

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0617

Date: July 25, 2012

Prime Sponsor(s): Rep. Miklosi

Bill Status: Postponed Indefinitely

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

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
Cash Funds		
Employment Support Fund	\$74,008	\$76,638
FTE Position Change	1.8 FTE	2.2 FTE
Effective Date: The bill was postponed indefinitely on March 1, 2012, when the House State, Veterans, and Military Affairs Committee tied in a vote that would have constituted final action.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

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

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

Background

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

Claimants of UI benefits are required to actively search for work at all times while receiving benefits. These claimants are also referred to as "job applicants" or "applicants for employment" in laws concerning UI benefits.

State Expenditures

The bill increases costs for the Division of Employment and Training in the Department of Labor and Employment by \$74,008 and 1.8 FTE in FY 2012-13 and by \$76,638 and 2.2 FTE in FY 2013-14.

The division's personal services needs increase to offer each applicant the opportunity to waive certain confidential information. The division will need to track the waived or confidential status of the four record items enumerated in the bill. Based on the applicant's right to elect waived or confidential status at will, the division must respond to changes whenever requested by an applicant.

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

Cost Components	FY 2012-13	FY 2013-14
Personal Services	\$62,123	\$74,548
FTE	1.8	2.2
Operating Expenses	1,710	2,090
Capital Outlay	10,175	
TOTAL	\$74,008	\$76,638

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

Expenditures Not Included

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

Table 2. Expenditures Not Included Under HB12-1259*		
Cost Components	FY 2012-13	FY 2013-14
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$10,989	\$13,428
Supplemental Employee Retirement Payments	3,312	\$4,576
TOTAL	\$14,301	\$18,004

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

State Appropriations

For FY 2012-13, the Department of Labor and Employment requires a cash funds appropriation of \$74,008 and 1.8 FTE from the Employment Support Fund.

Departments Contacted

Labor and Employment Law