

CHAPTER 145

LABOR AND INDUSTRY

SENATE BILL 25-242

BY SENATOR(S) Amabile and Bridges, Kirkmeyer;
also REPRESENTATIVE(S) Sirota and Taggart, Bird, Woodrow.

AN ACT

CONCERNING THE DIVISION OF UNEMPLOYMENT INSURANCE FUNDING ADJUSTMENTS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-70-103, **amend** (24.5); **repeal** (11.5); and **add** (28.5) as follows:

8-70-103. Definitions. As used in articles 70 to 82 of this title 8, unless the context otherwise requires:

(11.5) ~~"Employment and training technology fund" means the employment and training technology fund created in section 8-77-109 (2)(a.9)(II)(A).~~

(24.5) "Support surcharge rate" means an employer's rate that is used to calculate the money payments owed to the employment support fund, the benefit recovery fund, and the ~~employment and training technology~~ UNEMPLOYMENT INSURANCE PROGRAM SUPPORT fund, calculated in accordance with section 8-76-102.5 (3)(a)(IV) using the same methodology as is used to calculate an employer's percent of excess in accordance with section 8-76-102.5 (3)(a)(II)(A).

(28.5) "UNEMPLOYMENT INSURANCE PROGRAM SUPPORT FUND" MEANS THE UNEMPLOYMENT INSURANCE PROGRAM SUPPORT FUND CREATED IN SECTION 8-77-109 (2)(a.9)(II)(A).

SECTION 2. In Colorado Revised Statutes, 8-71-103, **amend** (2)(b)(I) as follows:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

8-71-103. Organization of division - authority to issue bonds.

(2)(b)(I) Except as provided in ~~subparagraph (H) of this paragraph (b)~~ SUBSECTION (2)(b)(II) OF THIS SECTION, the enterprise established pursuant to this subsection (2) has all the powers and duties authorized by articles 70 to 82 of this ~~title~~ TITLE 8 pertaining to unemployment insurance and unemployment compensation. The unemployment compensation fund, created in section 8-77-101, ~~constitutes~~ AND THE UNEMPLOYMENT INSURANCE PROGRAM SUPPORT FUND, CREATED IN SECTION 8-77-109 (2)(a.9)(II)(A), CONSTITUTE part of the enterprise established pursuant to this subsection (2).

SECTION 3. In Colorado Revised Statutes, 8-77-109, **amend** (1)(b), (2)(a)(I)(B), (2)(a)(II)(A), (2)(a.9)(II)(A), (6)(a) introductory portion, and (6)(b) as follows:

8-77-109. Employment support fund - unemployment insurance program support fund - created - uses - repeal. (1) (b) There is ~~hereby~~ established the employment support fund. The fund consists of ~~thirty-five~~ ELEVEN percent of the support surcharge rate assessed annually as part of each employer's support surcharge rate payments paid and dedicated to the employment support fund in accordance with section 8-76-102.5 (3)(a)(IV) AND OTHER MONEY CREDITED TO THE FUND.

(2) (a) (I) (B) To the extent allowed by the United States department of labor employment and training administration, the state treasurer shall credit ~~nineteen~~ FIFTEEN percent of each employer's annual support surcharge rate determined pursuant to section 8-76-102.5 (3)(a)(IV) to the benefit recovery fund, up to a maximum of fifteen million dollars each year.

(II) (A) At the end of the ~~2023-24~~ 2024-25 state fiscal year, and AT THE END OF each state fiscal year thereafter, the state treasurer shall credit any money collected pursuant to this section that would cause the balance in the employment support fund to exceed ~~seven~~ THREE million FIVE HUNDRED THOUSAND dollars, as adjusted annually ~~for~~ BY AN AMOUNT EQUAL TO the ~~United States department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood or its successor index, excluding gifts, grants, or donations, to the employment and training technology fund created in subsection (2)(a.9)(II)(A) of this section. If the employment and training technology fund has reached the maximum allowable balance pursuant to subsection (2)(a.9)(II)(A) of this section, the treasurer shall instead credit the money to the workforce development fund created in section 8-83-107 (4)~~ CHANGE IN THE AVERAGE WEEKLY EARNINGS PRESCRIBED IN SECTION 8-73-102, ROUNDED TO THE NEAREST ONE HUNDRED DOLLARS AND EXCLUDING ANY GIFTS, GRANTS, OR DONATIONS, TO THE UNEMPLOYMENT COMPENSATION FUND CREATED IN SECTION 8-77-101 (1).

