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0251 Committees on: State Affairs, Legislative Procedures

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No 251

Report to the Colorado General Assembly:

**RECOMMENDATIONS FOR 1981
COMMITTEES ON:**

**STATE AFFAIRS
LEGISLATIVE PROCEDURES**



COLORADO LEGISLATIVE COUNCIL

RESEARCH PUBLICATION NO. 251

December, 1980

Colorado Legislative
Council, Committee on State
Affairs
Colorado Legislative Council
recommendations for 1981

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COLORADO GENERAL ASSEMBLY

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The Legislative Council, which is composed of six Senators, six Representatives, plus the Speaker of the House and the Majority Leader of the Senate, serves as a continuing research agency for the legislature through the maintenance of a trained staff. Between sessions, research activities are concentrated on the study of relatively broad problems formally proposed by legislators, and the publication and distribution of factual reports to aid in their solution.

During the sessions, the emphasis is on staffing standing committees, and, upon individual request, supplying legislators with personal memoranda which provides them with information needed to handle their own legislative problems. Reports and memoranda both give pertinent data in the form of facts, figures, arguments, and alternatives.

Colorado, Legislative Council. Committee on
"State Affairs"

**COLORADO LEGISLATIVE COUNCIL
"RECOMMENDATIONS FOR 1981"**

Committees on:

State Affairs

Legislative Procedures

**Legislative Council
Report to the
Colorado General Assembly**

**Research Publication No. 251
December, 1980**

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To Members of the Fifty-third Colorado General Assembly:

Submitted herewith are the final reports of the Legislative Council interim committees for 1980. This year's reports of the fourteen committees are contained in nine volumes of research publications (Research Publication Nos. 249 through 257).

Respectfully submitted,

/s/ Senator Fred Anderson
Chairman
Colorado Legislative Council

FA/sh

FOREWORD

The recommendations of the Colorado Legislative Council for 1980 appear in nine separate volumes (Research Publication Nos. 249 through 257). The Legislative Council reviewed the reports contained in this volume (Research Publication No. 251) at its meeting on November 24, 1980. The Legislative Council voted to transmit the bills included herein to the 1981 Session of the General Assembly.

The committees and staff of the Legislative Council were assisted by the staff of the Legislative Drafting Office in the preparation of bills and resolutions contained in this Volume. Matt Flora assisted the Committee on State Affairs; and Doug Brown and Becky Lennahan, the Committee on Legislative Procedures.

December, 1980

Lyle C. Kyle
Director

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LEGISLATIVE COUNCIL
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Principal Analyst	Senior Analyst

Pursuant to Senate Joint Resolution No. 26, the 1980 interim Committee on State Affairs was assigned the following four topics for study:

- the state unemployment compensation law as it relates to state employees;

- the operating efficiency of the unemployment compensation section of the Division of Employment and Training, Department of Labor and Employment;

- the operating efficiency of the workmen's compensation section of the Division of Labor, Department of Labor and Employment; and

- the state personnel system including, but not limited to, consideration of proposals that will increase the productivity of the system, the functions of the system which are in the greatest need of change, and incentives or recognition for state employees who perform their work at high levels of achievement.

The committee has completed the study of its four assigned topics and recommends two bills concerning the state personnel system, and six bills concerning unemployment compensation. These bills and other recommendations of the committee are explained in the text of the report.

UNEMPLOYMENT COMPENSATION

Three areas related to unemployment compensation were addressed by the committee: the first area involved the issue of the eligibility of certain employees of the Colorado School for the Deaf and Blind to receive unemployment benefits during summer months; secondly, the committee reviewed the state's efforts to control a rapidly increasing unemployment compensation payout to former state employees; and the third area, on which the committee spent a majority of its time, encompassed the entire unemployment compensation law and its administration.

School for the Deaf and Blind

Background. Under present Colorado law, non-professional employees of elementary and secondary educational institutions are not eligible, when there is "reasonable assurance" that they will be reemployed for the regular fall term, to receive unemployment compensation during the summer months when school is not in session. The School for the Deaf and Blind was not considered to be an educational institution, due to its unique nature, until the passage of House Bill 1569

in 1979. Thus, non-professional employees of the school were granted unemployment compensation during the summer months between regular school terms. With the passage of House Bill 1569 the exemption of the School for the Deaf and Blind from the definition of educational institution was repealed and the non-professional employees of the school were not entitled to benefits during summer months.

In response to the 1979 act, Representative Becker introduced House Bill 1105 in the 1980 session to exempt the School for the Deaf and Blind from the educational institution provision, thereby, again, entitling its employees to unemployment compensation during summer months. In written testimony to the committee, Representative Becker explained that his bill was introduced to permit the representatives of the school to defend their case because the language in House Bill 1569, which repealed the exemption, was included at the last minute by the Senate. At that time representatives of the school did not realize how the amendment affected the school and therefore did not call it to the attention of the legislature.

In consultation with the Attorney General's Office and the Department of Labor and Employment it was determined that House Bill 1105, if adopted, would put Colorado out of compliance with federal law. On this basis, and at the request of Representative Becker, the bill was postponed indefinitely. Shortly thereafter, the federal regional director of the United States Department of Labor, in discussions with the department, agreed that House Bill 1105 would not cause Colorado to be out of compliance and Representative Becker reintroduced his proposal that year as House Bill 1233. The bill was eventually postponed indefinitely because the fiscal impact was estimated to be between \$40,000 and \$90,000.

Committee findings. The committee was advised by representatives of the Department of Labor and Employment that a bill to exempt the School for the Deaf and Blind from the educational institution category would put Colorado out of compliance with federal law, based on a still later determination made by the United States Department of Labor. In order to remain in compliance with federal law, non-professional employees of all educational institutions, in addition to the employees of the School for the Deaf and Blind, would have to be made eligible for unemployment benefits. The committee accepted this interpretation and makes no recommendation to grant benefits to non-professional employees of all elementary and secondary educational institutions. The committee concluded that the fiscal impact of making these employees eligible would be prohibitive.

Cost Control -- Unemployment Benefits for State Employees

Background. Prior to July 1, 1976, only a few state employees were eligible for unemployment compensation. Costs of unemployment compensation were minimal and of no great concern. As of July 1, 1976, all state employees became eligible to receive unemployment benefits, and costs began to increase. In fiscal year 1977 the cost to

the state for unemployment benefits for state employees approximated \$650,000. In fiscal year 1978 the cost more than doubled to nearly \$1,500,000.

In response to this rapid increase in cost Governor Lamm issued an Executive Order in January, 1979 instructing state agencies to supply information to, and cooperate with, the Department of Administration in attempting to control this cost. The information generated was jointly analyzed by the executive and legislative branches and it was determined that most agencies did not know the proper procedures to follow in contesting unwarranted claims, or how to appeal adverse rulings. The Department of Administration proposed that a company, expert in insurance matters, be retained to handle all aspects of state unemployment insurance claims.

The General Assembly concurred with the Department of Administration and appropriated \$75,000 in 1979 for the purpose of hiring a firm to handle state unemployment insurance claims. In 1980, the state contracted with the Gibbens Company at a cost of \$65,000. Funding of the contract was continued by the General Assembly in 1980 for the 1981 fiscal year. The contract called for the Gibbens Company to provide the following major services:

- training each agency's supervisory staff in how to document separations, the documentation of supporting evidence to the separation using such things as written warnings, and how to make notes about verbal warnings;
- responding to claims filed by state employees, when appropriate;
- appearing at hearings;
- appealing adverse hearing results, when appropriate;
- auditing reports of claims paid; and
- appealing improper charges.

Effectiveness of cost control efforts. The Department of Administration provided the committee with data on the activities and effectiveness of the Gibbens Company for the nine month period ending March 31, 1980. A comparison of claims paid with and without their services is provided in the table below.

	<u>With Contractor</u> <u>9 Months</u> <u>Ended 3/31/80</u>	<u>Without Contractor</u> <u>9 Months</u> <u>Ended 3/31/79</u>
Total Value of Claims Paid	\$885,372	\$1,013,877
Average Per Quarter	\$295,124	\$ 337,959
Number of Claimants	561	670
(Average Per Quarter)		

The contractor appealed 243 claims during the third quarter of 1979, representing 47.9 percent of total claims filed. During the fourth quarter 777 claims were filed and 299 were protested, or 38.5 percent. At the end of the fourth quarter 610 claims were on file, of which 307 were protestable. Of the 307 protestable claims the contractor was successful in either eliminating or reducing the state's liability in 155 claims (50.5 percent), with ninety-six claims (31.2 percent) still pending final determination.

Due to the limited experience with the contractor and the problem of isolating the many variables influencing the data, the effectiveness of the contractor could not be measured by exact dollar savings to the state, but the Department of Administration assured the committee that the savings generated by the contractor were greater than the cost of the contract.

The committee makes no recommendation concerning the state's contract with the Gibbens Company.

Colorado Employment Security Act

Introduction. The committee was directed to undertake a study of the operating efficiency of the unemployment compensation section of the Division of Employment and Training, Colorado Department of Labor and Employment. At the outset of hearings on this topic it became apparent that limiting the scope of the study to the efficiency of one administrative section would not yield as many beneficial recommendations as would a more wide-ranging examination of the employment security law.

Committee procedure. The committee devoted nearly three full meetings to this topic. One-half of this time was devoted to gaining an understanding of the law and administrative procedures established for the processing of claims for unemployment benefits. The balance of the committee's effort involved the consideration of amendments to the law proposed by the Department of Labor and Employment.

Representatives of the Department of Labor and Employment provided the committee with an overview of the law and its administration, interjecting where appropriate their concerns and general suggestions on areas the committee should examine. The committee in turn communicated its concerns and priorities to departmental representatives. The department's recommendations which the committee considered reflected this dialogue.

The committee did not consult at any great length with representatives of labor and industry for their reactions to the department proposals, because the committee was assured (by the department) that the recommendations had the general support of labor and industry. The committee was advised that the department had met with representatives of labor and industry at a meeting in Keystone, Colorado, for the purpose of developing proposals on unemployment which were satis-

factory to labor, industry, and the department, and the committee was assured that the department would not recommend a proposal that did not have the support of these two groups.

Committee recommendations. The committee recommends six bills concerning unemployment compensation. Four of the bills contain interrelated recommendations and concern tax matters, benefit matters, federal conformity issues, and housekeeping matters. One bill will require that the administrative budget of the Division of Employment and Training be submitted to the Joint Budget Committee for review, and one bill will change the word "contribution" to "tax" throughout the Colorado Employment Security Act.

Each recommendation is explained in the sections that follow. Background and rationale necessary to an understanding of each recommendation are included where appropriate. The discussion of each recommendation relies heavily on information supplied to the committee by the Department of Labor and Employment.

Tax Matters -- Bill 1

Definition of employer (SECTIONS 1 and 4). Present law allows an employing unit, defined as any individual or type of organization having one or more persons in its employ, to succeed to the unemployment experience of a business it has acquired. However, this is allowed only if the former business was an employing unit at the time of acquisition. This limitation has made it necessary in certain situations to deprive an employer of his balance in the unemployment insurance fund and his experience rating when he forms a new type of ownership.

The Department of Labor and Employment used the following example to clarify the problem. An employer operates a small business as a sole proprietor and has been paying for ten years into the state fund. The balance in his account is presently \$2,000. Because business is slow he is forced to lay off his only employee and he and his wife operate the business. He then incorporates and issues fifty-one percent of the stock to himself and forty-nine percent to his wife. Under current law his \$2,000 balance cannot be transferred to the corporation because he, the employer, was not an employing unit immediately prior to the change in ownership (he had no employees immediately prior to incorporation).

This recommendation will allow such a corporation to succeed to the \$2,000 account balance by eliminating the requirement that the predecessor employer be an employing unit at the time of acquisition.

Increase taxable wage base (SECTION 1). Representatives of the Division of Employment and Training advised the committee that preliminary projections indicated that the unemployment insurance fund would "go broke" by 1982. Later, refined projections showed that the fund would be completely depleted by the first quarter of 1983, fol-

lowed by a slight recovery, then a return to a deficit position from 1986 on. See Appendix A for the division's projections and accompanying assumptions.

According to the division, a major contributing factor to the problem is that only forty-seven percent of the average wage in Colorado is taxed. This percentage is dropping as the average wage in Colorado increases and the wage base of \$6,000, on which the tax is applied, is held constant by statute. Expressed in another way, the \$6,000 taxable wage base is now only forty-seven percent of the average wage in Colorado. The division suggested that a tax on sixty percent of the average wage would be consistent with benefits currently set at a maximum of \$150 per week. The maximum weekly benefit of \$150 represents fifty percent of the average weekly wage of employees in Colorado.

The division informed the committee, early in the interim, that several options, along with that option suggested above, to insure the solvency of the unemployment insurance fund were under consideration. Major options under consideration by the division are summarized below.

- Institute, by statute, a taxable wage base expressed as a percentage of the average wage, thereby allowing for automatic adjustments. The advantage of this approach is that tax increases would not be as sudden or as large as infrequent increases in a static wage base.

- Adjust the experience rating system and tax schedule to reflect a particular industry's impact on the unemployment insurance fund.

- Increase penalties for delinquent contributions.

- Increase the dollar amount of earned wages that qualifies a person for benefits (currently \$750). This minimum, in effect since 1974, allows too many to qualify for benefits too soon.

- Adjust the tax schedule to permit the fund level to rise to a higher maximum; this would provide more of a cushion during times of higher unemployment.

After its initial presentation of the above options, the division returned to the committee with a proposal to raise the taxable wage base from \$6,000 to \$8,000 effective December 31, 1981. Representatives of the division informed the committee that this increase represented a first step in insuring that the fund would remain solvent. A flexible wage base proposal, as originally suggested, based on a percentage of the average wage was not recommended by the division, because representatives of industry had rejected the concept at the meeting held in Keystone.

According to division projections, the recommended increase in the taxable wage base would represent a conservative approach and

would forestall a deficit fund position until the fourth quarter of 1986, and provide an adequate reserve during the critical 1982 period.

This would permit a thorough study on various options to be completed and recommendations to be prepared for consideration during the 1983 session of the General Assembly. See Appendix B for projections of the fund level assuming an \$8,000 taxable wage base.

The committee questioned the division's projected unemployment rate of 4.8 percent for 1982 (Appendix B), a full percentage point higher than the projected 1981 rate. According to the division, if the projected 1981 unemployment rate remained at 3.8 percent in 1982, the projected fund level for 1983 would be thirty to forty million dollars higher. The committee concluded that if the unemployment rate was significantly lower than that projected by the division a smaller increase in the taxable wage base would be sufficient to insure the solvency of the fund.

On this basis the committee recommends that the taxable wage base be increased to \$7,000 effective December 31, 1981. In addition, the wage base will be increased to \$8,000, effective December 31, 1982, if the fund reserve falls below seventy-five million dollars as of July 1, 1982. This phased-in increase will insure the solvency of the fund if the projected unemployment rate turns out to be accurate. If the actual unemployment rate is below the projection, a premature and possibly unnecessary tax increase will be avoided. If the unemployment rate is well below the projection, and the fund has a balance of one hundred million dollars or more on July 1, 1981, the new \$7,000 taxable wage base will return to the present \$6,000.

