

Department of Labor and Employment
Summary of Proposed Reductions
FY 2008-09
January 15, 2009

Priority	Yes or No	Enter One	Division	Title	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	List
	Corresponding FY 2009-10 Impact?	One Time or Base/Ongoing?									Other Department(s) Affected
1	No	One-Time	All	Hiring Freeze Reductions	(\$474,243)	\$0	(\$387,975)	\$0	(\$86,268)	0.0	
2					\$0						
3					\$0						
4					\$0						
5					\$0						
6					\$0						
Total - Reductions					(\$474,243)	\$0	(\$387,975)	\$0	(\$86,268)	0.0	

Note: This summary does not include the impact of the common policy for Management and Administration of OIT.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 ☐	Base Reduction Item FY 2009-10 ☐	Supplemental FY 2008-09 ☒	Budget Amendment FY 2009-10 ☐
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Request Title: Statewide Hiring Freeze

Department: Labor and Employment

Priority Number: NA

Dept. Approval by: *[Signature]*

OSPb Approval: *[Signature]*

Date: 1-14-09

Date: 1-14-09

		1	2	3	4	5	6		8	9	10
	Fund	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	29,034,442	28,482,551	(474,243)	28,008,308	61,611,623	0	61,611,623	0	61,611,623	0
	FTE	369.0	403.6	0.0	403.6	815.0	0.0	815.0	0.0	815.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	17,254,215	21,847,898	(387,975)	21,459,923	27,072,712	0	27,072,712	0	27,072,712	0
	CFE/RF	4,783,919	397,685	0	397,685	419,740	0	419,740	0	419,740	0
	FF	6,996,308	6,236,967	(86,268)	6,150,699	34,119,171	0	34,119,171	0	34,119,171	0
(1) Executive Director's Office, Personal Services	Total	13,259,736	12,605,645	(150,065)	12,455,580	13,340,803	0	13,340,803	0	13,340,803	0
	FTE	166.9	167.4	0.0	167.4	164.9	0.0	164.9	0.0	164.9	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	6,895,063	6,554,935	(78,034)	6,476,901	6,937,218	0	6,937,218	0	6,937,218	0
	CFE/RF	397,792	378,169	0	378,169	400,224	0	400,224	0	400,224	0
	FF	5,966,881	5,672,540	(72,031)	5,600,509	6,003,361	0	6,003,361	0	6,003,361	0
(2) Division of Employment and Training, (B) Unemployment Insurance Fraud Program, Program Costs	Total	1,755,909	1,508,633	(42,012)	1,466,621	33,126,802	0	33,126,802	0	33,126,802	0
	FTE	25.8	26.0	0.0	26.0	437.8	0.0	437.8	0.0	437.8	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	730,547	1,508,633	(42,012)	1,466,621	5,575,419	0	5,575,419	0	5,575,419	0
	CFE/RF	1,025,362	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	27,551,383	0	27,551,383	0	27,551,383	0
(3) Division of Labor, Program Costs	Total	1,120,667	1,132,465	(60,762)	1,071,703	1,191,958	0	1,191,958	0	1,191,958	0
	FTE	11.9	16.0	0.0	16.0	16.0	0.0	16.0	0.0	16.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,120,667	1,132,465	(60,762)	1,071,703	1,191,958	0	1,191,958	0	1,191,958	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) Division of Oil and Public Safety, Personal Services	Total	5,002,866	5,297,365	(145,836)	5,151,529	5,640,193	0	5,640,193	0	5,640,193	0
	FTE	58.6	76.2	0.0	76.2	78.3	0.0	78.3	0.0	78.3	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,651,077	4,713,422	(131,599)	4,581,823	5,056,250	0	5,056,250	0	5,056,250	0
	CFE/RF	2,322,362	19,516	0	19,516	19,516	0	19,516	0	19,516	0
	FF	1,029,427	564,427	(14,237)	550,190	564,427	0	564,427	0	564,427	0