(a.9) (II) (A) The ~~employment and training technology~~ UNEMPLOYMENT INSURANCE PROGRAM SUPPORT fund, referred to in this subsection (2)(a.9) as the "fund", is created in the state treasury. Notwithstanding any provision of this subsection (2) to the contrary, the state treasurer shall credit ~~thirty-two~~ FIFTY-FOUR percent of each employer's annual support surcharge rate under section 8-76-102.5 (3)(a)(IV) to the ~~employment and training technology~~ fund. ~~On and after April 27, 2021, and on or before June 30, 2023, if cumulative revenue to the employment and~~

~~training technology fund equals thirty-one million dollars, less any money transferred to the unemployment compensation fund, no additional money shall be credited to the employment and training technology fund but instead shall be allocated to the unemployment compensation fund. On and after July 1, 2023, any amount collected in a fiscal year in excess of thirteen million two hundred thousand dollars under this subsection (2)(a.9)(II), as adjusted annually for the United States department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood or its successor index, excluding gifts, grants, or donations, shall be credited to the fund and then credited to the unemployment compensation fund~~ At the end of the 2024-25 state fiscal year, and at the end of each state fiscal year thereafter, the state treasurer shall credit any money collected pursuant to this section that would cause the balance in the fund to exceed twenty-five million dollars, as adjusted annually by an amount equal to the change in the average weekly earnings prescribed in section 8-73-102, rounded to the nearest one hundred dollars and excluding any gifts, grants, or donations, to the unemployment compensation fund. Money in the fund shall be used for ~~employment and training automation initiatives established by the director~~ administrative costs of the division, including technology and staffing costs, and other costs to support the unemployment insurance program as determined by the director of the division. Money in the fund is subject to annual appropriation by the general assembly for the purposes of this subsection (2)(a.9) and shall not revert to the general fund or any other fund at the end of any state fiscal year. The money in the fund is exempt from section 24-75-402. At any time, the money in the ~~employment and training technology~~ unemployment insurance program support fund may be appropriated by the general assembly to the unemployment compensation fund or allocated to the unemployment compensation fund at the discretion of the executive director of the department of labor and employment.

(6) (a) The portion of each employer's support surcharge rate that the employer paid and that is dedicated to the employment support fund pursuant to section 8-77-109 (1)(b), to the benefit recovery fund pursuant to section 8-73-116, to the workforce development fund pursuant to section 8-83-107, and to the ~~employment and training technology~~ unemployment insurance program support fund pursuant to subsection (2)(a.9)(II)(A) of this section:

(b) Any money transferred or credited from the employment support fund, the benefit recovery fund, the workforce development fund, ~~or the employment and training technology~~ unemployment insurance program support fund, or support surcharge rate payments to the unemployment compensation fund pursuant to this section is not used in calculating the employer's experience rate or percent of excess for the standard premium rate schedule.

SECTION 4. In Colorado Revised Statutes, 8-73-116, **amend** (2)(e)(I) as follows:

8-73-116. Benefit recovery fund - recovery benefits - eligible individuals - third-party administrator - definitions - rules - access to personal information or tax data to administer fund - confidentiality requirements. (2) (e) (I) ~~If the amount in the fund exceeds thirty million dollars, as adjusted for the United States~~