Chargeability, rating, and failure to file reports (SECTION 2). Four separate amendments are recommended in this section. The first adds the word "full" to make it clear that an employer is eligible for a computed rate (contribution rate based on the unemployment experience of the employer) only after his account has been chargeable for twelve "full" months prior to the computation date. This provides a uniform method for determining chargeability.

The second amendment will provide an employer, whose account has been reinstated, notice that he has been given either a computed rate or a standard rate. Present law does not provide for notification.

The third amendment will cause the standard contribution rate of 2.7 percent to be applied against any employer who fails to file required reports. The committee agreed with the notion that employers failing to comply should not enjoy the benefit of computed rates; this change should give employers an incentive to comply.

The fourth amendment will more clearly define the contribution rates for new and reinstated employers. A new or reinstated employer will be liable for contributions at the standard rate: until his account has been charged for benefits for a full twelve months prior to the computation date; or if he has failed to file two or more con-

tribution reports for the computation period. (This allows new and reinstated employers, who fail to file, to be subject to the same standard rate as ongoing employers who fail to file reports).

Voluntary contributions and payroll (SECTION 3). The first amendment, pertaining to voluntary contributions, will prevent an employer from not reporting wages prior to the date on which his contribution rate is determined by the department (thereby reducing his average annual payroll) in order to have a more favorable contribution rate for the year in which he makes a voluntary contribution. A loophole in the present law allows an employer, delinquent in paying his contributions, to make a voluntary contribution which may not be applied against the delinquent amounts by the division. Employers routinely make voluntary contributions to reduce their unemployment contribution rates.

This amendment will allow the division to apply voluntary contributions to delinquent amounts first, and any excess will be treated as a voluntary contribution. The rationale being that delinquent employers should not be entitled to make voluntary contributions.

A second amendment in SECTION 3 concerns the present definition of "average annual payroll". Some of the language, which is confusing and redundant, will be removed and additional language added to provide a more accurate method of calculating average annual payroll for employers who have not reported three full years of payroll.

Refunds to employers (SECTION 5). The Division of Employment is authorized to audit five years of an employer's records and recover money the employer should have paid. However, if an employer in error pays in more than he should have he is entitled to receive a refund dating back only two years. The two year limitation is not equitable in view of the fact that employer liability extends back five years. According to the division, this disparity has caused considerable ill feeling on the part of the employers. The division proposed that the law be amended to allow for refunds to be made dating back five years.

The amendment will require the division to make refunds of erroneous overpayments dating back five years. In addition, interest on the overpayment will be paid by the division at a rate of nine percent per annum, the current rate charged by the division for delinquent contributions.

Benefit Matters -- Bill 2

Rules and regulations (SECTIONS 1, 2, and 3). The Colorado Employment Security Act presently requires the publication of proposed rule and regulation changes in newspapers of general circulation before such changes can become effective. According to the division, this requirement results in considerable expense and delay. The publication of rules and regulations are also subject to the state Administrative Procedure Act. The act requires the Industrial Commis-

sion to publish a notice in the Colorado Register twenty days prior to a hearing to consider proposed rule and regulation changes. The adopted changes must then be published in the Register at least twenty days prior to taking effect. This duplicative requirement is unnecessary.

The amendments in these three sections of the bill will remove the requirement that proposed rule changes be published in newspapers of general circulation. Publication in the Colorado Register will still be required.

Non-charging of employers for employees receiving less than \$500 in wages (SECTION 4). Employers contributing to the fund who have paid an employee less than \$500 in wages during the base period of a claim filed by the employee are not liable and receive no charges against their accounts. The benefits based on these wages are charged against the fund. However, even though the employer is not liable, the division must adjudicate the employment separations to determine if an employee is entitled to receive unemployment benefits. According to the division, the burden and administrative costs associated with adjudicating these separations are not warranted.

This amendment will provide that separations from employers, paying less than \$500 in wages to the employee, will not be adjudicated (including combined wage claims of less than \$500 in which Colorado wages are transferred to another state).

Time limit for claim protest (SECTION 5). Presently the law provides that a protest of a claim must be postmarked within "nine working days" of the mailing of the claim notice. Actual elapsed time can be as long as sixteen calendar days, occasioned by weekends and holidays during the period. This has caused the division to be out of compliance with federal standards governing prompt payment of benefits to eligible claimants. In addition, the use of "working days" has created considerable confusion among employers.

The amendment will allow protests and additional information to be filed within ten calendar days. This is comparable to time limits imposed in other states.

Conformity Issues -- Bill 3

The recommendations in this section are necessary to bring Colorado's Employment Security Act into compliance with the Federal Unemployment Tax Act.

Benefit eligibility of Headstart workers (SECTION 1). A provision in both federal and Colorado law prohibits the payment of benefits to most employees of educational institutions during scheduled breaks in the school year if they have reasonable assurance that they will return to work the following school term. Headstart workers were not considered to be employees of educational institutions and were,

therefore, entitled to benefits between school terms.

The Colorado Court of Appeals, in a case brought by the Weld County Board of Commissioners in 1979, held that Weld County Headstart workers were school employees and not entitled to benefits. Subsequent to the decision, the United States Department of Labor advised Colorado that using that decision to consider all Headstart workers as being school employees would not be in compliance with federal law. In an effort to remain in compliance the Industrial Commission promulgated an emergency regulation on July 27, 1980 allowing payment of benefits to Headstart workers unless actually employed by educational institutions; most Headstart workers are not employed directly by educational institutions.

Although Colorado is in compliance (due to the emergency regulation being in force) an amendment to Colorado's law is necessary. The amendment will exempt a Headstart program, which is not part of a school administered by a board of education, from the definition of an educational institution. The rationale being that Headstart employees are not subject to the same employment conditions as are school employees.

Pension and Social Security benefits (SECTIONS 2 and 3). A major change in the federal unemployment insurance law, passed by Congress in 1976, affects the manner in which states treat pension and social security benefits received by individuals who are also entitled to receive unemployment benefits. The federal amendment, effective March 31, 1980, requires unemployment benefits to be reduced by the amount of the pension received by an individual and provides a one-hundred percent reduction in the case of social security benefits. This provision was subsequently amended by Congress and signed by the President on September 26, 1980. It requires a reduction in unemployment benefits only if the pension had been contributed to by a base period employer, and it permits a fifty percent reduction in the case of social security if the base period employer contributed to social security on behalf of the employee. (A base period employer is an employer who paid wages to an individual at some time during twelve of the last fifteen months (base period) preceeding the date the unemployment compensation claim was filed. Such employer is liable for benefits to be charged to his account.) The states have the option of reducing benefits by less than a one-hundred percent offset if the employee contributed to the pension in the base period. The states have an additional option to provide for a more stringent pension reduction provision.

Colorado law, which reflects the federal provision prior to the 1976 federal change, requires the reduction of benefits by the amount of a pension paid by a base period employer, and by one-half the amount of social security benefits. However, the reduction for social security payments is not limited to base period employers.

This amendment will bring Colorado law into conformance with the latest federal amendment by requiring that the amount of an unem-

ployment benefit be reduced by one-hundred percent of the amount of the pension or social security benefit received. This reduction will be made in all cases without respect to whether or not a base year employer had contributed. This amendment will represent a more stringent reduction than the current federal provision.

Eligibility for extended benefits (SECTION 4). Under present Colorado law an individual may file an interstate claim against Colorado for extended benefits even though he may be living in a state in which extended benefits are not payable. Part of the 1980 federal amendment places Colorado out of compliance by preventing the payment of more than two weeks of extended benefits to an out-of-state claimant from a state in which extended benefits are not payable. A claimant from another state will be able to file for extended benefits against Colorado if both states are offering extended benefits. The amendment in this section will bring Colorado back into compliance with the federal law.

Housekeeping Matters -- Bill 4

The recommendations in Bill 4 are referred to as "housekeeping matters," and are intended to be nonsubstantive and noncontroversial.

Definition of the word "claim" (SECTION 1). The word "claim" is used throughout the Colorado Employment Security Act but is not defined anywhere in the act. Furthermore, there is more than one type of claim referred to in the law, although no distinction is made between these different claim types. This amendment will define the word "claim" and distinguish between "initial," "additional," and "reopened" claims.

Conformity with federal law (SECTION 2). The Division of Labor is authorized to administer the Colorado Employment Security Act in conformity with federal law upon a finding by the Secretary of Labor that Colorado law is in nonconformity with federal law. The procedure followed by the Secretary of Labor in determining nonconformity is a lengthy process. This amendment will simplify the process by allowing the division to administer the law in nonconformity situations if nonconformity is determined by the Secretary of Labor or an Assistant Secretary of Labor, and if the Division Employment Advisory Council and Attorney General agree with the federal determination of non-conformity.

Withholding tax account numbers (SECTIONS 3, 4, and 5). The division explained to the committee that frequently the first time the division is made aware that an employer exists and is doing business is when a claim for benefits is filed by an employee. Either the employer is unaware of the law or fails to open an unemployment insurance account for one reason or another.

This amendment will allow the Division of Employment and the Department of Revenue to exchange information concerning employer tax

account numbers. Presently the division is permitted to release information to the Department of Revenue, but the law prohibits the Department of Revenue from releasing information to the division concerning withholding tax account numbers. The amendment will allow the division to find out about new employers more promptly, and enable the division to enter into information exchange agreements for the purpose of reimbursing the agencies supplying such information.

Reimbursing employers (SECTION 5). Nonprofit organizations, including political subdivisions, may elect to reimburse the unemployment fund for the actual amount of benefits paid to their employees, instead of paying a payroll tax. Reimbursing employers must pay all amounts of unemployment compensation attributable to service in their employ, because the Federal Unemployment Tax Act does not permit the charging of the costs of reimbursing employers to the pooled fund; it does permit charging the fund in the case of contributing employers. The distinction between the non-charging of contributing employers compared with reimbursing employers is not clear under Colorado law.

This amendment will limit non-charging to contributing employers only, and clearly provides that the reimbursing employer's liability extends to all amounts paid from the fund in his behalf. (See also the discussion of SECTIONS 11 through 14, page 13.)

Benefits for partial unemployment (SECTION 6). Until recently, according to the division, a special category of claims designated as "partial claims" was used for claims filed by workers who are not laid off but face a reduction in their hours of work (essentially part-time employees of their regular employer). These claims were distinguished from claims filed by workers who were separated from their regular job, but were working part-time elsewhere. This special category was based upon the employer's payroll week (instead of the customary calendar week) for the employer's convenience. Presently, however, the special distinction for "partial claims" (partially unemployed claimants) is not made, and all partially employed workers are treated the same administratively. This administrative change has eliminated the need for statutory references to "pay periods." The amendment will strike references to partial benefits paid by pay period in recognition of current practices.

Copies of the law provided to employers (SECTION 7). The Division of Employment and Training supplies all Colorado employers with copies of the Colorado Employment Security Act without charge. According to the division, this has become increasingly expensive as at present 70,000 copies are distributed annually. The division recommended that the law be amended to allow the division to issue copies only to requesting employers and assess a reasonable charge for the service. The committee agreed that copies should only be furnished upon request, but without charge.

This amendment will require the division to furnish copies of the law and rules and regulations to requesting persons without charge.

Appeal period for Work Incentive claims (SECTIONS 8, 9, and 10). Colorado law prescribes fifteen days as a time limit for the appeal of a hearing officer's decision in unemployment compensation cases. However, the Colorado Work Incentive Handbook is not in compliance because it requires appeals, involving employees of the Work Incentive jobs program, to be filed within ten days. This amendment will make a special provision for Work Incentive appeals to be filed within ten days. The appeal period for regular unemployment insurance cases remains at fifteen days.

A second amendment in SECTION 8 concerns the authority of a "deputy" of the Division of Labor to disqualify a claimant or accept appeals. An agreement among all of the states permits the wages earned by an employee in two or more states to be combined for the purpose of establishing an unemployment insurance claim. According to the agreement, the paying state must consider the claim under its law, including adjudication and appeals. Under the agreement, when Colorado transfers wages to another state, Colorado has no authority to disqualify a claimant or accept appeals. According to the division, there is no provision in Colorado's law making it clear that Colorado has no authority to disqualify a claimant or accept appeals when transferring wages to another state.

This amendment will clarify the law by defining "deputy" as a person who adjudicates claims for the division when Colorado is the paying state, and not allow the deputy to adjudicate or accept an appeal directed to Colorado for wages paid in Colorado and transferred to another state.

Extended and regular benefits -- full payment by political subdivisions (SECTIONS 11, 12, 13, and 14). A private employer pays a payroll tax in an amount which is usually more than sufficient to pay unemployment benefits for its workers. The excess is retained in the employer's account in the unemployment fund. A political subdivision may elect to pay a payroll tax of three-tenths of one percent, or reimburse the unemployment fund for actual unemployment benefit payments to its employees. Nonprofit organizations may elect to pay a payroll tax, but at a rate that may be higher than three-tenths of one percent, or reimburse the fund for benefits paid.

The federal government reimburses Colorado for fifty percent of extended benefits paid to claimants of private and nonprofit employers. However, the federal government does not reimburse the state for extended benefit costs paid to claimants of political subdivisions. According to the division, recovering extended and regular benefits for claimants of political subdivisions is impossible unless political subdivisions, who have elected to pay the payroll tax of three-tenths of one percent, are made liable for the entire amount of the expense. The three-tenths of one percent tax is normally not sufficient to cover the benefit payout from the unemployment fund made on behalf of the political subdivision.

This amendment will require the account of a political subdivision, which has elected to pay the payroll tax, to be charged with the full amount of all regular and extended benefits attributable to service in its employ. In addition, a nonprofit organization will be required to pay into the unemployment fund one-half of extended benefits attributable to service in its employ.

Penalty for fraudulent receipt of benefits (SECTION 15). Division figures reveal that for the twelve month period ending June 30, 1980, a total of \$706,035 in benefits were fraudulently received by claimants and only \$147,430 were recovered. The present penalty for receipt of benefits by reason of false representation or failure to disclose a material fact requires the claimant to repay the amount wrongfully received. In addition, the claimant may be denied four weeks of benefits when a future claim is filed.

This amendment will allow for the assessment of a minimum penalty of one and one-half times the amount wrongfully received. The maximum penalty will require repayment of three times the amount wrongfully received plus a denial of four weeks of benefits. This penalty will help to deter fraud and reduce the losses to the unemployment fund.

Abolition of the local government advisory council (Section 17). House Bill 1614, passed by the General Assembly in 1977, required employees of political subdivisions to be covered by unemployment compensation. The General Assembly, recognizing the need for an orderly transition, created a seven-member advisory council to provide the division with local government input. According to one member of the council the original purpose of the advisory council has been largely satisfied. In response, the division suggested that the Division Employment Advisory Council could consider any matters formerly handled by the advisory council.

This amendment will abolish the seven-member advisory council.

Unemployment Contributions -- Bill 5

The Colorado Employment Security Act refers to the levy against employers as "contributions." The word "contributions" is defined in the act to mean the money payments made to the unemployment compensation fund. Nearly all money payments made to the fund are generated by a mandatory tax paid by the employer on its employee's wages. The committee considers the term "contributions" as a euphemism for what is in actuality a tax.

This bill will substitute the word "tax" for the word "contribution" throughout the Colorado Employment Security Act wherever the term implies a tax. In some cases "contribution" will remain when it refers to, for example, voluntary contributions made by an employer.

