Unit - Workers Compensation Cash Fund NOT TABOR Exempt
	MKTG & COMM SPEC III	1.0	✅		100%			Workers Compensation Cash Fund NOT TABOR Exempt - Filled prior hiring freeze

	COMPL INVESTIGATOR I	1.0	✅		100%			Workers Compensation Cash Fund NOT TABOR Exempt - Filled prior hiring freeze
(6)Total DIVISION OF WORKERS COMPENSATION		4.0						
DIVISION	**Position title**	**FTE**	**Backfilling**	**GF**	**CF**	**RF**	**FF**	**Comments**
(7)DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES	PROGRAM ASSISTANT I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION INTERN	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0	✅				100%	Federally Funded TABOR Exempt
	REHABILITATION COUNS I	1.0					100%	Term Limited funded through Disability Innovation Fund Grant
(7)Total DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES		10.0						

DIVISION	Position title	FTE	Backfilling	GF	CF	RF	FF	Comments
(8)DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE	MANAGEMENT	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	MKTG & COMM SPEC III	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC II	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	POLICY ADVISOR IV	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	Auditor V	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC IV	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	CRIMINAL INVESTIGATOR III	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	0.8	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	MKTG & COMM SPEC III	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	ANALYST III	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt

	ANALYST III	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	LABOR/EMPLOYMENT SPEC I	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
	ADMINISTRATOR III	1.0	✅		100 %			Family and Medical Leave Insurance Fund - Continuously Appropriated - Tabor Exempt
(8)Total DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE		21.8						
Grand Total		**70.4**						

Proposing to hire in the FY 2026-27 budget request

EDO - 2.8 FTE Analysts IV, Analyst V and Project Coordinator. These positions are for a centralizing approach, we are assuming OIT will manage risk analysis and software reviews for 200+ pieces of software annually. CDLE will need to manage 30+ projects with test plan, and appeals processes and 1.4 FTE Program Manager I and Analyst IV. These positions will continue the work for CDLE around accessibility: conducting training for department staff, consulting for accessibility in regards to products and projects, running accessibility champions group, consulting on all accessibility documentation for the department, and triaging accessibility feedback. These positions will be cost allocated across EDO PS Federal and Cash lines.

CDOO - 2.0 term limited FTE Grants Specialist III and a Purchasing Agent III. Temporarily increase CDOO spending authority for CDFC grants and FTE to assist with grant distribution. These positions will be cash funded.

DLSS - 1.0 FTE Program Assistant II to help process wage theft claims and will come from the Wage Theft Enforcement fund.

Listed FTE approved by 2025 Legislative Session and FY 2026-27 Budget request

Fund Type	Division	FY25	FY26	FY27	Difference	Bill # & Links
Cost Allocated 60/40 federal/cash	EDO	113.2	114.2	118.4	4.2	Impacts driven by other agencies, SB24-205 OIT AI 2.8 and NP OIT IT Accessibility 1.4
G	ONA	6.2	6.5	5.5	-1	HB 24-1280 Welcome recep grant
G	CRSP	7.5	7.5	7.5	0	N/A
G	OFW	18.8	15.6	14.6	-1	SB 24-104 Tech edu apprenticeships
C	OJT	3.5	3.5	3.5	0	N/A
C	CDOO	6	7.8	10	2.2	R1 CDOO spend increase and new SPA (2.0 FTE 1 year term limited position)
C/F	UI	496.7	484.1	484.1	0	N/A
G	E&T	209.9	207.9	207.4	-0.5	Statewide R6 Hosp Grant reduce
G	DLSS	116	119.9	129.1	9.2	R-02 (1.0 FTE TL) HB25-1001 (7.9 FTE) HB25-1328 (0.4 FTE) SB25-005 (-0.1 FTE)
C	OPS	71.5	72.7	73	0.3	HB 25-1267 Supp statewide energy - None Hired, working on IA then they were going to hire someone.
C	WC	120	121.6	122	0.4	SB 25-186 Sunset workers' accred - None hired YET, in process for 1 Training Spec III and 1 Physician I
G	DVR	242.1	240.3	240.3	0	N/A
C	FMLI	352	352	352	0	N/A
	Total FTE	**1763.4**	**1753.6**	**1767.4**	**13.8**	

Reduction to H.B. 25-1001 Appropriations

28. [Rep. Amabile] What is the impact of not fully implementing H.B. 25-1001's misclassification fine investigations and enforcement of anti-retaliation provisions? Would more people experience wage theft?

Response:

HB 25-1001 reflects the multiple ways the Division combats wage theft, including education and public guidance, adjudication of individual complaints, conducting employer-wide systemic investigations, and preserving the underlying rights to prompt payment of wages by protecting against retaliation for exercise and support of these rights.