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 ☐		Base Reduction Item FY 2009-10 ☐		Supplemental FY 2008-09 ☒		Budget Amendment FY 2009-10 ☐	
Request Title: Statewide Hiring Freeze		Dept. Approval by:				Date:	
Department: Labor and Employment		OSPb Approval:				Date:	
Priority Number: NA							

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
(5) Division of Workers' Compensation, (A) Workers;	Total	6,856,861	6,708,748	(31,061)	6,677,687	7,033,098	0	7,033,098	0	7,033,098	0
Compensation, Personal Services	FTE	92.9	102.0	0.0	102.0	102.0	0.0	102.0	0.0	102.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	6,856,861	6,708,748	(31,061)	6,677,687	7,033,098	0	7,033,098	0	7,033,098	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(5) Division of Workers' Compensation, (B) Major Medical Insurance and Subsequent Injury Funds, Personal Services	Total	1,038,403	1,229,695	(44,507)	1,185,188	1,278,769	0	1,278,769	0	1,278,769	0
	FTE	12.9	16.0	0.0	16.0	16.0	0.0	16.0	0.0	16.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	1,229,695	(44,507)	1,185,188	1,278,769	0	1,278,769	0	1,278,769	0
	CFE/RF	1,038,403	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote Revised Text: EDO (a) - Adjust Various cash sources down by \$78,034. Unemployment Insurance Fraud (a) Reduction from the Unemployment Revenue Fund. (4) OPS a) decrease Petroleum Storage tank fund by \$48,237 and decrease Public Safety Inspection Fund by \$83,362. (5)(A) WC a) decrease WC Cash Fund by \$31,061 (5)(B) a) decrease MMIF by \$27,468 and SIF by \$17,039

Cash or Federal Fund Name and COFRS Fund Number: 130 - Petroleum Storage Tank, 141 - Public Safety Fund, 142 - Workers' Compensation Fund, 232 - Employment Support Fund, 416 - Subsequent Injury Fund, 417 - Major Medical Fund, 702 - Revenue Fund and various cash and federal sources

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: ☐ No: ☐ N/A: ☒

Schedule 13s from Affected Departments: None



DEPARTMENT OF LABOR AND EMPLOYMENT

Todd Saliman

Director

Office of State Planning and Budgeting

Proposed Cash Fund Transfer

January 15, 2009

Name of Fund: Fund 130 – Petroleum Storage Tank Fund

Purpose of Fund: To provide funding to remediate sites due to leaking petroleum storage tanks. The revenue is derived from an environmental surcharge fee assessed per tank truckload of petroleum products

Projected End-of-Year Balance:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$13,032,038	\$14,185,171	\$15,154,023
Current Balance YTD FY 2008-09	\$8,698,549		
July 1 Projected Balance Out Years		\$7,174,953	\$9,529,358
Projected Revenue	\$19,743,672	\$40,671,964	\$41,892,123
Less Projected Mandatory Expenditures	\$25,600,757	\$38,317,559	\$39,467,086
Equals Proposed Projected End of Year Balance	\$7,174,953	\$9,529,358	\$11,954,395
Recommended Transfer	\$0	\$0	\$0
Projected End of Year Balance w/transfer	\$7,174,953		

Impact of Recommended Reduction:

Although fund balance was transferred out of this fund during the last recession, this option is no longer available. The Federal Energy Act of 2005 disallows using money for any purpose other than this program. If funds are diverted, the state would lose approximately \$2 million in federal grants for this program

Assumptions:

- In FY 2002-03, \$4.0 million was transferred from this fund to the General Fund and these funds were eventually restored.
- Since that time, the Federal Energy Act 2005 was passed which explicitly prohibits using funds for any purpose other than regulating underground storage tanks.
- At the risk of losing federal funds for this program, fund balance should be transferred only as a last resort.

Current Statutory Authority or Needed Statutory Change:

A change to federal law would be required to transfer cash from this fund balance otherwise federal grants would be rescinded.

Federal Public Law 109-58 Title XV – Ethanol and Motor Fuels, Subtitle B – Underground Storage Tank Compliance Section 1522 (a) (2) (B) “The Administrator shall not distribute funds... to any State that has diverted funds from a State fund of State assurance program for purposes other than those related to the regulation of underground storage tank...”