Review of the Administrative Budget of the Division of Employment and Training -- Bill 6

The operations of the Division of Employment and Training are one-hundred percent funded by the federal government. These funds are generated by the imposition of a seven-tenths of one percent federal tax on employers in the state. Since the division is federally funded, the division's budget does not fall within the purview of the Joint Budget Committee. The committee reasoned that since Colorado employers were responsible for "footing the bill," the budget should be scrutinized in the state budget process. That is, even though no changes could be made to the division's budget by the state, the committee concluded that input and suggestions to the division, primarily from the Joint Budget Committee, would be in the best interests of the State, the division, and the employers.

Bill 6 will require the division to comply with the normal budget request requirements used for other state agencies.

WORKMEN'S COMPENSATION

The committee directive concerning workmen's compensation, as expressed in Senate Joint Resolution No. 26, involved a study of the operating efficiency of the workmen's compensation section of the Division of Labor, Department of Labor and Employment. However, initial consultations with representatives of the Division of Labor revealed the existence of a number of substantive issues involving the overall workmen's compensation program. As a result, the committee determined that the study be broadened to include these issues.

The operating efficiency of the workmen's compensation section was addressed at the committee's second meeting, at which, the newly appointed Director of the Division of Labor explained the claims process and the operation of the workmen's compensation program. The director advised the committee that he was in the process of thoroughly reviewing the administrative procedures and that significant changes would be instituted to increase the efficiency of the workmen's compensation section and the division as a whole. These activities are highlighted in a later section of this report. With this in mind the committee determined that it would be premature to become heavily involved in a scrutiny of the operating efficiency of the workmen's compensation section, and instead focused attention on other substantive issues.

Issues

Several workmen's compensation issues were brought to the attention of the committee by representatives of the Division of Labor, and by industry spokesmen. The primary issue involves the

deteriorating financial condition of the Major Medical Insurance Fund and what measures need to be taken to insure the solvency of the fund in the immediate future. Several corollary cost control issues surfaced during discussions on the fund's financial condition. A summary of these issues, along with some related legal issues, are included in this report. The committee was unable, due to time constraints, to develop recommendations in bill form to properly address these complex issues.

Solvency of the Major Medical Insurance Fund

Background. The major medical fund was established in 1971 to pay workmen's compensation medical expenses of injured workers above a statutorily specified amount. Until July 1, 1973, the major medical fund paid expenses in excess of \$7,500 per injured worker. This level was subsequently increased to \$20,000. Insurance carriers and self-insured employers were liable for medical expenses until this threshold level was reached. The amount paid by the fund in excess of the threshold was unlimited.

Prior to July 1, 1975, medical benefits were defined to include medical, surgical, hospital, nursing, and drug expenses. On that date, this list of benefits was expanded to include the payment of dental expenses, supplies, crutches, and other apparatus, and vocational rehabilitation. Vocational rehabilitation included fees for rehabilitation programs, transportation, and income maintenance payments, payable while the injured worker was involved in rehabilitation.

The fund receives revenue from a statutorily established tax imposed on the workmen's compensation insurance premiums paid by employers, and on self-insured employers. Prior to July 1, 1980, the tax was one and one-quarter percent of premiums paid. The tax was raised to one and three quarters percent by the General Assembly in the 1980 session (Senate Bill 81). The other source of income to the fund is the interest earned on the invested assets of the fund.

Representatives of the Division of Labor advised the committee in October that the major medical fund would be insolvent by the Spring of 1982. This projection was based on an actuarial report completed in August by the firm of Tillinghast, Nelsen, and Warren. Other pertinent points concerning the solvency of the fund brought to the committee's attention by division representatives are summarized below.

-- Until the recent Tellinghast, Nelsen, and Warren study, the fund has never been the subject of an actuarial study.

-- The major medical fund has been actuarially insolvent (in terms of unfunded liabilities) since its creation. Present unfunded liabilities amount to \$21,700,000. This figure represents the cost to the fund for paying all medical costs of injured claimants for the

duration of their claims. The unfunded liability for cases already admitted to the fund represents \$12,800,000 of the total. The remaining amount (\$8,900,000) represents the unfunded liability for cases that are approaching the \$20,000 threshold for admittance into the fund. The division estimated that the present one and three-quarters percent tax would have to be raised to five and one-half percent for the fund to become actuarially solvent.

-- When the fund becomes insolvent in the sense of having no or a negative cash flow the division will be required to request funds from the General Assembly to pay benefits. The cash deficit is projected to be approximately \$400,000 in the Spring of 1982.

The division attributed the present financial condition of the fund to several factors and events that have taken place since the fund was created. Major factors cited by the division are summarized below.

-- The costs of additional benefits authorized to be paid from the fund, chiefly vocational rehabilitation and income maintenance benefits, have not been reflected on the income side by increases in the workmen's compensation insurance premium tax. For example, vocational rehabilitation benefits were added in 1975, whereas, the tax rate was not increased from July 1, 1973, until July 1, 1980.

-- The threshold level of \$20,000 for admittance to the fund has been eroded by the inflation in medical costs. The value of the \$20,000 threshold is now \$9,800. This has resulted in claimants being admitted into the fund earlier and in greater numbers.

-- The absence of systematic and periodic actuarial study has not permitted the fund to be monitored adequately.

-- Workers suffering from occupational diseases have recently become entitled to workmen's compensation through court decisions. These cases will be, and are presently being, admitted to the major medical fund as they reach the threshold level.

Division proposal. The division submitted a proposal to raise the one and three-quarter percent premium tax to two and one-half percent, and increase the threshold level from \$20,000 to \$50,000, effective July 1, 1981. According to the division, the amount of these increases were recommended in the actuarial report, and represent a balance between the tax increase and the threshold increase.

A threshold level of \$50,000 will reduce the number of claims entering the fund by seventy-three percent. Benefit costs would be reduced by forty-three percent. The percentage reduction in the number of claims is greater than the percentage reduction in the total amount of benefit costs because a significant portion of the benefit costs are associated with a few large-dollar claims. The \$50,000 threshold level would result in a greater reduction in the number of claims and a greater reduction in claim costs to the fund, than a

\$40,000 level which would result in a forty-six percent decrease in the number of claims, and a corresponding thirty-three percent decrease in benefit costs. The \$50,000 level is also in line with inflation rates for medical costs.

Nevertheless, this proposal will only serve to forestall insolvency until July 1, 1984, according to the division. Although the proposal only represents a temporary solution, it will allow time to further study the problem and develop a more permanent solution.

Industry response to division proposal. Representatives of industry commented that the actuarial study was comprehensive and the conclusion accurate. However, industry representatives questioned the actuarial assumptions used in the projections. According to industry spokesmen, the basic conclusion would not change materially if these assumptions were reworked.

Although recognizing their obligation to the fund, they were not in accord with the division proposal for two reasons. First, if the proposal were adopted, the premium tax would double when combined with the increase that went into effect in July, 1980. Second, in developing the proposal, only the revenue side of the total problem was addressed. Rehabilitation costs and income maintenance benefits are major contributing factors to the fund's financial problem. Measures to control these and other costs should be developed and implemented. Representatives of industry cited several areas where cost control efforts should be focused.

-- Insurance carriers liable for medical costs up to the \$20,000 threshold have little incentive to control costs; particularly since the major medical fund is a shared risk pool contributed to by employers, not insurance carriers.

-- Eighty-five percent of the cases admitted to the major medical fund in the past five years have received vocational rehabilitation. Vocational rehabilitation represents a significant cost. There is a statutory one-year limit on vocational rehabilitation, one-half of which is mandatory, and one-half of which is up to the discretion of the director of the division. Guidelines for the use of this discretionary authority should be developed.

-- Income maintenance benefits are received by claimants while undergoing vocational rehabilitation. These benefits represent over one-half the total costs of vocational rehabilitation. The amount of these benefits and the length of eligibility need to be addressed. The weekly benefit amount of \$244 is based on the average wages paid in the construction, manufacturing, and mining industries. These industries pay the highest wages in the state. The benefit amount should be based on an average of all wages paid, in a manner similar to unemployment compensation. One representative of the construction industry suggested that cost control could be achieved by setting the benefit amount by statute.

-- The state compensation fund is the workmen's compensation insurance carrier for seventy percent of the employers in Colorado. However, there are only two accident prevention consultants on the payroll. Two to three additional full time equivalent positions are needed to provide adequate safety input to employers.

Legal Issues

Two major legal issues, one concerning the Medical Disaster Insurance Fund, and one pertaining to uninsured employers, were brought to the committee's attention by the Division of Labor.

Medical Disaster Insurance Fund. The Medical Disaster Insurance Fund was the predecessor of the major medical fund. The threshold for admittance into the fund was \$3,500 in medical costs, or six months of medical disability, whichever occurred first. The fund then assumed the costs from this level to a maximum of \$35,000. There are still sixty-nine active cases covered by the fund, seventeen of which have reached the \$35,000 maximum. The legal question confronting the state involves the eligibility of these cases for admittance into the major medical fund, which has no maximum ceiling. An Attorney General opinion thereon will be forthcoming. However, the division anticipates that the opinion will conclude that these cases are eligible for admittance to the major medical fund. If the courts determine that they are eligible, the financial impact of all sixty-nine cases on the major medical fund will be between one and three million dollars per year.

Uninsured employers. If a worker is injured and his employer is uninsured, the division issues an order of liability requiring the employer to pay. One unresolved question involves whether or not the case is eligible for admittance into the major medical fund once the \$20,000 threshold is reached. A second question involves an uninsured employer who declares bankruptcy at a time when he is liable for all or a portion of the first \$20,000 of medical expenses. Is this case eligible for admittance into the fund even though the threshold level has not been reached?

Division Administrative Activities

The Division of Labor, under the auspices of the new director, is engaged in a number of administrative activities to enhance the efficiency of the workmen's compensation claim process. In a report to the committee the division outlined six areas where administrative changes will take place, or have already taken place.

-- Currently, there are seven different docketing sources for hearings in the Division of Labor. Complete control and responsibility for the hearings docket has been centralized under the director of the division. A mechanism for the review of all cases was installed to prevent setting unnecessary hearings. This has resulted in a sixty

percent reduction in the backlog of cases waiting to be heard.

-- An analysis of the claims review procedure has been undertaken to speed up reviews, make more contacts with insurance carriers, and eliminate reviews of claims where the claimant is represented by counsel.

-- The file and mail processing system was reorganized to provide for a priority sorting of mail and speedy placement of mail in the files.

-- The division is implementing recommendations of a current study of the vocational rehabilitation monitoring process. Implementation will culminate in a restructuring of the process to allow for closer contact with insurance carriers and claimants' counsel.

-- The division has recommended rules changes in the areas of vocational rehabilitation and suspension of benefits. Hearings on the proposed changes have been scheduled for December and January.

-- The division has installed new systems to more closely review and monitor expenditures from the Major Medical Insurance Fund, the Medical Disaster Insurance Fund, the Subsequent Injury Fund, and the trust funds established for dependent children of insured workers who are killed.

In addition to these administrative changes, the division has created study groups and task forces to study and recommend reforms in three areas discussed at the Keystone Labor-Management Conference held this fall.

-- Meetings have been held with employer representatives to discuss the actuarial report on the major medical fund. Subsequent meetings will be held with insurance carriers to discuss the report.

-- Study groups have been established to review the hearings process, and to make recommendations for further administrative and legislative changes to expedite the processing of workmen's compensation claims.

-- A two-year study has been initiated to review the entire workmen's compensation law. Recommendations resulting from this study will be submitted to a future labor-management conference, and if adopted, will be submitted to the General Assembly.

Committee Findings and Recommendations -- Major Medical Insurance Fund

The committee finds that the major medical fund is in a serious financial condition, and recommends that the General Assembly address the problem during the 1981 Session. The committee could not come to an agreement on a recommendation mutually acceptable to all parties concerned in the short length of time available. However, the commit-

tee understands that representatives of the division, industry, and labor will be working on a proposal for consideration during the session.

As an alternative to proposals advanced to address the solvency problems of the major medical fund, the committee recommends that the General Assembly consider phasing-out the major medical fund by shifting the unlimited liability to insurance carriers and self-insured employers. Currently, in forty-five states, insurance carriers and self-insured employers have unlimited liability. The committee did not have sufficient time to measure the impact of phasing-out the fund on the costs to employers in the form of higher insurance premiums. The costs to employers for keeping the fund solvent on a permanent basis should be compared to the costs to employers for phasing-out the fund.

STATE PERSONNEL SYSTEM

Introduction

Senate Joint Resolution No. 26 directed the State Affairs Committee to undertake a study of the state personnel system including, but not limited to, consideration of proposals that will increase the productivity of the system, the functions of the system in greatest need of change, and incentives and recognition for state employees who perform their work at high levels of achievement.

Committee procedure. During the first part of the interim the committee was informed that three other studies of the personnel system were presently underway. With this in mind, the committee concluded that the best approach was to concentrate its efforts on a thorough understanding of the workings of the present personnel system, in order not to duplicate the efforts of the other three studies. Once these studies were completed the committee would then be in a position to knowledgeably review their findings and recommendations and recommend legislation to the General Assembly.

Committee activity. The committee, at its first meeting, received input on problems and areas of concern from: the Director of the Department of Personnel; the State Auditor's Office; the State Personnel Board; and the Executive Committee on Personnel Management in State Government (a committee appointed by Governor Lamm to study the personnel system). In addition, the committee received from the staff an overview of the "State Personnel System Act" as it presently exists, and a summary of past legislative studies and actions which have produced the current law.

A full meeting in August was devoted to a "nuts-and-bolts" review of the entire personnel system including: an overview of the department; the functions of the department in the areas of employment services (recruitment, examination, and referrals), classification and

compensation, information services, and management of state agency personnel officers; and the present roles of the department, the personnel board, and other state agencies. In addition, the committee received from the department its estimates of the environment the personnel system will face in the 1980's and the activities it believes the department and the state will need to pursue in response to this environment.

One-half of the last two meetings were devoted to committee consideration of findings and recommendations of two of the three independent studies of the personnel system. The committee received input on each recommendation from the department, the State Personnel Board, and the Colorado Association of Public Employees.

As a result of this consideration, the committee recommends two bills. The first bill will create an entirely new compensation system, based on a pay-for-performance concept, and strengthen the present performance evaluation system. The second bill will: clarify and distinguish the roles of the board, the department, and the departments and agencies of state government; limit the use of reemployment lists; provide the board with discretion in hearing grievance appeals; and limit the awarding of attorney's fees to appeals concerning current pay, status, tenure, discrimination, and discipline.

Present Studies of the Personnel System

As noted earlier, three studies of the system were conducted simultaneously to the committee's study. The origin and major findings of each study, as expressed by their authors, are summarized below.

Study by the Colorado Chapter of the American Society for Public Administration. Conducted as a volunteer professional service project, this comprehensive three year project was funded by a grant from the United States Office of Personnel Management. Dr. Michael March of the University of Colorado was the principal investigator for the study.

A synopsis of the major findings of the study as presented to the committee is provided below.

-- The merit principle is being eroded and efforts should be made to reaffirm the principle.