~~department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood or its successor index, excluding gifts, grants, or donations, the state treasurer shall transfer the money in the fund in excess of thirty million dollars~~ AT THE END OF THE 2024-25 STATE FISCAL YEAR, AND AT THE END OF EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL CREDIT ANY MONEY COLLECTED PURSUANT TO THIS SECTION THAT WOULD CAUSE THE BALANCE IN THE FUND TO EXCEED THIRTY MILLION DOLLARS, AS ADJUSTED ANNUALLY BY AN AMOUNT EQUAL TO THE CHANGE IN THE AVERAGE WEEKLY EARNINGS PRESCRIBED IN SECTION 8-73-102, ROUNDED TO THE NEAREST ONE HUNDRED DOLLARS AND EXCLUDING ANY GIFTS, GRANTS, OR DONATIONS, to the unemployment compensation fund created in section 8-77-101 (1).

SECTION 5. In Colorado Revised Statutes, 8-76-102.5, **amend** (3)(a)(IV) introductory portion as follows:

8-76-102.5. Rates effective upon fund solvency - repeal of prior rates - solvency surcharge - definitions. (3) (a) (IV) The support surcharge rate, which is the rate dedicated to employer support surcharge payments deposited into the employment support fund, the benefit recovery fund, the ~~employment and training technology~~ UNEMPLOYMENT INSURANCE PROGRAM SUPPORT fund, and the workforce development fund, is calculated using the following support surcharge rate schedule:

SECTION 6. In Colorado Revised Statutes, 8-83-107, **amend** (4)(a) and (9) as follows:

8-83-107. Workforce development enterprise - creation - powers and duties - enterprise fund - fee - legislative declaration - definitions. (4) The workforce development fund is created in the state treasury. Money in the fund shall be used by the workforce development enterprise to engage in and support employment and training workforce initiatives throughout Colorado. The workforce development enterprise may deposit or permit others to deposit other money into the workforce development fund. The workforce development fund consists of the following:

(a) ~~Fourteen~~ TWENTY percent of the support surcharge collected pursuant to section 8-76-102.5 (3)(a)(IV);

(9) (a) ~~At the end of the 2024-25 state fiscal year, if the amount in the fund exceeds six million eight hundred thousand dollars, the state treasurer shall transfer the money in the fund in excess of six million eight hundred thousand dollars to the unemployment compensation fund created in section 8-77-101 (1).~~

(b) At the end of the ~~2025-26~~ 2024-25 state fiscal year, and AT THE END OF each state fiscal year thereafter, ~~if the amount in the fund exceeds six million eight hundred thousand dollars, as adjusted for the United States department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood, or its successor index, the state treasurer shall credit any money collected pursuant to this section that would cause the balance in the fund to exceed the adjusted amount~~ THE STATE TREASURER SHALL CREDIT ANY MONEY COLLECTED PURSUANT TO THIS SECTION THAT WOULD CAUSE THE BALANCE IN THE FUND TO EXCEED SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS, AS ADJUSTED ANNUALLY BY AN AMOUNT

EQUAL TO THE CHANGE IN THE AVERAGE WEEKLY EARNINGS PRESCRIBED IN SECTION 8-73-102, ROUNDED TO THE NEAREST ONE HUNDRED DOLLARS AND EXCLUDING ANY GIFTS, GRANTS, OR DONATIONS, to the unemployment compensation fund created in section 8-77-101 (1).

SECTION 7. Appropriation - adjustments to 2025 long bill. (1) To implement this act, cash fund appropriations from the employment support fund created in section 8-77-109 (1)(b), C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of labor and employment are decreased as follows:

(A) Executive director's office

Personal services	\$2,099,845
Health, life, and dental	\$3,773,855
Short-term disability	\$26,392
Unfunded liability amortization	
equalization disbursement payments	\$1,679,537
Workers' compensation	\$50,082
Operating expenses	\$201,213
Legal services	\$175,803
Payment to risk management and property funds	\$41,927
Vehicle lease payments	\$25,749
Leased space	\$1,418,497
Capitol complex leased space	\$10,969
Payments to OIT	\$4,894,442
Information technology asset maintenance	\$19,538
Statewide indirect cost assessment	\$153,180

(2) To implement this act, cash fund appropriations from the unemployment insurance program support fund created in section 8-77-109 (2)(a.9)(II)(A), C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of labor and employment for use by the division of unemployment insurance for program costs is decreased by \$10,459,436, and the related FTE is decreased by 74.0 FTE.