This option presented in JBC staff's briefing document proposes to reduce 2.0 FTE from what was allocated last session. 1.0 FTE would be a Policy Advisor V, for the bill's retaliation expansions. These expansions include prohibiting retaliation by contractors, not just employers, and specifying that attempts to use immigration status to harm the rights of any worker is unlawful.

The Division was allocated only 1.0 FTE, this Policy Advisor, to conduct additional investigations warranted by these broadened protections. (See Fiscal Note) Thus, under JBC staff's proposal, *no funding remains* for enforcement of the expanded retaliation rights. The Division's retaliation team is responsible for ensuring protections against retaliation under several laws enforced by the Division including the Colorado Wage Act, C.R.S. § 8-4-101 et seq.; the Healthy Families and Workplaces Act, C.R.S. § 8-13.3-401, et seq.; the Protected Health/Safety Expression and Whistleblowing law, C.R.S. § 8-14.4-101 et seq.; and the Agricultural Labor Rights and Responsibilities Act, SB 21-087. While HFWA, PHEW, and the ALRRA allocated funding for retaliation investigations under these specific laws, prior to HB 25-1001, our Division has had *0 FTE* for investigating retaliation related to all other wage rights. HB 25-1001 recognized the importance of prohibiting retaliation related to wage rights — which discourages workers from asserting their rights, filing complaints, or participating in Division investigations — and provided the first and only staffing our Division has for enforcing these protections.

What is meant to be discretionary about the Division's role in retaliation enforcement is which complaints it takes on — not whether it can take complaints at all. Removing the only staffing provided for wage-based retaliation protections will result in the Division declining to investigate claims it otherwise would have, including impacting those most vulnerable (workers with sensitive immigration status) and contractor relationships. This is at a time when our Division has seen a steep increase in retaliation complaints, and wage-based retaliation in particular — wage-based retaliation claims have increased sixfold since 2023, from ~50 (less in prior years) to more than 300 to date in 2025. In particular, we have seen an increase in fear and retaliation against workers based on immigration status, with many workers and advocates reporting that employers have threatened to report workers to ICE in response to demands for wages. Without the critical staffing in HB 25-1001, we will be unable to investigate *any* of these claims or provide relief to any of the aggrieved workers.

This option presented in JBC staff's briefing document also proposes to reduce 1.0 FTE, a Compliance Investigator II, for "misclassification fine investigations." The new fining authority is expected to make the Division's enforcement more effective by creating a clear penalty for violations that are notoriously difficult to prove, and where the lack of records and vulnerable workforce can make it difficult to calculate wages and penalties owed to workers. But the fines themselves do not generate additional workload beyond initial implementation.

Rather, the HB 25-1001 increase in staffing for strategic misclassification enforcement responds to (1) an expected increase in misclassification tips (i.e., complaints from stakeholders and community partners that are not formal wage complaints); and (2) most significantly, that worker misclassification continues to be a pervasive issue that is resistant to traditional claims-based enforcement. Misclassification of workers as independent contractors rather than employees can deprive employees of fundamental labor rights, including paid sick and safe leave, overtime or the minimum wage, and protections against unlawful deductions from wages — and the critical knowledge that they even have and can assert these rights. These harms extend beyond the individual workers, running law-abiding companies out of business due to unfair competition, driving down wages for all workers, and depriving the state of unemployment insurance and workers' compensation premiums.

Because workers are misinformed as to their employee rights, and due to other factors including the targeted workers (often undocumented) and pervasiveness of the practice in some industries, misclassification tends to be underreported and resistant to traditional claim investigations. Strategic Enforcement improves worker protections for vulnerable workers, and addresses pervasive or industry-wide compliance issues that are not remedied by complaint-driven investigations. For example, in 2024, our Division received 105 misclassification complaints, and found a violation for individual workers in 31 of those cases. In the same year, the strategic enforcement program reached stipulated compliance agreements with two construction employers, reclassifying more than 200 workers as employees, and paying more than $300,000 in back wages. These large-scale cases have an even wider impact, as we have seen a shift in the willingness of other employers to change unlawful practices earlier (or even before) investigations.

This JBC staff proposal would halve the staff allocated to the Division for systemic misclassification enforcement of these provisions, and would result in the Division opening fewer investigations and taking longer in investigations it does open, including into improper use of subcontractors in the construction sector to evade wage responsibilities. It will also decrease or shutter entirely our growing voluntary compliance efforts in the construction industry, an effort we hope will leverage our past success and expanded tools to bring more employers into compliance quickly, cooperatively, and with less cost.

This proposal would also have downstream effects of decreasing the Division's fine revenue because of the decrease in investigations (misclassification fines under the new law are as high as $50,000 per violation), which in turn lessens the amount available to be paid out to workers whose employers fail to pay in response to Division citations, through the Wage and Hour Expenditure (WHOLE) Fund. In 2025, this fund distributed $362,525.45 to workers whose employers had failed to pay after a Division order.