-- To improve the overall functioning of the system responsibility for administration and policy should be under one agency not divided between the board and the department. The Personnel Board should be the merit enforcement agency.

-- The Governor should have the authority to effectively manage state personnel. This power is diluted through the election of some state officials, and the appointment of others. Appointees are

often not responsive to the Governor or the General Assembly.

- The personnel system is seriously underfunded and understaffed.

- Decentralization of the personnel function was unplanned, excessive, and unmonitored. Further decentralization should be postponed until the whole question is studied.

- Capabilities of the system in the area of human resource planning need to be strengthened. Present manpower forecasts, and the data on which these forecasts are based, are inadequate.

- Recruitment is fragmented and characterized by little advertising, poor funding, and a lack of planning.

- The selection function of the system is too decentralized. Oral testing, widely used as a selection device, is not capable of being validated. Selection should be centralized and emphasis placed on written, validated tests.

- Counseling, training, and career development efforts need to be expanded.

- Salary survey data is out of date by the time it is actually used to set salaries.

- The accrued unfunded liabilities of the Public Employees Retirement Association are increasing at a rapid rate.

The above findings represent only a small sample of the findings and recommendations contained in the study. The committee was unable to devote time to anything more than a cursory review of the report, based on a presentation by Dr. March. It is the committee's understanding that the final report of this study will be available sometime in December.

Performance Audit by the Legislative Audit Committee. Senate Bill 468, enacted in 1979, called for the Audit Committee to cause to be conducted a performance audit of the Department of Personnel and the Personnel Board. This performance audit was required to be completed by December, 1980.

The audit report was required to examine the following ten factors:

- The extent to which the department and the board have operated in the public interest and economy, and the extent to which their operations have been impeded or enhanced by existing statutes, procedures, and any other circumstances, including budgetary, resource, and personnel matters;

- The extent to which the department and the board have recommended statutory changes to the General Assembly which would benefit the public as opposed to the persons they regulate;
- The extent to which the board has adopted rules and regulations, procedures, or practices which enhance or impede the efficiency or economy of state government;
- The efficiency with which formal complaints filed with the department or the board concerning regulation policies, procedures, or practices have been processed to completion by the department or the board and the decisions thereof;
- The effectiveness of the department and the board in implementing incentive systems to reward and encourage excellence in public service, particularly in middle and top management levels;
- The effectiveness of the department or the board in filling job vacancies;
- The effectiveness of staffing levels of the department, particularly in view of the decentralization of functions of the department to other departments of state government;
- The effectiveness of the department and the board as perceived by executive directors of other departments of state government and members of the General Assembly;
- The extent to which changes are necessary in the enabling laws of the department or the board to adequately comply with the factors listed; and
- The extent to which the authority of the department or the board should be or has been restricted by the annual long appropriation bill.

The Auditor's Office is prohibited, by statute, from releasing information and preliminary conclusions of the audit report until the report is approved by the Legislative Audit Committee. The committee was advised that the audit report will be presented to the Legislative Audit Committee late in November.

Executive Committee on Personnel Management. This committee was established by Executive Order of the Governor on April 11, 1980. The purposes of the committee, as stated in the Executive Order, were to:

- Establish goals and standards for modern, progressive personnel management and thoughtful development of the

state's human resources within the overall context of effective and efficient management of state government and provision of services to Colorado's citizens;

- Apply these goals and standards to the present state personnel system and operations for the purpose of evaluating alternatives and needed changes; and,
- Make specific recommendations for administrative and statutory changes necessary to enable the state's personnel resources, operations, and management to achieve the goals and standards established by this committee.

The committee is composed of six people from private industry, and is chaired by Allen Dines, former Speaker of the House of Representatives. The committee is required to finish its work by the end of December, and submit its findings and recommendations to the Governor.

The chairman of the committee outlined the procedure and approach his group was taking in its study of the personnel system. He anticipated that recommendations will require legislative as well as executive action. At the last meeting of the interim State Affairs Committee Mr. Dines and members of his committee outlined major preliminary findings and recommendations which require legislative action, and which are summarized below.

-- The role of authorities involved in the personnel system need to be modified and clarified. The Governor, the Director of the Department of Personnel, the Board of Personnel, and the General Assembly must be viewed as partners in the operation of the personnel system. The role of the personnel board overlaps the role of the department and director. The board's focus should be to develop general rules for the enforcement of the merit principle. The department should be responsible for developing specific rules for the day-to-day administration of the system. (A recommendation on this subject was adopted by the interim State Affairs Committee and is contained in the recommendation section of this report.)

-- Too little attention is given to the role of the personnel system as a management tool. Although the board and the department must continue to protect the interest of the employees, they must recognize the management assistance role of the system.

-- The grievance and appeals process is cumbersome and complicated. The final resolution of an appeal frequently takes one to two years. The Personnel Board and hearing officers face a large backlog of cases. The statutes and board rules mandate the hearing of too many cases by the board. (A recommendation on this subject was adopted by the interim State Affairs Committee and is contained in the recommendation section of this report.)

-- Currently, an employee has the right to "bump" a less senior employee in his own class when staff is reduced. If this is

not possible the employee is added to a reemployment list used by all departments. This process can be used by an agency to "pass-on" an employee it would like to terminate.

-- Employees should be compensated on a pay-for-performance system in order to attract, motivate, and retain a competent workforce. The present merit increase system awards employees for only satisfactory performance and longevity. (A recommendation on this subject was adopted by the interim State Affairs Committee and is contained in the recommendation section of this report.)

-- In order for a pay-for-performance system to be effective a strong performance evaluation system is necessary. Currently, a performance evaluation of each employee is required to be conducted periodically. Approximately forty percent of the work force receive annual performance evaluations. There is little incentive on the part of supervisors to conduct performance evaluations. (A recommendation on this subject was adopted by the interim State Affairs Committee and is contained in the recommendation section of this report.)

According to Mr. Dines, the recommendations of the Executive Committee on Personnel Management will not require a significant amount of statutory change. The great percentage of recommendations will require administrative action. The legislative changes recommended are designed to provide the executive branch with the necessary direction to put into practice the administrative changes.

Legislative Recommendations

Personnel Practices and Procedures -- Bill 7

Bill 7 will: modify the legislative declaration of the existing act; give the board discretionary review over a grievance; limit the use of reemployment lists; and limit the award of attorney fees to certain types of cases.

Legislative declaration -- clarification of roles. According to the Committee on Personnel Management, there is confusion as to what should be the roles of state agencies, the State Personnel Board, and the Department of Personnel. The board has the constitutional responsibility to promulgate rules to effectuate the constitutional and statutory provisions governing the state personnel system. The Director of the Department of Personnel is delegated, by the constitution, the duty to administer the personnel system in accordance with the constitution, the statutes, and the rules of the board. In practice, the department has not developed rules for the day-to-day administration of the system, but has deferred to the board for guidance. As a result, the board has promulgated over one hundred pages of detailed rules touching every facet of the personnel system. This has caused a confusion of roles and responsibilities, has resulted in a lack of accountability, and created a situation where the decisions of the director are being automatically appealed to the board.

Bill 7 will modify this current practice by clearly defining and distinguishing the roles of the board, the director, and the various state agencies. The board will be responsible for establishing, by rule, criteria for adherence to the merit principle, for the fair treatment of employees within the system, and for the timely resolution of cases under its role as the adjudicator. The director will provide leadership in the areas of policy and operation of the system through necessary rules and directives. In addition, the director will provide consultant services to other agencies in their management of human resources. The heads of agencies will be responsible and accountable for the day-to-day operation of the system in their respective agencies.

This recommendation will only provide direction to the executive branch. The implementation of this direction will be the responsibility of the executive branch, and will require close cooperation between the department, the board, and the agencies.

Grievances. Under current law the board is required to adopt a uniform grievance procedure to provide for an orderly system of review of all employee grievances, except for grievances arising out of disciplinary actions, and actions affecting pay, status, and tenure (grievances concerning these exceptions are automatically by law granted a hearing by the board upon appeal by the employee). The law further provides that the appointing authority has the final decision on a grievance, subject to review by the board. The board is required to assume jurisdiction if the board determines that the appointing authority acted arbitrarily or capriciously.

Under the procedures of the board any grievance appeal is automatically heard before a hearing officer in a full evidentiary hearing in order to determine if the appointing authority acted arbitrarily and capriciously. The hearing officer's decision can then be appealed to the board. Since the board must first determine if the action of the appointing authority was arbitrary and capricious, this procedure is necessary to determine if the board is to assume jurisdiction.

This current process has contributed to the backlog of all cases awaiting a hearing, and in practice has stripped the appointing authority of the final decision. The committee concluded that mandatory full evidentiary hearing is not necessary to protect the rights of the employee, as long as the board retains the ultimate authority to act on a grievance.

Thus, it is recommended that the board be provided with discretionary authority to review a grievance without having to determine if the appointing authority acted arbitrarily or capriciously. This will eliminate the necessity for a full evidentiary hearing and allow the board to review a grievance based on the written documents compiled during the earlier stages of the grievance procedure. The board retains the final authority to overturn a decision of an appointing authority.

Reemployment lists. According to the Executive Committee on Personnel Management, instead of firing an unwanted, troublesome, or unsatisfactory employee, an appointing authority will often abolish the person's position. The employee then goes on two reemployment lists. That is, an employee who has been laid off for lack of work, lack of funds, or internal agency reorganization has the right to be placed on reemployment lists. These reemployment lists have priority over new candidate general employment lists. There are two reemployment lists prescribed by law: the departmental list, composed of names of employees in a given department who have been laid off; and the general reemployment list, containing names of employees laid off regardless of department. Appointment to a position must first be offered to one of three people appearing on the department reemployment list. If this is not possible, the general reemployment list is used. A person may remain on the reemployment list for a maximum of two years.

Even though the division reemployment list must be used first, another department may be forced to use the general reemployment list, and the names submitted to the department from that list may be composed of other departments' castoffs.

This recommendation will eliminate the general reemployment list. This will help to eliminate the current practice of farming-out unwanted employees, as the appointing authority will be limited to the use of the departmental reemployment list. As a means of assisting terminated employees the executive committee has recommended that placement services be developed by the executive branch particularly for the benefit of those employees who are laid off for genuine reasons of lack of work, lack of funding, and reorganization.

Attorney's fees. Presently, an employee can recover attorney's fees and other costs associated with an improper personnel action. This recovery is granted upon final resolution of a case involving disciplinary actions, current pay, status, tenure, the classification plan, and separations due to insufficient funds.

According to the executive committee, the development and revision of the classification plan, and separating employees due to a lack of funds, are quasi-legislative actions which are not initiated directly for or against a particular employee. Recovery of attorney's fees should only be available to an individual who has been wronged by an action which affects current pay, status, tenure, discrimination, or discipline.

This recommendation will limit the recovery of fees to cases which have an automatic right of appeal to the board (pay, status, tenure, and others). Recovery will not be available for cases where the board has discretion to hear an appeal (quasi-legislative areas). The employee will still be able to recover expenses when an appeal is made to the courts, if the court grants the recovery.

Compensation and Performance Evaluation -- Bill 8

Bill 8 will: provide for a new approach to compensation, based on pay for performance; strengthen the performance evaluation system; and give the Director of the Department of Personnel flexibility in devising a classification plan.

Performance evaluation. Present law requires a performance evaluation of each employee to be conducted periodically. The executive committee explained that only approximately forty percent of the work force receive annual evaluations. Evaluations are, by statute, to be used as a factor in compensation and promotion decisions. Changes in compensation, including the merit increase for satisfactory performance, are on a yearly basis. The result is that compensation adjustments are made without performance evaluation information for sixty percent of the employees. This recommendation will require annual performance evaluations to be conducted on all employees.

Compensation on the basis of pay for performance. The present compensation scheme for increasing employee salaries consists of two parts. By law, employees are to be compensated at the "prevailing wage." The "prevailing wage" is determined by a survey of wages in private industry and other governmental units. Increases in pay due to the wage and salary survey are commonly referred to as "cost of living increases." An employee may also receive an annual merit pay increase of five percent for satisfactory job performance.

The present compensation system does not provide adequate incentive for employees to perform at a high level of achievement. Ordinarily, a highly productive employee receives the same five percent merit increase that a satisfactory employee receives. This may be one reason performance evaluations are not conducted, as they have little meaning in terms of compensation. In practice, unevaluated employees receive the five percent merit increase. In addition, supervisors do not believe that the documentation required to uphold an unsatisfactory evaluation is worth the effort.

The compensation proposal recommended by the Executive Committee on Personnel Management will replace the present, almost automatic, merit pay increase with a system of pay for performance. A general description of the recommended system appears below.

-- The wage survey process would be adjusted in order to obtain the low, average, and high salaries paid outside of state government. New employees, recognizing that a job takes time to learn, would receive annual merit increases for satisfactory performance until their salary reached the average, or midpoint. Outstanding new employees would be advanced to this average wage more rapidly.

-- Once the employee reaches the average wage, any increase would be based on above average performance, except the salary survey "cost of living" increase. Categories such as "above average," "outstanding," and "exceptional" would be developed to recognize different

levels of performance, with the highest performers receiving the largest salary increases.

-- The plan automatically restricts the eligibility for these increases to fifty percent of the workforce (those at the average wage). The plan would further provide that only a portion of this fifty percent would receive performance increases. For example, the "outstanding category" could be limited to ten percent of those eligible. These percentage figures would have to be established by administrative rule. A further restriction, on the total amount of funds available, would exist through the power of the General Assembly to appropriate funds.

-- The system would provide incentive to supervisors to conduct meaningful evaluations. The supervisor's own evaluation would not be conducted until he conducts performance evaluations of his subordinates, and the quality and accuracy of these evaluations would be a factor used in the supervisor's own evaluation.

-- The executive committee estimated that the fiscal impact of the recommendation would be approximately eight-tenths of one percent of total salaries. This impact may be offset somewhat by the discontinuation of the present five percent merit increase.

Several problems with this recommended pay-for-performance system were foreseen by committee members, the executive committee, and representatives of the Colorado Association of Public Employees. Primarily the problems are associated with the transition from the old to the new system. One significant problem raised by the Colorado Association of Public Employees involves state employees, exempt from the personnel system, who supervise classified personnel. The supervisor will not have an incentive to evaluate his classified subordinates, as he will not be subject to the same performance evaluation sanction as will a supervisor within the personnel system.

The committee's bill will provide enabling legislation for the executive branch to develop and implement the above-outlined system. Although the committee is cognizant of the problems to be faced in the transition to the new system, the committee supports the concept developed by the executive committee, and is confident that the problems can be solved. To provide time for a smooth transition, the new system will become operational on or before July 1, 1982.

Classification plan. Under current law the Director of the Department of Personnel is required to revise the classification plan whenever conditions indicate that a change is necessary (Section 24-50-104, Colorado Revised Statutes 1973). The same section of law requires the revision to be made on the basis of evidence which clearly indicates the need for change. According to the executive committee, this second provision puts the burden of proof on the director if the revision is appealed. The executive committee suggested that the employee should have the burden of proving that the revision was unnecessary. The director should be given the flexibil-

ity to revise the classification plan as conditions materialize, not after the fact when there is clear evidence that the change was necessary. The committee agreed that the director should be given this flexibility, and concluded that the basis for employees to appeal would not be jeopardized. The law will still require that conditions must exist that indicate a change is necessary before a revision is made by the director.