(3) To implement this act, cash fund appropriations from the unemployment

insurance program support fund created in section 8-77-109 (2)(a.9)(II)(A), C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of labor and employment and the related FTE are increased as follows:

(A) Executive director's office

Personal services	\$1,226,689
Health, life, and dental	\$1,997,192
Short-term disability	\$13,967
Unfunded liability amortization	
equalization disbursement payments	\$888,841
Workers' compensation	\$29,257
Operating expenses	\$117,545
Legal services	\$102,701
Payment to risk management and property funds	\$24,493
Vehicle lease payments	\$15,042
Leased space	\$828,659
Capitol complex leased space	\$6,408
Payments to OIT	\$2,859,240
Information technology asset maintenance	\$11,414
Statewide indirect cost assessment	\$89,485

Division of unemployment insurance

Program costs	\$10,000,000
Technology initiatives	\$30,459,436 (74.0 FTE)

(4) To implement this act, cash fund appropriations from the workforce development fund created in section 8-83-107 (4), C.R.S., made in the annual general appropriation act for the 2025-26 state fiscal year to the department of labor and employment are increased as follows:

(A) Executive director's office

Personal services	\$873,156
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Health, life, and dental	\$1,776,663
Short-term disability	\$12,425
Unfunded liability amortization	
equalization disbursement payments	\$790,696
Workers' compensation	\$20,825
Operating expenses	\$83,668
Legal services	\$73,102
Payment to risk management and property funds	\$17,434
Vehicle lease payments	\$10,707
Leased space	\$589,838
Capitol complex leased space	\$4,561
Payments to OIT	\$2,035,202
Information technology asset maintenance	\$8,124
Statewide indirect cost assessment	\$63,695

		APPROPRIATION FROM				
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

SECTION 8. Appropriation to the department of labor and employment for the fiscal year beginning July 1, 2024. In Session Laws of Colorado 2024, section 2 of chapter 519, (HB 24-1430), **amend** Part X (1)(A), (2), and the affected totals, as Part X (1)(A) and the affected totals are amended by section 1 of SB 25-097, as follows:

Section 2. **Appropriation.**

**PART X
DEPARTMENT OF LABOR AND EMPLOYMENT**

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Executive Director's Office

Personal Services	11,937,059
(113.2 FTE)	
Health, Life, and Dental	27,012,036
Short-term Disability	208,041
Paid Family and Medical Leave Insurance	624,127
Unfunded Liability	
Amortization Equalization	
Disbursement Payments	13,869,452
Salary Survey	5,332,685
Step Pay	7,404,256

APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
PERA Direct Distribution	2,339,000						
Temporary Employees Related to Authorized Leave	371,656						
Workers' Compensation	589,017						
Operating Expenses	2,004,121						
Legal Services	1,777,056						
Payment to Risk Management and Property Funds	417,709						
Vehicle Lease Payments	250,133						
Leased Space	8,601,338						
Capitol Complex Leased Space	61,605						
Payments to OIT	30,428,371						
CORE Operations	94,194						
Utilities	260,309						
Information Technology Asset Maintenance	218,626						

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APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Statewide Indirect Cost Assessment	<u>1,459,055</u>						
	115,259,846		13,500,523		51,805,821 ^a	1,455,019 ^b	48,498,483(I)