DEPARTMENT OF LABOR AND EMPLOYMENT

Todd Saliman

Director

Office of State Planning and Budgeting

Proposed Cash Fund Transfer

January 15, 2009

Name of Fund: Fund 142 – Workers' Compensation Fund

Purpose of Fund: The purpose of this fund is to provide resources for the Workers' Compensation program which assures quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers. Revenue is derived from a fee assessed to insurance carriers and self-insured employers.

Projected End-of-Year Balance:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$21,721,222	\$21,641,661	\$20,920,625
Current Balance YTD FY 2008-09	\$20,083,560		
July 1 Projected Balance Out Years		\$2,546,222	\$96,222
Projected Revenue	\$10,625,000	\$11,050,000	\$11,381,500
Less Projected Mandatory Expenditures	\$14,100,000	\$13,500,000	\$13,905,000
Equals Proposed Projected End of Year Balance	\$18,246,222	\$96,222	(\$2,427,278)
Recommended Transfer	(\$15,700,000)	\$0	\$0
Projected End of Year Balance w/transfer	\$2,546,222		

Impact of Recommended Reduction:

Based on program projected revenues and expenditures, any additional fund transfers than what is recommended would likely cause a negative cash balance by the end of FY 2009-10. Although there would be concern over program increases in workers' compensation, the transfer of funds would allow the program to function appropriately.

Assumptions:

- The revenue for this fund is based on a surcharge on workers' compensation insurance premiums. If additional funds were transferred, there may be a need to adjust the surcharge amount.
- A portion of the Workers' Compensation Fund balance totaling \$14.0 million is designated to constitute part of the state emergency reserve for FY 2008-09 according to the Long Bill head notes. In order to execute this transfer, this amount should be removed from the emergency reserve and added to the Major Medical Fund by an equal amount. By redefining the emergency reserve amount from Worker's Compensation Fund to Major Medical, the reserve requirement is preserved.
- The Major Medical Fund has approximately \$121.0 million in long term investments. In these market conditions if these investments were liquidated, they would likely not get their current value.

- The Workers' Compensation Fund transferred \$6.0 million to the General Fund in FY 2002-03 and these funds were not restored.

Current Statutory Authority or Needed Statutory Change:

A statutory change would be needed to redefine the emergency reserve requirement by decreasing the amount from the Workers' Compensation Fund and adding it to Major Medical Fund. A transfer of funds from this balance for purposes other than those described in section requires a statutory change similar to SB 03-191.

Section 8-44-112. Surcharge on workers' compensation insurance premiums

(7) (a) All moneys collected pursuant to this section shall be transmitted to the state treasurer, who shall credit the same to the workers' compensation cash fund, which fund is hereby created. The moneys in the workers' compensation cash fund shall be subject to annual appropriation by the general assembly for the direct and indirect costs of the administration of the "Workers' Compensation Act of Colorado", articles 40 to 47 of this title. Any interest earned on the investment or deposit of moneys in the workers' compensation cash fund shall remain in the fund and shall not revert to the general fund of the state at the end of any fiscal year.

(b) Notwithstanding any provision of paragraph (a) of this subsection (7) to the contrary, on March 5, 2003, the state treasurer shall deduct six million dollars from the workers' compensation cash fund and transfer such sum to the general fund.



DEPARTMENT OF LABOR AND EMPLOYMENT

Todd Saliman

Director

Office of State Planning and Budgeting

Proposed Cash Fund Transfer

January 15, 2009

Name of Fund: Fund 232 – Employment Support Fund

Purpose of Fund: This fund is used to offset funding deficits for program administration, including information technology initiatives, and to further support programs to strengthen unemployment fund solvency; and to fund labor standards, labor relations and the Colorado works grievance procedure. This fund is currently funding the Internet Self Service capital request. Revenue is derived from one half of the Unemployment Insurance Tax Surcharge.