This recommendation will only delete the sentence in Section 24-50-104 requiring that a classification revision be made on the basis of evidence clearly indicating the need for change.

BILL 1

A BILL FOR AN ACT

1 CONCERNING UNEMPLOYMENT COMPENSATION, AND AMENDING DEFINITIONS,
2 CONTRIBUTION RATES, AND PROVISIONS RELATING TO REFUNDS OF
3 MONEYS ERRONEOUSLY PAID IN CONNECTION THEREWITH.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Increases the taxable wage base upon which an employer pays unemployment insurance contributions. Provides a new contribution rate schedule. Amends the provisions relating to voluntary contributions and delinquency payments to the division of labor and employment. Requires interest to be repaid on refunds or credit based on money erroneously paid by an employer.

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

5 SECTION 1. 8-70-103 (8) (d) and (22) (a), Colorado Revised
6 Statutes 1973, as amended, are amended to read:

7 8-70-103. Definitions. (8) (d) Any employing unit
8 (whether or not an employing unit at the time of acquisition)
9 which acquired the organization, trade, or business or
10 substantially all of the assets of another-employing-unit--which;
11 at--the--time--of--such--acquisition;--was an employer subject to

1 articles 70 to 82 of this title or which acquired a part of the
2 organization, trade, or business of another-employing-unit-which;
3 at--the--time--of--such--acquisition;--was an employer subject to
4 articles 70 to 82 of this title, if such part would have been an
5 employer under this subsection (8) had it constituted the entire
6 organization, trade, or business; or

7 (22) (a) "Wages" means all remuneration for personal
8 services, including the cash value of all remuneration paid in
9 any medium other than cash, other than remuneration paid in any
10 medium other than cash to an agricultural or domestic worker;
11 except that, for the purposes of sections 8-76-101 to 8-76-104,
12 "wages" shall not include that part of the remuneration which,
13 after remuneration equal to four thousand two hundred dollars has
14 been paid prior to January 1, 1978, or six thousand dollars after
15 December 31, 1977, OR SEVEN THOUSAND DOLLARS AFTER DECEMBER 31,
16 1981, in a calendar year to an individual by an employer, is paid
17 such individual by the employer during such calendar year unless
18 that part of the remuneration is subject to a tax under a federal
19 law imposing a tax against which credit may be taken for
20 contributions required to be paid into a state unemployment fund;
21 or within any calendar year that part of an individual's
22 remuneration from a single employer which, after four thousand
23 two hundred dollars has been paid to him prior to January 1,
24 1978, or six thousand dollars has been paid to him after December
25 31, 1977, OR SEVEN THOUSAND DOLLARS AFTER DECEMBER 31, 1981, and
26 upon which contributions have been paid under the unemployment

1 compensation law of any state, is paid with respect to
2 employment; EXCEPT THAT IF THE RESERVE AMOUNT CONTAINED IN THE
3 UNEMPLOYMENT COMPENSATION FUND, AS DETERMINED BY THE DIVISION, IS
4 LESS THAN SEVENTY-FIVE MILLION DOLLARS AS OF JULY 1, 1982, SUCH
5 PART OF THE REMUNERATION NOT INCLUDED BY THIS PARAGRAPH (a) SHALL
6 BE EIGHT THOUSAND DOLLARS AND IF THE RESERVE AMOUNT CONTAINED IN
7 THE UNEMPLOYMENT COMPENSATION FUND, AS DETERMINED BY THE
8 DIVISION, IS MORE THAN ONE HUNDRED MILLION DOLLARS AS OF JULY 1,
9 1982, SUCH PART OF THE REMUNERATION NOT INCLUDED BY THIS
10 PARAGRAPH (a) SHALL BE SIX THOUSAND DOLLARS; or when an employing
11 unit, during a calendar year, acquired the experience of an
12 employer as provided in section 8-76-104, and if, immediately
13 after such acquisition, the successor employer continues to
14 employ an individual who immediately prior to the acquisition was
15 an employee of the predecessor, then and in that event any
16 remuneration previously paid to the individual by the predecessor
17 shall be considered as having been paid by the successor.

18 SECTION 2. 8-76-103 (3) (a), Colorado Revised Statutes
19 1973, as amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to
20 read:

21 8-76-103. Future rates based on benefit experience.
22 (3) (a) (I) The standard rate of contributions shall be two and
23 seven-tenths percent. Employers newly subject to articles 70 to
24 82 of this title between January 1, 1972, and January 1, 1977,
25 shall pay contributions at the rate of one percent. Such rate
26 shall remain in effect unless and until there have been twelve

1 consecutive full calendar months immediately preceding the
2 computation date during which an employer's account has been
3 chargeable with benefit payments, and, thereafter, his
4 contribution rate shall be determined in accordance with the
5 provisions of subparagraph (II) of paragraph (b) of this
6 subsection (3), except for an employer who elects reimbursement
7 under sections 8-76-108 to 8-76-110. "Newly subject employer",
8 as used in this article, means an employer who has never been an
9 employer under any provision of articles 70 to 82 of this title
10 or an employer who has lost his prior experience under subsection
11 (6) of this section.

12 (II) An employer who was previously covered under articles
13 70 to 82 of this title, whose entire account is being reinstated
14 under subsection (3) of this section, and who has not paid
15 covered wages during the ten calendar quarters immediately
16 preceding the computation date for the year that the employer
17 again meets the provisions of subsection (3) of this section or
18 an employer who, under the provisions of section 8-76-110 (2)
19 (e), terminates his election to make payments in lieu of
20 contributions or whose election to make payments in lieu of
21 contributions has been terminated by the division under the
22 authority of section 8-76-110 (4) (e) or (4) (f) shall be liable
23 for contributions at the standard rate of two and seven-tenths
24 percent until there have been twelve consecutive full calendar
25 months after such termination and immediately preceding the
26 computation date during which his experience rating account has

1 been chargeable with benefit payments; and thereafter his rates
2 shall be computed under the provisions of this section for so
3 long as the employer remains a contributing employer.

4 (III) Any employer entitled to an experience rate as
5 provided in subparagraph (I) or (II) of paragraph (a) of this
6 subsection (3) who has failed to file prior to thirty-one days
7 following the computation date two or more contribution reports
8 for the computation period, as required under articles 70 to 82
9 of this title will receive a standard rate of two and
10 seven-tenths percent if his account has a positive percent of
11 excess, or if his account has a negative percent of excess his
12 rate will be the highest rate provided for in sub-subparagraph
13 (A) of subparagraph (II) of paragraph (b) of this subsection (3).

14 (IV) For the purposes of this subsection (3), a newly
15 subject or reinstated employer shall be liable for contributions
16 at the standard rate after the date the division determines he is
17 subject to articles 70 to 82 of this title, unless and until the
18 provisions of paragraph (a) of this subsection (3) have been met.

19 SECTION 3. 8-76-103 (3) (b) (III), (3) (d), and (3) (e),
20 Colorado Revised Statutes 1973, are amended to read:

21 8-76-103. Future rates based on benefit experience.
22 (3) (b) (III) Only those wages paid for covered employment that
23 occurred prior to the computation date and THAT WERE reported to
24 the division of employment on or before thirty-one days
25 immediately following the computation date will be used to
26 determine the experience rate effective for the next calendar

1 year.

2 (d) (I) Notwithstanding any provisions to the contrary, any
3 employer, at any time prior to the fifteenth day of March of any
4 year, may make voluntary contributions in addition to the
5 contributions provided under articles 70 to 82 of this title,
6 which contributions shall be credited to the employer's account
7 and be used in determining said employer's rate for the current
8 calendar year and subsequent calendar years.

9 (II) ANY VOLUNTARY CONTRIBUTION MADE UNDER THIS PARAGRAPH
10 (d) SHALL BE APPLIED FIRST TO ANY DELINQUENCY THE EMPLOYER OWES
11 TO THE DIVISION WHICH RELATES TO CONTRIBUTIONS, INTEREST, AND
12 PENALTIES DUE UNDER ARTICLES 70 TO 82 OF THIS TITLE. IF THE
13 EMPLOYER IS DELINQUENT IN FILING ANY CONTRIBUTION REPORTS, THE
14 DIVISION SHALL MAKE AN ASSESSMENT OF CONTRIBUTIONS BASED ON
15 ESTIMATED WAGES AND APPLY THE VOLUNTARY CONTRIBUTION ACCORDINGLY.
16 THIS SUBPARAGRAPH (II) SHALL NOT APPLY TO ANY DELINQUENCY WHERE A
17 WRITTEN AGREEMENT FOR PAYMENT EXISTS BETWEEN THE APPLICABLE
18 PARTIES.

19 (e) As used in sections 8-76-101 to 8-76-104 for the
20 purpose--of--computing-the-contribution-rate-of-any-employer;-for
21 the-year-1953-and-each-calendar-year-thereafter;-the-term-"annual
22 payroll"-means-the-total-amount-of-wages-for-employment--paid--by
23 an--employer-during-a-calendar-year;-and-the-term-"average-annual
24 payroll"-means-the-average-of-the-annual-taxable-payrolls--of--an
25 employer--for--the-last-three-calendar-years;--For the purpose of
26 computing the contribution rate of any employer for the year 1953

1 and each calendar year thereafter, the term "annual payroll"
2 means the total amount of wages for employment paid by an
3 employer during a twelve-month period ending June 30, and the
4 term "average annual payroll" means the average of the annual
5 taxable payrolls for the last three preceding fiscal years ending
6 on June 30; except that, if an employer who is entitled to an
7 experience rate has not been subject for a period of three years
8 prior to the computation date, or HAS NOT REPORTED THREE FULL
9 YEARS OF PAYROLL, the division shall compute his average annual
10 payroll by dividing the total taxable payrolls of the employer
11 prior to the computation date by the total months during which
12 such wages were paid AND REPORTED and multiplying the amount so
13 determined by twelve.

14 SECTION 4. 8-76-104 (1), Colorado Revised Statutes 1973, is
15 amended to read:

16 8-76-104. Successor employer. (1) An employing unit
17 becoming an employer because of acquiring the organization,
18 trade, or business or substantially all of the assets of another
19 ~~employing-unit-which;-at-the-time-of--such--acquisition;--was~~ an
20 employer subject to articles 70 to 82 of this title as defined in
21 section 8-70-103 (8) (d) shall succeed to the experience of the
22 predecessor employer, and the entire separate account, including
23 the actual contributions, benefits, and payroll experience of the
24 predecessor employer, shall pass to the successor for the purpose
25 of determining the rate of contributions for such successor. For
26 the purposes of this subsection (1), this provision shall apply

1 only to those employing units in which fifty percent or more of
2 the control of the management of such employing unit is held
3 immediately after such acquisition by the same person who,
4 immediately prior to such acquisition, held fifty percent or more
5 of the control of the management of such employer and, if there
6 is more than one person, then only if the respective holdings of
7 such persons in the control of the management of such employing
8 units are substantially in the same proportions one to another as
9 their respective holdings in the control of the management of
10 such employer were one to another and only if the successor will
11 continue the business.

12 SECTION 5. 8-79-108 (1), Colorado Revised Statutes 1973, is
13 amended to read:

14 8-79-108. Refunds. (1) An employing unit may file a
15 written application for refund of money paid erroneously, and if
16 the division determines that such payment, or any portion
17 thereof, was paid erroneously, the division shall either issue to
18 the employing unit a credit memo therefor, or make a refund
19 thereof. ~~in-either-event-without-interest-thereon:~~ In no event
20 may an employing unit recover money paid erroneously, or
21 otherwise, which has been paid prior to the first day of January
22 of the first year of the ~~two~~ FIVE calendar years immediately
23 preceding the date of the filing of the application for refund.
24 If such application for refund is refused, or if no final action
25 is taken thereon within six months, an employing unit may
26 commence an action in the district court for the city and county

1 of Denver for the collection thereof. In the event of court
2 action no recovery of any money paid prior to the first day of
3 January of the first year of the ~~two~~ FIVE calendar years
4 immediately preceding the date of the filing of the application
5 shall be allowed. For like cause and for the same period, a
6 recovery, as ~~above~~ indicated IN THIS SUBSECTION (1), may be
7 allowed on the division's own initiative. ANY REFUND OR CREDIT
8 MADE UNDER THIS SUBSECTION (1) SHALL BEAR INTEREST AT THE RATE OF
9 NINE PERCENT PER ANNUM FROM AND AFTER THE DATE SUCH MONEY WAS
10 ERRONEOUSLY PAID, AS DETERMINED BY THE DIVISION OR BY COURT
11 ACTION, AND SHALL BE PAID FROM THE UNEMPLOYMENT REVENUE FUND.

12 SECTION 6. Effective date. This act shall take effect July
13 1, 1981.

14 SECTION 7. Safety clause. The general assembly hereby
15 finds, determines, and declares that this act is necessary for
16 the immediate preservation of the public peace, health, and
17 safety.

BILL 2

A BILL FOR AN ACT

1 CONCERNING UNEMPLOYMENT COMPENSATION, AND AMENDING PROVISIONS
2 RELATING TO RULE-MAKING AUTHORITY, BENEFIT AWARDS, AND
3 CLAIMS IN CONNECTION THEREWITH.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Amends the powers of the industrial commission and the unemployment compensation commission. Provides that combined wage claims in which Colorado wages are transferred to another state shall be included in the computation of benefits paid with respect to base period wages. Changes the time in which to protest a claim.

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

5 SECTION 1. 8-1-107 (1), Colorado Revised Statutes 1973, as
6 amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

7 8-1-107. Powers and duties of commission - powers and
8 duties of director. (1) (h) Adopt, amend, or rescind, in
9 accordance with section 24-4-103, C.R.S. 1973, reasonable and
10 necessary rules and regulations relating to the exercise of its
11 powers.

1 SECTION 2. 8-72-101 (1), Colorado Revised Statutes 1973, is
2 amended to read:

3 8-72-101. Duties and powers of the division. (1) It is
4 the duty of the division to administer articles 70 to 82 of this
5 title; and it has power to employ such persons, make such
6 expenditures, require such reports, make such investigations, and
7 take such other action as it deems necessary or suitable to that
8 end. The division shall determine its own organization and
9 methods of procedure in accordance with the provisions of
10 articles 70 to 82 of this title. ~~The commission has power to~~
11 ~~adopt; amend; or rescind rules and regulations as it deems~~
12 ~~necessary or suitable. Such rules and regulations shall be~~
13 ~~effective upon publication in the manner; not inconsistent with~~
14 ~~the provisions of articles 70 to 82 of this title; which the~~
15 ~~commission shall prescribe.~~

16 SECTION 3. 8-72-102, Colorado Revised Statutes 1973, is
17 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

18 8-72-102. Rules and regulations. The commission has the
19 power to adopt, amend, or rescind, in accordance with section
20 24-4-103, C.R.S. 1973, reasonable and necessary rules and
21 regulations relating to the administration of the "Colorado
22 Employment Security Act" and governing hearings and proceedings
23 under such act.