^a Of this amount, an estimated ~~\$20,432,737~~ \$5,833,052 shall be from the Employment Support Fund created in Section 8-77-109 (1)(b), C.R.S., \$3,304,955 shall be from the Workers' Compensation Cash Fund created in Section 8-44-112 (7)(a), C.R.S., \$11,186,007 (I) shall be from the Family and Medical Leave Insurance Fund created in Section 8-13.3-518 (1), C.R.S., which is continuously appropriated pursuant to Section 8-13.3-518 (1), C.R.S., and is included for informational purposes only, \$8,227,673 SHALL BE FROM THE UNEMPLOYMENT INSURANCE PROGRAM SUPPORT FUND CREATED IN SECTION 8-77-109 (2)(a.9)(II)(A), C.R.S., \$6,372,012 SHALL BE FROM THE WORKFORCE DEVELOPMENT FUND CREATED IN SECTION 8-83-107 (4), C.R.S., \$3,794,259 shall be from the Petroleum Storage Tank Fund created in Section 8-20.5-103 (1), C.R.S., \$2,655,937 shall be from the Unemployment Revenue Fund created in Section 8-77-106 (1), C.R.S., \$769,299 shall be from the Boiler Inspection Fund created in Section 9-4-109 (4), C.R.S., \$489,964 shall be from the Major Medical Insurance Fund created in Section 8-46-202 (1)(a), C.R.S., \$377,139 shall be from the Subsequent Injury Fund created in Section 8-46-101 (1)(b)(I), C.R.S., \$118,417 shall be from the Wage Theft Enforcement Fund created in Section 8-4-113 (3)(a), C.R.S., and \$8,677,107 shall be from various sources of cash funds. Of the amount from the Major Medical Insurance Fund, \$15,006 (I) is for Legal Services and is included for informational purposes only because money in the Major Medical Insurance Fund is continuously appropriated for payment of legal fees pursuant to Section 8-46-202 (1)(c), C.R.S. Of the amount from the Subsequent Injury Fund, \$10,986 (I) is for Legal Services and is included for informational purposes only because money in the Subsequent Injury Fund is continuously appropriated for payment of legal fees pursuant to Section 8-46-101 (4)(b), C.R.S.

^b Of this amount, \$1,453,135 shall be from statewide indirect cost recoveries or the Indirect Costs Excess Recovery Fund created in Section 24-75-1401 (2), C.R.S., and \$1,884 shall be from the Mobile Sources Local Grants line item and the Stationary Sources Local Contracts line item in the Department of Public Health and Environment.

			APPROPRIATION FROM				
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
(2) DIVISION OF UNEMPLOYMENT INSURANCE							
Program Costs		78,665,197			16,404,109 ^a		62,261,088(I)
	78,205,761				15,944,673 ^a		
		(496.7 FTE)					
	(422.7 FTE)						
TECHNOLOGY INITIATIVES	30,459,436				30,459,436 ^b		
	(74.0 FTE)						
		108,665,197					

^a Of this amount, it is estimated that ~~\$10,459,436~~ shall be from the Employment and Training Technology Fund created in Section 8-77-109 (2)(a.9)(II)(A), C.R.S., \$10,000,000 shall be from the UNEMPLOYMENT INSURANCE PROGRAM SUPPORT FUND CREATED IN SECTION 8-77-109 (2)(a.9)(II)(A), C.R.S., \$5,284,109 shall be from the Unemployment Revenue Fund created in Section 8-77-106 (1), C.R.S., and \$660,564 shall be from various sources of cash funds.

^b THIS AMOUNT SHALL BE FROM THE UNEMPLOYMENT INSURANCE PROGRAM SUPPORT FUND CREATED IN SECTION 8-77-109 (2)(a.9)(II)(A), C.R.S.

		APPROPRIATION FROM					
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
TOTALS PART X							
(LABOR AND							
EMPLOYMENT)							
		\$430,690,421	\$35,248,041		\$159,534,037	\$24,702,875 ^b	\$211,205,468 ^c
		<u>\$460,690,421</u>			<u>\$189,534,037^a</u>		

^a Of this amount, \$59,136,247 contains an (I) notation and \$37,635 also contains an (L) notation.

^b Of this amount, \$22,003,646 contains an (I) notation.

^c Of this amount, \$211,205,468 contains an (I) notation.

SECTION 9. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: April 28, 2025