Projected End-of-Year Balance:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$36,612,916	\$31,762,800	\$29,569,307
Current Balance YTD FY 2008-09	\$42,159,000		
July 1 Projected Balance Out Years		\$34,559,138	\$25,108,436
Projected Revenue	\$20,000,000	\$20,000,000	\$20,000,000
Less Projected Mandatory Expenditures	\$22,053,778	\$29,450,702	\$30,334,223
Equals Proposed Projected End of Year Balance	\$34,559,138	\$25,108,436	\$14,774,213
Recommended Transfer	\$0	\$0	\$0
Projected End of Year Balance w/transfer	\$34,559,138		

Impact of Recommended Reduction:

The existing revenue projections for this fund show the revenue will be insufficient to cover expenditures and as a result the existing programs would need to be cut. Also, the Department is planning to update their UI tax system as soon as possible. The new system would assist in controlling costs in the long run.

If the State receives federal Reed Act funds for supporting the operation of work force centers or for improving technology, the transfer amount would be reconsidered.

Assumptions:

- The revenue for this fund comes from half of the unemployment insurance tax surcharge which is assessed on the first \$10,000 of wages. Since average wages have continued to increase, the UI tax surcharge revenue stream declines in real dollars.

- One of the original purposes of the fund was to provide a funding source for technology improvements. Currently this fund provides funding for the Internet Self Service capital construction project.
- The Department of Labor submitted a legislative initiative for this session to direct some of the UI tax surcharge and set aside some of the existing fund balance to fund a redesign of the UI tax system. The Department estimates that \$75.5 million is required to fund the new system.
- The new system would be more beneficial for controlling costs in the long run.
- The State may receive additional Reed Act funding as part of a federal support for the Department. Depending on when and if the State receives this funding, this may provide funds to backfill any cash balance transfers or provide funding for a new unemployment insurance tax system.

Current Statutory Authority or Needed Statutory Change:

Statutory language would be needed to transfer these funds.

8-77-109. Employment support fund

(2) (a) Moneys collected pursuant to this section shall be credited by the state treasurer to the employment support fund, created in subsection (1) of this section. Moneys in the employment support fund shall be annually appropriated by the general assembly to the department of labor and employment:

(I) To be used to offset funding deficits for program administration, including information technology initiatives, under the provisions of articles 70 to 82 of this title and to further support programs to strengthen unemployment fund solvency; and



DEPARTMENT OF LABOR AND EMPLOYMENT

Todd Saliman

Director

Office of State Planning and Budgeting

Proposed Cash Fund Transfer

January 15, 2009

Name of Fund: Fund 416 – Subsequent Injury Fund

Purpose of Fund: Provides compensation benefits to injured workers who have become permanently, totally disabled from more than one industrial accident. Revenue is derived from a fee assessed to insurance carriers and self-insured employers.

Projected End-of-Year Balance:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$27,761,434	\$19,402,208	\$16,542,982
Current Balance YTD FY 2008-09	\$27,513,594		
July 1 Projected Balance Out Years		\$2,011,434	\$2,511,434
Projected Revenue	\$3,000,000	\$3,000,000	\$3,000,000
Less Projected Expenditures	\$2,250,000	\$2,500,000	\$2,500,000
Equals Proposed Projected End of Year Balance	\$28,511,434	\$2,511,434	\$3,011,434
Recommended Transfer	(\$26,500,000)	\$0	\$0
Projected End of Year Balance w/transfer	\$2,011,434		

Impact of Recommended Reduction:

The transfer amount is intended to allow the fund to continue to operate without an impact on the administration of the Subsequent Injury Fund, their benefits and settlements of claimants. These amounts could be transferred with limited impact on operations.