24 SECTION 4. 8-73-108 (3)(e)(II)(B), Colorado Revised
25 Statutes 1973, as amended, is amended, and the said 8-73-108
26 (3)(e) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH,

1 to read:

2 8-73-108. Benefit awards. (3) (e) (II) (B) Benefits paid
3 with respect to such wages shall not be charged against an
4 employer account but will be charged against the fund AND SHALL
5 INCLUDE COMBINED WAGE CLAIMS IN WHICH COLORADO WAGES ARE
6 TRANSFERRED TO ANOTHER STATE.

7 (III) Separations from such employers shall not be
8 adjudicated.

9 SECTION 5. 8-74-102 (1), Colorado Revised Statutes 1973, as
10 amended, is amended to read:

11 8-74-102. Deputy's decision. (1) Upon receipt of a claim,
12 the division shall notify any other interested parties of the
13 claim. Such interested parties shall be afforded ~~nine-working~~
14 TEN CALENDAR days from the date of mailing of notice of the claim
15 in which to ~~object--to--or~~ present any additional information
16 pertinent to the claim. Such ~~objection-or~~ information must be
17 postmarked or received by the division within ~~nine--working~~ TEN
18 CALENDAR days from said date of mailing. IF THE TENTH CALENDAR
19 DAY FALLS ON A WEEKEND OR A STATE HOLIDAY, SUCH DATE SHALL BE
20 MOVED TO THE FIRST WORKING DAY IMMEDIATELY FOLLOWING SUCH WEEKEND
21 OR HOLIDAY. The deputy may consider ~~objections-and-additions~~
22 INFORMATION received out of time only if good cause is shown. A
23 deputy to be designated by the director of the division shall
24 promptly examine all materials submitted. On the basis of his
25 review, the deputy shall determine the validity of the claim and,
26 if valid, when payment shall commence, the amount payable, and

1 the duration of payment. The deputy shall issue a decision in all
2 cases, even if the claimant has insufficient qualifying wages,
3 unless the interested employer did not receive notice of the
4 claim, except when the separation from employment is due to a
5 lack of work and no alleged disqualifying circumstances are
6 indicated. His decision shall set forth findings of fact,
7 conclusions of law, and an order. The division shall promptly
8 provide all interested parties with copies of the deputy's
9 decision.

10 SECTION 6. Effective date. This act shall take effect July
11 1, 1981.

12 SECTION 7. Safety clause. The general assembly hereby
13 finds, determines, and declares that this act is necessary for
14 the immediate preservation of the public peace, health, and
15 safety.

BILL 3

A BILL FOR AN ACT

1 CONFORMING UNEMPLOYMENT COMPENSATION PROVISIONS TO FEDERAL LAW.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Conforms Colorado statutes to relevant federal statutes to alleviate the situation where Colorado law differs from federal law in reducing weekly benefit amounts payable to a person due to his receiving pension or social security benefits.

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

3 SECTION 1. The introductory portion to 8-73-107 (3),
4 Colorado Revised Statutes 1973, as amended, is amended to read:

5 8-73-107. Eligibility conditions - penalty. (3) For the
6 purpose of this subsection (3), "educational institution"
7 includes the Colorado school for the deaf and the blind; EXCEPT
8 THAT SUCH TERM DOES NOT INCLUDE A HEADSTART PROGRAM WHICH IS NOT
9 A PART OF A SCHOOL ADMINISTERED BY A BOARD OF EDUCATION BECAUSE
10 SUCH HEADSTART EMPLOYEES ARE NOT SUBJECT TO THE SAME EMPLOYMENT
11 CONDITIONS AS OTHER EMPLOYEES OF THE SCHOOL. Compensation is
12 payable on the basis of services to which section 8-70-103

1 (10)(f) and (10)(k) apply in the same amount, on the same terms,
2 and subject to the same conditions as compensation payable on the
3 basis of other services subject to articles 70 through 82 of this
4 title; except that:

5 SECTION 2. 8-73-110 (3), (4), and (5), Colorado Revised
6 Statutes 1973, as amended, are REPEALED AND REENACTED, WITH
7 AMENDMENTS, to read:

8 8-73-110. Other remuneration. (3)(a) An individual's
9 weekly benefit amount shall be reduced (but not below zero) by
10 the prorated weekly amount of any governmental or other pension,
11 retirement or retired pay, annuity, or any other similar period
12 payments which is based on any previous work of such individual.

13 (b)(I) An individual who has applied for a retirement
14 payment shall be entitled to receive, if otherwise eligible,
15 benefits reduced by the estimated or reported amount of such
16 retirement payment. When notice of the actual or confirmed
17 amount of the retirement payment is received by the individual,
18 he shall advise the division and the deduction will be adjusted
19 accordingly.

20 (II) Notwithstanding other provisions of articles 70 to 82
21 of this title, if the estimated or reported amount of the
22 retirement payment exceeds the amount of unemployment
23 compensation to which the individual is entitled, he shall
24 receive one payment equal to the minimum weekly benefit amount,
25 as prescribed by section 8-73-102 (1).

26 (4) An individual's weekly benefit amount shall not be

1 reduced because of the receipt of military service-connected
2 disability compensation payable by the veterans administration
3 under 38 U.S.C. Chapter 11. The weekly benefit amount of an
4 individual shall be reduced because of the receipt of a military
5 disability retirement pension based on previous work performed by
6 the individual, the relationship to the level of prior
7 remuneration, or the length of service.

8 (5) Individuals who receive compensation for temporary
9 disability under the workmen's compensation law of any state or
10 under a similar law of the United States shall be entitled to
11 receive benefits for a corresponding week, if otherwise eligible,
12 reduced by the amount of the temporary disability compensation.

13 SECTION 3. 8-73-110, Colorado Revised Statutes 1973, as
14 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

15 8-73-110. Other remuneration. (6) Individuals who receive
16 maternity benefits or other cash payments paid to the worker by a
17 base period employer or from any trust or fund contributed to by
18 a base period employer shall be entitled to receive benefits for
19 a corresponding week, if otherwise eligible, reduced by the
20 amount of such maternity benefit, or other cash payments.

21 SECTION 4. 8-75-103 (1)(a) and (1)(b), Colorado Revised
22 Statutes 1973, are amended, and the said 8-75-103 (1) is further
23 amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

24 8-75-103. Eligibility requirements for extended benefits.

25 (1)(a) He is an exhaustee; and

26 (b) He has satisfied the requirements of articles 70 to 82

1 of this title for the receipt of regular benefits that are
2 applicable to individuals claiming extended benefits, including
3 not being subject to a disqualification for the receipt of
4 benefits; AND

5 (c) He files his interstate claim from a state in which
6 there is an extended benefits state "on" indicator. If he files
7 his interstate claim from a state in which there is an extended
8 benefits state "off" indicator, he shall be paid for not more
9 than the first two weeks in which extended benefits are payable
10 in an interstate claim.

11 SECTION 5. Effective date. This act shall take effect July
12 1, 1981.

13 SECTION 6. Safety clause. The general assembly hereby
14 finds, determines, and declares that this act is necessary for
15 the immediate preservation of the public peace, health, and
16 safety.

BILL 4

A BILL FOR AN ACT

1 CONCERNING UNEMPLOYMENT COMPENSATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Permits cooperative agreements between the division of employment and training and the department of revenue, changes conformity with federal law section of the Colorado statutes, defines claim terms, removes obsolete reference to partial claims, revises division publication requirements, and shortens WIN program appeals time.

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

3 SECTION 1. 8-70-103, Colorado Revised Statutes 1973, as
4 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

5 8-70-103. Definitions. (4.5) "Claim" means:

6 (a) "Initial claim" which establishes a benefit year and is
7 valid as defined by paragraph (b) of subsection (3) of this
8 section; or

9 (b) "Additional claim" which reopens a claim series within
10 an existing benefit year after a second or subsequent spell of
11 unemployment; or

1 (c) "Reopened claim" which reopens a claim within an
2 existing benefit year when there has been no intervening
3 employment since the last claim for a week of unemployment.

4 SECTION 2. 8-70-108, Colorado Revised Statutes 1973, as
5 amended, is amended to read:

6 8-70-108. Conformity with federal statutes. If any
7 provisions contained in articles 70 to 82 of this title are
8 determined to be in nonconformity with federal statutes, as
9 determined by the United States secretary of labor, OR AN
10 ASSISTANT SECRETARY OF LABOR the division, AFTER CONSULTATION
11 WITH THE ADVISORY COUNCIL ESTABLISHED BY SECTION 8-72-105 AND
12 WITH THE CONCURRENCE OF THE ATTORNEY GENERAL OF THE STATE OF
13 COLORADO, is authorized to administer said articles so as to
14 conform with the provisions of the federal statutes until such
15 time as the general assembly meets in its next regular session
16 and has an opportunity to amend said articles.

17 SECTION 3. 8-72-107 (1), Colorado Revised Statutes 1973, as
18 amended, is amended to read:

19 8-72-107. Records and reports - fee - violation - penalty.
20 (1) Each employing unit shall keep true and accurate work
21 records, containing such information as the division may
22 prescribe. Such records shall be retained for a period of not
23 less than five years and shall be open to inspection and be
24 subject to being copied by the division or its authorized
25 representatives at any reasonable time and as often as may be
26 necessary. The division or any referee may require from any

1 employing unit any sworn or unsworn reports, with respect to
2 persons employed by it, which it or he deems necessary for the
3 effective administration of articles 70 to 82 of this title.
4 Information thus obtained, or obtained from any individual
5 pursuant to the administration of articles 70 to 82 of this
6 title, except to the extent necessary for the proper presentation
7 of a claim, OR WITHHOLDING TAX ACCOUNT NUMBERS IF SUCH NUMBERS
8 ARE OBTAINED FROM THE DEPARTMENT OF REVENUE PURSUANT TO SECTION
9 39-21-113, C.R.S. 1973, shall be held confidential and shall not
10 be published or be open to public inspection (other than to
11 public employees in the performance of their public duties or to
12 an agent of the division designated as such in writing for the
13 purpose of accomplishing certain of the division's functions) in
14 any manner revealing the individual's or employing unit's
15 identity. Any interested party or his authorized representative,
16 in preparation for and prior to any hearing on a claim governed
17 by articles 70 to 82 of this title, shall be entitled to examine
18 and, upon the payment of a reasonable fee to the division, obtain
19 a copy of any materials contained in such records to the extent
20 necessary for proper presentation of his position at the hearing.
21 Notwithstanding said provisions of this subsection (1), any
22 applicant for work shall be entitled to examine and copy, or
23 obtain a copy from the division upon payment of the costs of
24 duplication, any letters of reference or other similar documents
25 pertaining to the applicant which are in possession of the
26 division. Any employee or member of the division or any referee

1 who violates any provision of this article is guilty of a
2 misdemeanor and, upon conviction thereof, shall be punished by a
3 fine of not less than twenty dollars nor more than two hundred
4 dollars, or by imprisonment in the county jail for not more than
5 ninety days, or by both such fine and imprisonment.

6 SECTION 4. 8-72-109, Colorado Revised Statutes 1973, is
7 amended BY THE ADDITION OF A NEW SUBSECTION to read:

8 8-72-109. State-federal cooperation. (7) The director of
9 the division is authorized to enter into agreements with other
10 departments and divisions of the state for the purpose of
11 obtaining such information as he deems necessary for the proper
12 administration of articles 70 to 82 of this title and providing
13 for payment of the costs thereof.

14 SECTION 5. 8-72-110 (2), Colorado Revised Statutes 1973, is
15 amended to read:

16 8-72-110. Reciprocal interstate agreements. (2) The
17 division of employment is authorized to enter into reciprocal
18 arrangements with appropriate and duly authorized agencies of
19 other states or of the federal government, or both, whereby wages
20 for insured work paid in another state or of the federal
21 government shall be deemed to be wages for insured work under
22 articles 70 to 82 of this title; and wages for insured work paid
23 under the provisions of articles 70 to 82 of this title shall be
24 deemed to be wages on the basis of which unemployment insurance
25 is payable under such law of another state or of the federal
26 government. No such arrangement shall be entered into unless it

1 contains provision for reimbursement to the fund for such of the
2 benefits paid under articles 70 to 82 of this title on the basis
3 of such wages, and provision for reimbursement from the fund for
4 such benefits paid under such other law on the basis of wages for
5 insured work as the division finds will be fair and reasonable to
6 all affected interests. Reimbursements paid from the fund
7 pursuant to this section shall be deemed to be benefits for the
8 purposes of articles 70 to 82 of this title; except that no
9 charge shall be made to an A CONTRIBUTING employer's account
10 under sections 8-76-101 to 8-76-104 unless the individual
11 receiving benefits based in part on wage credits transferred by
12 this state to another state, which acts as the paying state,
13 would have been eligible for benefits based on wages paid in this
14 state alone. ~~If the individual would have been eligible for~~
15 ~~benefits based on wages paid in this state alone;~~ WITH THE
16 EXCEPTION OF BENEFIT OVERPAYMENTS, SUCH NONCHARGING SHALL NOT
17 APPLY TO REIMBURSING employer accounts WHICH will be charged in
18 accordance with section 8-76-103 in the same amount and to the
19 same extent as if the reimbursement to another state had been
20 benefits based solely on wages paid by an employer covered by
21 articles 70 to 82 of this title.

22 SECTION 6. 8-73-103 (1), Colorado Revised Statutes 1973, is
23 amended to read:

24 8-73-103. Benefits for partial unemployment. (1) Each
25 eligible individual who is partially unemployed shall be paid a
26 partial benefit. ~~Partial benefits shall be paid for and by pay~~

1 ~~periods:~~ Partial benefits ~~for-weekly-pay-periods~~ shall be in an
2 amount equal to his THE ELIGIBLE INDIVIDUAL'S weekly benefit
3 amount for total unemployment, minus that part of wages payable
4 to such individual with respect to such week which is in excess
5 of twenty-five percent of his weekly benefit amount as computed
6 in accordance with section 8-73-102, and the benefit payment
7 resulting shall be computed to the next higher multiple of one
8 dollar.

9 SECTION 7. 8-74-101, Colorado Revised Statutes 1973, as
10 amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

11 8-74-101. Claims for benefits. (1) Claims for benefits
12 shall be made, processed, and reviewed pursuant to articles 70 to
13 82 of this title and such regulations as the commission may
14 prescribe.

15 (2) Every employer shall post and maintain notices to
16 inform his employees that he is subject to the "Colorado
17 Employment Security Act" and has been so registered by the
18 division. Such notices shall be conspicuously posted at or near
19 work locations after an employer's account number has been
20 assigned by the division and shall be supplied by the division in
21 reasonable numbers and without cost.

22 (3) Copies of articles 70 to 82 of this title and rules and
23 regulations shall be supplied without cost by the division to any
24 person who requests a copy.

25 SECTION 8. 8-74-103 (1), Colorado Revised Statutes 1973, as
26 amended, is amended to read:

1 8-74-103. Hearing officer review. (1) Any interested
2 party who is dissatisfied with a deputy's decision may appeal
3 that decision and obtain a hearing covering any issue relevant to
4 the disputed claim. The issue of a claimant's availability will
5 be relevant to the extent set forth in section 8-73-107 (1) (c)
6 (I) (A). The initial appeal shall be to a hearing officer
7 designated by the director of the division and must be postmarked
8 or received by the division within fifteen calendar days, OR TEN
9 CALENDAR DAYS IN WORK INCENTIVE PROGRAM CASES, from the date of
10 notification of the decision of the deputy. "DEPUTY", AS USED IN
11 THIS ARTICLE, MEANS A PERSON WHO ADJUDICATES CLAIMS FOR THE
12 DIVISION WHEN COLORADO IS THE PAYING STATE. WAGES PAID IN
13 COLORADO AND TRANSFERRED TO ANOTHER STATE IN WHICH THE CLAIMANT
14 HAS FILED SHALL NOT BE SUBJECT TO ADJUDICATION BY A DEPUTY OF THE
15 DIVISION OR TO AN APPEAL DIRECTED TO THIS STATE.