Assumptions:

- The revenue for this fund is based on an assessment on premiums on insurance carriers and self-insured employers and provides compensation benefits to injured workers who have become permanently or totally disabled from more than one industrial accident.
- Part of the surcharge assessed funds the Subsequent Injury and Major Medical Funds. The Director of Workers' Compensation establishes the surcharge rate by rule.
- A portion of the Subsequent Injury Fund balance totaling \$16.0 million is designated to constitute part of the state emergency reserve for FY 2008-09 according to the Long Bill head notes. In order to execute this transfer, this amount should be removed from the emergency reserve and added to the Major Medical Fund by an equal amount. By redefining the emergency reserve amount from Subsequent Injury Fund to Major Medical, the reserve requirement is preserved.
- The Major Medical Fund has approximately \$121.0 million in long term investments. In these market conditions if these investments were liquidated, they would likely not get their current value.

- The Subsequent Injury Fund transferred \$20.0 million to the General Fund in FY 2002-03 and these funds were not restored.

Current Statutory Authority or Needed Statutory Change:

A statutory change is required to redefine the emergency reserve requirement by decreasing the amount from the Subsequent Injury Fund and adding it to Major Medical Fund. A transfer of funds from this balance for purposes other than those described in section requires a statutory change similar to SB 03-191.

8-46-101 C.R.S. (2008) Subsequent injury fund.

(1.5) Notwithstanding any provision of this section to the contrary, on May 1, 2003, the state treasurer shall deduct twenty million dollars from the subsequent injury fund and transfer such sum to the general fund.



DEPARTMENT OF LABOR AND EMPLOYMENT

Todd Saliman

Director

Office of State Planning and Budgeting

Proposed Cash Fund Transfer

January 15, 2009

Name of Fund: Fund 417 – Major Medical Fund

Purpose of Fund: To fund benefits for workers who sustained catastrophic injuries between July 1, 1971 and June 30, 1981. Revenue is from funds transferred into this fund from the Subsequent Injury Fund.

Projected End-of-Year Balance:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$72,450,151	\$102,075,741	\$131,701,331
Current Balance YTD FY 2008-09	\$183,499,249		
July 1 Projected Balance Out Years		\$19,999,249	\$19,999,249
Projected Revenue	\$40,000,000	\$40,000,000	\$40,000,000
Less Projected Mandatory Expenditures	\$13,000,000	\$13,000,000	\$13,000,000
Long Term Investments	\$121,000,000		
Equals Proposed Projected End of Year Balance	\$89,499,249	\$46,999,249	\$46,999,249
Recommended Transfer	(\$69,500,000)	(\$27,000,000)	\$0
Projected End of Year Balance w/transfer	\$19,999,249	\$19,999,249	

Impact of Recommended Reduction:

The transfer amount is intended to allow the fund to continue to operate without an impact on the administration of the Major Medical Fund, their benefits and settlements of claimants. Based on discussions with the Department of Labor, these amounts could be transferred with limited impact on operations. The amount available in FY 2009-10 would not be available until March of 2010 based on the collection of revenue.

Assumptions:

- The revenue for this fund is based on an assessment on premiums on insurance carriers and self-insured employers and provides benefits to workers who have sustained catastrophic injuries between July 1, 1971 and June 30, 1981. This revenue to this fund is received twice annually.
- Part of the surcharge assessed funds the Subsequent Injury and Major Medical Funds. The Director of Workers' Compensation establishes the surcharge rate by rule.
- A portion of the Major Medical Fund balance totaling \$64.0 million is designated to constitute part of the state emergency reserve for FY 2008-09 according to the Long Bill head notes. In order to execute this transfer and transfers from Workers' Compensation and Subsequent Injury, this amount should be increased to \$94.0 million. By redefining the emergency reserve amount from the

Workers' Compensation and Subsequent Injury Fund to Major Medical, the reserve requirement is preserved.

- The Major Medical Fund has approximately \$121.0 million in long term investments. In these market conditions if these investments were liquidated, they would likely not get their current value.
- The Major Medical Fund transferred \$160.0 million to the General Fund in FY 2002-03 and these funds were not restored.

Current Statutory Authority or Needed Statutory Change:

A statutory change is required to redefine the emergency reserve requirement by decreasing the amount from the Worker's Compensation Fund and Subsequent Injury Fund and adding it to Major Medical Fund. A transfer of funds from this balance for purposes other than those described in section requires a statutory change similar to HB 02-1478 and SB 03-191.