16 SECTION 9. 8-74-104 (1), Colorado Revised Statutes 1973, as
17 amended, is amended to read:

18 8-74-104. Commission review. (1) The commission, on its
19 own motion or upon petition to review by an interested party, may
20 affirm, modify, reverse, or set aside any decision of a hearing
21 officer on the basis of the evidence previously submitted in the
22 case. The commission may also take additional evidence, or it
23 may remand to the division for the taking of additional evidence
24 and a new decision. The commission may remove to itself or
25 transfer to another hearing officer the proceedings on any claim
26 pending before a hearing officer. Any interested party who is

1 dissatisfied by a hearing officer's decision may appeal that
2 decision and obtain review by the commission. Any such appeal
3 must be postmarked or received by the division within fifteen
4 calendar days, OR TEN CALENDAR DAYS IN WORK INCENTIVE PROGRAM
5 CASES, from the date of notification of the decision of the
6 hearing officer. The commission shall prescribe regulations for
7 the conduct of such appeals, including apportionment of
8 transcript costs (not to exceed the actual costs of such
9 materials), briefing schedules, and similar matters. The
10 commission shall promptly provide all interested parties with
11 copies of its decision, which shall include findings of fact,
12 conclusions of law, and an order.

13 SECTION 10. 8-74-106 (1)(a) and (1)(b), Colorado Revised
14 Statutes 1973, as amended, are amended to read:

15 8-74-106. Time limits and procedures for appeal within the
16 division and to the commission. (1) (a) Any party may petition
17 for review of a deputy's, a hearing officer's, or an initial
18 commission decision by filing a petition therefor with the
19 division within fifteen calendar days, OR TEN CALENDAR DAYS IN
20 WORK INCENTIVE PROGRAM CASES, after the date of notification of
21 such decision. Notification of the decision shall be by personal
22 delivery of the decision to an interested party or by mailing a
23 copy of the decision to the last-known address shown in the
24 division files of an interested party and to his attorney or
25 representative of record, if any. The date of notification shall
26 be the date of personal delivery or the date of mailing of a

1 decision.

2 (b) Unless, within fifteen CALENDAR days, OR TEN CALENDAR
3 DAYS IN WORK INCENTIVE PROGRAM CASES, after the date of
4 notification of a deputy's, a hearing officer's, or an initial
5 commission decision, an interested party petitions for review of
6 such decision, the decision shall be final. Petitions for review
7 may be accepted out of time only for good cause shown and in
8 accordance with regulations adopted by the commission.

9 SECTION 11. 8-76-102 (3)(a), Colorado Revised Statutes
10 1973, as amended, is amended to read:

11 8-76-102. Rate of contribution. (3) (a) Notwithstanding
12 any other provision of law to the contrary, if political
13 subdivisions or their instrumentalities have elected singly,
14 severally, or in toto to become contributing employers as
15 permitted by section 8-76-108, such employing units shall pay
16 contributions at the rate of three-tenths of one percent of total
17 wages beginning with the calendar year 1978 and shall continue to
18 pay such rate through December 31, 1979, unless sooner increased
19 or decreased by the division based on benefit cost experience. A
20 POLITICAL SUBDIVISION OR ITS INSTRUMENTALITY WHICH HAS ELECTED TO
21 BECOME A CONTRIBUTING EMPLOYER SHALL HAVE ITS ACCOUNT CHARGED
22 WITH THE FULL AMOUNT OF ALL REGULAR AND EXTENDED BENEFITS THAT
23 ARE ATTRIBUTABLE TO SERVICE IN ITS EMPLOY.

24 SECTION 12. 8-76-103 (1)(b), Colorado Revised Statutes
25 1973, as amended, is amended to read:

26 8-76-103. Future rates based on benefit

1 experience. (1)(b) The maximum amount so charged against the
2 experience rating account of any employer shall not exceed
3 one-third of the wages paid to such individual by each such
4 employer for insured work during such individual's base period,
5 but not more per completed calendar quarter or portion thereof
6 than one-third of the maximum wage credits as computed in section
7 8-73-104. Nothing in sections 8-76-101 to 8-76-104 shall be
8 construed to limit benefits payable pursuant to sections 8-73-101
9 to 8-73-106. NOTWITHSTANDING THE PROVISIONS OF SECTION 8-73-108
10 AND ADMINISTRATIVE PRACTICES WHICH RESULT IN FUND CHARGING, A
11 REIMBURSING EMPLOYER SHALL BEAR THE COST OF ALL BENEFITS PAID TO
12 ITS FORMER EMPLOYEES, WITH THE EXCEPTION OF BENEFIT OVERPAYMENTS.
13 The commission, by general rules, shall prescribe the manner in
14 which benefits shall be charged against the accounts of several
15 employers for whom an individual performed employment at the same
16 time.

17 SECTION 13. 8-76-108 (1)(e), Colorado Revised Statutes
18 1973, as amended, is amended to read:

19 8-76-108. Coverage by political subdivisions.
20 (1)(e) Political subdivisions or their instrumentalities which
21 are liable for payments in lieu of contributions shall pay to the
22 division for the unemployment compensation fund the amount of
23 regular benefits plus the amount of one-half of extended benefits
24 paid through December 31, 1978, and the full amount of all
25 regular and extended benefits paid beginning January 1, 1979,
26 that are attributable to service in their employ. POLITICAL

1 SUBDIVISIONS OR THEIR INSTRUMENTALITIES WHICH HAVE ELECTED TO PAY
2 CONTRIBUTIONS AS PERMITTED BY THIS SECTION SHALL HAVE THEIR
3 ACCOUNTS CHARGED WITH THE FULL AMOUNT OF ALL REGULAR AND EXTENDED
4 BENEFITS THAT ARE ATTRIBUTABLE TO SERVICE IN THEIR EMPLOY.

5 SECTION 14. 8-76-110 (5)(a), Colorado Revised Statutes
6 1973, is amended to read:

7 8-76-110. Financing benefits paid to employees of nonprofit
8 organizations. (5) Allocation of benefit costs. (a) Each
9 employer A POLITICAL SUBDIVISION WHICH IS liable for payments in
10 lieu of contributions shall pay to the division for the
11 unemployment compensation fund the FULL amount of ALL regular
12 ~~benefits--plus--the--amount--of--one-half--of~~ AND extended benefits
13 paid that are attributable to service in the employ of such
14 employer. A NONPROFIT ORGANIZATION LIABLE FOR PAYMENTS IN LIEU
15 OF CONTRIBUTIONS SHALL PAY TO THE DIVISION FOR THE UNEMPLOYMENT
16 COMPENSATION FUND THE AMOUNT OF REGULAR BENEFITS PLUS THE AMOUNT
17 OF ONE-HALF OF EXTENDED BENEFITS PAID THAT ARE ATTRIBUTABLE TO
18 SERVICE IN THE EMPLOY OF SUCH EMPLOYER. If benefits paid to an
19 individual are based on wages paid by more than one employer and
20 one or more of such employers are liable for payments in lieu of
21 contributions, the amount payable to the fund by each employer
22 that is liable for such payments shall be determined in
23 accordance with the provisions of paragraph (b) or (c) of this
24 subsection (5).

25 SECTION 15. 8-81-101 (4)(a)(I) and (4)(b), Colorado Revised
26 Statutes 1973, as amended, are amended to read:

1 8-81-101. Penalties. (4) (a) (I) Any person who has
2 received any sum as benefits under articles 70 to 82 of this
3 title to which he was not entitled by reason of his false
4 representation or willful failure to disclose a material fact, if
5 so found by the division, shall be liable to repay ONE AND
6 ONE-HALF TIMES such sum to the division for the fund. Such sum
7 shall be collectible in the manner provided in sections 8-79-102
8 to 8-79-107 for the collection of past-due contributions, or, if
9 collection efforts fail, such sum shall be deducted from any
10 future benefits payable to such person under articles 70 to 82 of
11 this title. Amounts which remain uncollected for more than seven
12 years from the ending date of the benefit year during which
13 payment was last made may be waived as noncollectible.

14 (b) Any person who has received benefits under articles 70
15 to 82 of this title to which he was not entitled by reason of his
16 false representation or willful failure to disclose a material
17 fact or who has falsely stated or misrepresented a material fact
18 in a claim for benefits, found by the division, ~~of-employment-and~~
19 ~~training~~; SHALL REPAY ONE AND ONE-HALF TIMES THE BENEFITS
20 RECEIVED TO THE DIVISION. ADDITIONALLY, SUCH PERSON may be
21 denied benefits, when otherwise eligible, for a four-week penalty
22 period for each one-week period in which he filed claims for or
23 received benefits to which he was not entitled. Such four-week
24 penalty period or periods of ineligibility shall begin with the
25 first week of eligibility subsequent to the date that notice has
26 been issued, by the division, to the individual that he has been

1 found by the division to have received such benefits to which he
2 was not entitled. The penalty imposed by this paragraph (b) may
3 be in addition to or in lieu of the provisions of paragraph (a)
4 of this subsection (4).

5 SECTION 16. 39-21-113, Colorado Revised Statutes 1973, as
6 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7 39-21-113. Reports and returns. (8) Notwithstanding the
8 provisions of this section, the executive director of the
9 department of revenue may provide the division of employment and
10 training with any information obtained pursuant to this section
11 and, in connection therewith, may enter into an agreement with
12 the division of employment and training providing for payment of
13 the costs incurred in connection with supplying the information
14 and providing for periodic updating of the information supplied.
15 Information thus supplied to the division of employment and
16 training shall be subject to the rules of confidentiality set
17 forth in section 8-72-107 (1), C.R.S. 1973, to the same extent as
18 information supplied by employers to the division of employment
19 and training.

20 SECTION 17. Repeal. 8-76-114, Colorado Revised Statutes
21 1973, as amended, is repealed.

22 SECTION 18. Effective date. This act shall take effect
23 July 1, 1981.

24 SECTION 19. Safety clause. The general assembly hereby
25 finds, determines, and declares that this act is necessary for
26 the immediate preservation of the public peace, health, and

1 safety.

BILL 5

A BILL FOR AN ACT

1 CONCERNING THE TERM "CONTRIBUTION" IN THE "COLORADO EMPLOYMENT
2 SECURITY ACT".

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Changes the word "contribution" to the word "tax" in the "Colorado Employment Security Act". Makes minor revision changes throughout.

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

4 SECTION 1. 8-70-103 (8)(e), (10)(j), (11)(e), (13),
5 (22)(a), and (22)(b)(I), Colorado Revised Statutes 1973, as
6 amended, are amended, and the said 8-70-103 is further amended BY
7 THE ADDITION OF A NEW SUBSECTION, to read:

8 8-70-103. Definitions. (8) (e) Any employing unit which
9 is not defined as an employer under any other paragraph of this
10 subsection (8) but for which, within either the current or THE
11 preceding calendar year, service is or was performed with respect
12 to which such employing unit is liable for any federal tax

1 against which credit may be taken for contributions TAXES
2 required to be paid into a state unemployment fund; or

3 (10) (j) Notwithstanding any other provision of this
4 subsection (10), service with respect to which a tax is required
5 to be paid under any federal law imposing a tax against which
6 credit may be taken for contributions TAXES required to be paid
7 into a state unemployment fund or which, as a condition for full
8 tax credit against the tax imposed by the "Federal Unemployment
9 Tax Act", is required to be covered under articles 70 to 82 of
10 this title.

11 (11) (e) Service performed in the employ of the United
12 States government, a national bank or state bank which is a
13 member of the federal reserve system, or a federal savings and
14 loan association or a state building and loan association which
15 is a member of the federal home loan bank system, which
16 institutions were, prior to January 1, 1972, exempt from articles
17 70 to 82 of this title, or any other instrumentality of the
18 United States exempt under the constitution of the United States
19 from the contributions TAXES imposed by articles 70 to 82 of this
20 title; except that, to the extent that the congress of the United
21 States shall---permit PERMITS states to require any
22 instrumentalities of the United States to make payments into an
23 unemployment fund under a state unemployment compensation law,
24 all of the provisions of articles 70 to 82 of this title shall be
25 applicable to such instrumentalities and to services performed
26 for such instrumentalities in the same manner, to the same

1 extent, and on the same terms as to all other employers,
2 employing units, individuals, and services. If this state shall
3 IS not be certified for any year by the United States secretary
4 of labor under section 3304 of the "Internal Revenue Code of
5 1954", as amended, the payments required of such
6 instrumentalities with respect to such year shall be refunded by
7 the division from the fund in the same manner and within the same
8 period as is provided in section 8-79-108 with respect to
9 contributions TAXES erroneously collected.

10 (13) "Fund" means the unemployment compensation fund
11 established by articles 70 to 82 of this title to which all
12 contributions TAXES required and from which all benefits under
13 articles 70 to 82 of this title shall be paid.

14 (20.5) (a) "Taxes" means the money payments to the
15 unemployment compensation fund required by articles 70 to 82 of
16 this title.

17 (b) "Payments in lieu of taxes" means the money payments
18 made into the fund by an employer pursuant to the provisions of
19 sections 8-76-108 to 8-76-110.

20 (22) (a) "Wages" means all remuneration for personal
21 services, including the cash value of all remuneration paid in
22 any medium other than cash, other than remuneration paid in any
23 medium other than cash to an agricultural or domestic worker;
24 except that, for the purposes of sections 8-76-101 to 8-76-104,
25 "wages" shall DO not include that part of the remuneration which,
26 after remuneration equal to four thousand two hundred dollars has

1 been paid prior to January 1, 1978, or six thousand dollars after
2 December 31, 1977, in a calendar year to an individual by an
3 employer, is paid such individual by the employer during such
4 calendar year unless that part of the remuneration is subject to
5 a tax under a federal law imposing a tax against which credit may
6 be taken for contributions TAXES required to be paid into a state
7 unemployment fund; or within any calendar year that part of an
8 individual's remuneration from a single employer which, after
9 four thousand two hundred dollars has been paid to him prior to
10 January 1, 1978, or six thousand dollars has been paid to him
11 after December 31, 1977, and upon which contributions TAXES have
12 been paid under the unemployment compensation law of any state,
13 is paid with respect to employment; or when an employing unit,
14 during a calendar year, acquired the experience of an employer as
15 provided in section 8-76-104 and if, immediately after such
16 acquisition, the successor employer continues to employ an
17 individual who immediately prior to the acquisition was an
18 employee of the predecessor, then and in that event any
19 remuneration previously paid to the individual by the predecessor
20 shall be considered as having been paid by the successor.