Section 8-46-202, C.R.S. (2008)

(1.5) (a) states that \$150.0 million was transferred to the General Fund in May 2003 and (b) states \$10 million was transferred from the General Fund in July 2003.



DEPARTMENT OF LABOR AND EMPLOYMENT

Todd Saliman

Director

Office of State Planning and Budgeting

Revenue Maximization Proposal

January 15, 2009

Name of Fund: Fund 701 – Unemployment Insurance Trust Fund

Purpose of Fund: This fund is for the payment of Unemployment Insurance Benefits. Revenue is generated from state unemployment insurance taxes. These taxes automatically increase as the use of the fund increases.

Projected End-of-Year Balance:

	FY 08-09	FY 09-10	FY 10-11
Projected End of Year Balance with No Action	\$777,008,824	\$816,476,006	\$848,146,546
Current Balance YTD FY 2008-09			
July 1 Projected Balance Out Years	\$710,948,628	\$777,008,824	\$816,476,007
Projected Revenue	\$539,259,895	\$555,437,692	\$572,100,823
Less Projected Expenditures, inc. benefits	\$408,211,711	\$449,032,882	\$471,484,526
Short-term liabilities	\$64,987,988	\$66,937,627	\$68,945,756
Equals Proposed Projected End of Year Balance	\$777,008,824	\$816,476,007	\$848,146,548
Recommended Transfer	\$0	\$0	\$0
Projected End of Year Balance w/transfer	\$777,008,824		
Recommended diversion of the last quarter of payments to General Fund	\$10,500,000	\$0	

Impact of Recommended Diversion:

As this fund is unable to transfer fund balance for any purpose other than to pay unemployment benefits, funds would need to be diverted. The proposal is to divert revenues for the last quarter of FY 2008-09 from the Unemployment Insurance Trust Fund to the General Fund. This transfer would have no impact on the ability to pay unemployment benefits.

Assumptions:

- Based on federal law, fund balances may not be accessed for any purpose other than unemployment benefits so these funds may not be transferred.
- The unemployment tax surcharge is currently split 50/50 between the Employment Support Fund and Unemployment Insurance Trust Fund. This proposal seeks to have the Unemployment Support amount directed to the General Fund for the last quarter of FY 2008-09.
- If legislation was passed to direct the last quarter's taxes to the General Fund, this would equate to approximately \$10.5 million in FY 2008-09.

- The unemployment taxes are filed quarterly with the largest payments in April and May as the tax is collected on the first \$10,000 of wages.
- During the last recession, the Unemployment Insurance Trust revenue was directed to the General Fund for a period of approximately 14 months.

Current Statutory Authority or Needed Statutory Change:

Based on the authority of the Social Security Act, the amounts in this fund may only be used for payment of unemployment benefits. A change in this federal Act would be required to transfer existing fund balance. Statutory authority is needed to direct the last quarter of the unemployment surcharge to the General Fund. SB 03-296 diverted the surcharge revenue from the Unemployment Trust Fund to the General Fund for a period of 14 months.

Section 8-77-102.C.R.S. (2008) Collection and transmittal of receipts - clearing account - refunds - transfers.

(4) All amounts remaining in the clearing account after payment of refunds and the transfers provided for in subsection (3) of this section shall be paid to the secretary of the treasury of the United States for credit to the account of the state of Colorado in the federal unemployment trust fund established and maintained pursuant to section 904 of the federal "Social Security Act", as amended.

8-76-102 (4)(d). Rate of tax – surcharge.

Effective calendar year 2000, the provisions of paragraph (a) of this subsection (4) regarding annual computation of the surcharge tax rate shall no longer apply and the annual surcharge tax rate shall be established at 0.22 percent, with fifty percent of the surcharge tax rate allocated to the general fund and fifty percent of the surcharge tax rate allocated to the employment support fund created under the provisions of section 8-77-109; except that, beginning July 1, 2004, the amount allocated to the general fund shall be allocated to the unemployment compensation fund.