21 (b) (I) The amount of any payment made to or on behalf of
22 an employee under a plan or system established by an employer
23 which makes provision for his employees generally or for classes
24 of his employees, including any amount paid by an employer for
25 insurance or annuities, or into a fund to provide for any such
26 payment on account of: Retirement; or sickness or accident

1 disability; or medical and hospitalization expenses in connection
2 with sickness or accident disability; or death if the employee
3 has not the option to receive, instead of provision for such
4 death benefit, any part of such payment or, if such death benefit
5 is insured, any part of the premiums or contributions TAXES
6 CONTRIBUTED to premiums paid by his employer and has not the
7 right, under the provisions of the plan or system or policy of
8 insurance providing for such death benefit, to assign such
9 benefit or to receive a cash consideration in lieu of such
10 benefit either upon his withdrawal from the plan or system
11 providing for such benefit or upon termination of the plan,
12 system, or policy of insurance or of his employment with such
13 employer;

14 SECTION 2. 8-70-107, Colorado Revised Statutes 1973, is
15 amended to read:

16 8-70-107. Disposition of funds in event of
17 unconstitutionality. (1) Articles 70 to 74 and 76 to 81 of this
18 title are enacted for the purpose of participating in the
19 advantages available to the state of Colorado under the federal
20 "Social Security Act", AS AMENDED. In the event that Title IX of
21 said act or any amendments thereto are amended or repealed by
22 congress or are held unconstitutional by the supreme court of
23 the United States, with the result that no portion of the
24 contributions TAXES required under said articles may be credited
25 against the tax imposed by said Title IX, the division shall
26 thereupon requisition from the unemployment trust fund all moneys

1 therein standing to the credit of the state of Colorado, and such
2 moneys, together with any other moneys in the unemployment
3 compensation fund, shall be refunded to the contributors
4 proportionate to their unexpended balances in the fund.

5 (2) In the event that the provisions of articles 70 to 74
6 and 76 to 81 of this title requiring the payment of **contributions**
7 **TAXES** and benefits are held invalid under the constitution of
8 this state by the supreme court of this state or the supreme
9 court of the United States or are held invalid under the United
10 States constitution by the supreme court of the United States or
11 the supreme court of this state, the division shall thereupon
12 requisition from the unemployment trust fund all moneys therein
13 standing to the credit of the state of Colorado, and such moneys,
14 together with any other moneys in the unemployment compensation
15 fund, shall be held in custody by the state treasurer in the same
16 manner as provided in section 8-77-105 until such time as the
17 general assembly shall--provide PROVIDES for the disposition
18 thereof; except that the general assembly shall not dispose of
19 such moneys otherwise than for unemployment compensation purposes
20 or for reimbursements to the contributors under the provisions of
21 said articles, proportionate to their unexpended balances in the
22 fund.

23 SECTION 3. 8-72-101(2), Colorado Revised Statutes 1973, as
24 amended, is amended to read:

25 8-72-101. Duties and powers of the division. (2) The
26 director of the division shall prepare and transmit annually, in

1 the form and manner prescribed by the controller pursuant to the
2 provisions of section 24-30-208, C.R.S. 1973, a report accounting
3 to the governor and the general assembly for the efficient
4 discharge of all responsibilities assigned by law or directive to
5 the division. In such report or in a separate report, as
6 directed by the controller, the director of the division shall
7 include a balance sheet of the moneys in the fund, in which there
8 shall be, if possible, a reserve against the liability in future
9 years to pay benefits in excess of the then current contributions
10 TAXES. The reserve shall be set up by the division in accordance
11 with accepted actuarial principles on the basis of statistics of
12 employment, business activity, and other relevant factors for the
13 longest possible period. If the division believes that a change
14 in contribution TAX or benefit rates is necessary to protect the
15 solvency of the fund, it shall promptly so inform the governor
16 and the general assembly and make recommendations with respect
17 thereto.

18 SECTION 4. 8-72-107(3), Colorado Revised Statutes 1973, as
19 amended, is amended to read:

20 8-72-107. Records and reports - fee - violation - penalty.

21 (3) Whenever an employer fails to furnish contribution TAX
22 reports required by the division, such employer shall be
23 assessed a fine of five dollars for each such delinquency, and
24 each additional calendar month, or any portion thereof, of
25 delinquency shall be considered a separate offense, and the
26 penalty shall be imposed at the rate of five dollars per

1 additional calendar month, or any portion thereof, of delinquency
2 for each report. If good cause is shown to the satisfaction of
3 the division, the total penalty or any portion thereof may be
4 waived. The penalty shall be collected in the same manner as
5 contributions TAXES due under articles 70 to 82 of this title.

6 SECTION 5. 8-72-110 (4) and (5), Colorado Revised Statutes
7 1973, as amended, are amended to read:

8 8-72-110. Reciprocal interstate agreements. (4) The
9 division is further authorized to enter into arrangements with
10 the appropriate agencies of other states or of the federal
11 government for the determination, adjustment, collection, and
12 assessment of contributions TAXES by employers with respect to
13 employment within and without this state.

14 (5) For the purposes of establishing and maintaining free
15 public employment offices, the division is authorized to enter
16 into agreements with the railroad retirement board or any other
17 agency of the United States charged with the administration of an
18 employment security law, with any political subdivision of this
19 state, or with any private, nonprofit organization. As a part of
20 any such agreement, the division may accept moneys, services, or
21 quarters as a contribution-to TAX PAYABLE INTO the employment
22 security administration fund.

23 SECTION 6. 8-73-107 (1)(h), Colorado Revised Statutes 1973,
24 is amended to read:

25 8-73-107. Eligibility conditions - penalty. (1) (h) He
26 has furnished the division with separation and other reports

1 containing such information as the commission may by regulation
2 prescribe, but this provision shall not apply if he proves to the
3 satisfaction of the division that he had good cause for failing
4 to furnish such reports. The eligibility of any individual shall
5 not be affected by the refusal or failure of an employer to
6 furnish reports concerning separation and employment as required
7 by articles 70 to 82 of this title and the regulations pursuant
8 thereto, and the division shall determine the eligibility of such
9 individual upon the basis of such information it may obtain; and
10 any employer who fails or refuses to furnish reports concerning
11 separation and employment shall cease to be deemed an interested
12 party to any such determination. For each instance of failure to
13 furnish the division with such reports, the employer, unless good
14 cause to the contrary is shown to the satisfaction of the
15 division, shall be assessed a penalty of twenty-five dollars,
16 which shall be collected in the same manner as contributions
17 TAXES due under articles 70 to 82 of this title.

18 SECTION 7. 8-76-101, Colorado Revised Statutes 1973, is
19 amended to read:

20 8-76-101. Payment. (1) Contributions TAXES shall accrue
21 and become payable by each employer for each calendar year in
22 which he is subject to articles 70 to 82 of this title with
23 respect to wages for employment. The contributions TAXES shall
24 become due and be paid by each employer to the division for the
25 fund in accordance with such regulations as the commission may
26 prescribe and shall not be deducted, in whole or in part, from

1 the wages of individuals in such employer's employ.

2 (2) In the payment of any contributions TAXES, a fractional
3 part of a cent shall be disregarded unless it amounts to one-half
4 cent or more, in which case it shall be increased to one cent.

5 SECTION 8. 8-76-102 (1), (2), (3)(a), and (3)(b), Colorado
6 Revised Statutes 1973, as amended, are amended to read:

7 8-76-102. Rate of tax. (1) Each employer shall pay
8 contributions TAXES equal to two and seven-tenths percent of
9 wages paid by the employer during each calendar year with respect
10 to employment occurring after June 30, 1941, except as may be
11 otherwise prescribed in section 8-76-103. As used in this
12 section, "wages paid" shall include wages constructively paid as
13 well as wages actually paid.

14 (2) Each employing unit becoming an employer under the new
15 definition of employer contained in articles 70 to 82 of this
16 title who would not be an employer under the old definition for
17 employer shall be liable for contribution TAX only on wages paid
18 subsequent to June 30, 1941, with respect to employment.

19 (3) (a) Notwithstanding any other provision of law to the
20 contrary, if political subdivisions or their instrumentalities
21 have elected singly, severally, or in toto to become contributing
22 employers as permitted by section 8-76-108, such employing units
23 shall pay contributions TAXES at the rate of three-tenths of one
24 percent of total wages beginning with the calendar year 1978 and
25 shall continue to pay such rate through December 31, 1979, unless
26 sooner increased or decreased by the division based on benefit

1 cost experience.

2 (b) (I) The contribution TAX rate for political
3 subdivisions or their instrumentalities shall be examined after
4 July 1, 1978, in conjunction with such employers' benefit
5 experience and may be adjusted for the calendar year 1979 and
6 similarly adjusted for succeeding calendar years on a
7 year-by-year basis as prescribed by section 8-76-103 (3) (b) (I).

8 (II) The division shall notify all political subdivisions
9 or their instrumentalities, as defined in paragraph (a) of this
10 subsection (3), of the contribution TAX rate no later than
11 January 1 of the year for which the rate applies.

12 SECTION 9. 8-76-103 (1)(a), (3)(a), (3)(b)(II), (3)(d),
13 (3)(e), (5), and (6), Colorado Revised Statutes 1973, as amended,
14 are amended to read:

15 8-76-103. Future rates based on benefit experience.

16 (1) (a) The division shall maintain a separate account for each
17 employer and shall credit his account with all contributions
18 TAXES paid on his own behalf. Nothing in articles 70 to 82 of
19 this title shall be construed to grant any employer or
20 individuals in his service prior claims or rights to the amounts
21 paid by him into the fund either on his own behalf or in ON
22 behalf of such individuals. Benefits paid to an eligible
23 individual shall be charged, in the amount provided in this
24 section, against the accounts of his employers in the base period
25 in the inverse chronological order in which the employment of
26 such individual occurred. Benefits paid to a seasonal worker

1 during the normal seasonal periods shall be charged against the
2 account of his most recent seasonal employers in the
3 corresponding normal seasonal period of his base period in the
4 inverse chronological order in which the seasonal employment of
5 such individual occurred and prior to the charging of benefits
6 based on nonseasonal employment.

7 (3) (a) The standard rate of **contributions TAXES** shall be
8 two and seven-tenths percent. Employers newly subject to articles
9 70 to 82 of this title between January 1, 1972, and January 1,
10 1977, shall pay **contributions TAXES** at the rate of one percent.
11 Such rate shall remain in effect unless and until there have been
12 twelve consecutive calendar months immediately preceding the
13 computation date throughout which an employer's account has been
14 chargeable with benefit payments, and, thereafter, his
15 **contribution TAX** rate shall be determined in accordance with the
16 provisions of paragraph (b) (II) of this subsection (3), except
17 for an employer who elects reimbursement under sections 8-76-108
18 to 8-76-110. An "employer newly subject", as used in this
19 article, means an employer who has never, at any time, been an
20 employer under any provision of articles 70 to 82 of this title
21 or an employer who has lost his prior experience under subsection
22 (6) of this section. An employer who, under the provisions of
23 section 8-76-110 (2) (e), terminates his election to make
24 payments in lieu of **contributions TAXES** or whose election to make
25 payments in lieu of **contributions TAXES** has been terminated by
26 the division under the authority of section 8-76-110 (4) (e) or

1 (4) (f) shall be liable for contributions TAXES at the standard
2 rate of two and seven-tenths percent until there have been twelve
3 consecutive calendar months after such termination. and
4 immediately preceding the computation date throughout which his
5 experience rating account has been chargeable with benefit
6 payments; and thereafter his rates shall be computed under the
7 provisions of this section for so long as the employer remains a
8 contributing employer.

9 (b) (II) (A) The total of all an employer's contributions
10 TAXES paid on his own behalf on or before thirty-one days
11 immediately after the computation date and the total benefits
12 which were chargeable to his account and were paid before the
13 computation date, with respect to weeks, or any established
14 payroll period of unemployment, beginning prior to the
15 computation date, shall be used to compute his contribution TAX
16 rate for the ensuing calendar year in accordance with the
17 following table SET FORTH IN EITHER SUB-SUBPARAGRAPH (B) OR (C)
18 OF THE SUBPARAGRAPH (II); except that, for rate year 1978, the
19 negative excess employer rate schedule shall be effective for a
20 maximum rate of .036 for employers with a negative excess of
21 minus eight percent or more, for rate year 1979, the negative
22 excess employer rate schedule shall be effective for a maximum of
23 .040 for employers with a negative excess of minus twelve percent
24 or more, AND for rate years 1980 and thereafter, the maximum rate
25 for negative excess employers shall be .045 as shown in the table
26 SET FORTH IN SUB-SUBPARAGRAPH (C) OF THIS SUBPARAGRAPH (II).

1 "Percent of excess", in BOTH said table TABLES, means the
2 percentage resulting from dividing the excess of contributions
3 TAXES paid over benefits charged by the average annual payroll,
4 computed to the nearest one percent. The word "to" in the column
5 headings which make reference to fund balances (resources
6 available for benefits) means "not including".

CONTRIBUTION TAX RATE SCHEDULE - POSITIVE EXCESS EMPLOYERS

(B)

Fund Level in Millions of Dollars

	125	110 to	95 to	85 to	75 to	65 to	55 to	45 to	35 to	25 to	More than	0
Percent	125	110 to	95 to	85 to	75 to	65 to	55 to	45 to	35 to	25 to	More than	0
of	Million	125	110	95	85	75	65	55	45	35	Zero to	or
Excess	Plus	Million	Million	Million	Million	Million	Million	Million	Million	Million	25 Million	Deficit
7	+20 or more	.000	.000	.000	.001	.002	.003	.003	.003	.003	.003	.007
8	+19	.000	.000	.001	.002	.003	.003	.003	.003	.003	.003	.008
9	+18	.000	.000	.001	.002	.003	.003	.003	.003	.003	.003	.009
10	+17	.000	.000	.001	.003	.003	.003	.003	.003	.003	.003	.010
11	+16	.000	.000	.001	.003	.003	.003	.003	.003	.003	.004	.011
12	+15	.000	.001	.001	.003	.003	.003	.003	.003	.003	.005	.012
13	+14	.000	.001	.001	.003	.003	.003	.003	.003	.004	.006	.013
14	+13	.001	.001	.001	.003	.003	.003	.003	.004	.005	.007	.014
15	+12	.001	.001	.001	.003	.003	.003	.004	.005	.006	.008	.015
16	+11	.001	.001	.001	.003	.003	.004	.005	.006	.007	.009	.016
17	+10	.001	.001	.002	.003	.004	.005	.006	.007	.008	.010	.017
18	+9	.001	.001	.003	.004	.005	.006	.007	.008	.009	.011	.018
19	+8	.001	.002	.003	.004	.006	.007	.008	.009	.010	.012	.019
20	+7	.002	.003	.004	.005	.007	.008	.009	.010	.011	.013	.020

1	+6	.002	.004	.005	.006	.007	.008	.009	.010	.011	.012	.014	.021
2	+5	.003	.005	.006	.007	.008	.009	.010	.011	.012	.013	.015	.022
3	+4	.004	.006	.007	.008	.009	.010	.011	.012	.013	.014	.016	.023
4	+3	.005	.007	.008	.009	.010	.011	.012	.013	.014	.015	.017	.024
5	+2	.005	.008	.009	.010	.011	.012	.013	.014	.015	.016	.018	.025
6	+1	.005	.009	.010	.011	.012	.013	.014	.015	.016	.017	.019	.026
7	+0	.005	.010	.011	.012	.013	.014	.015	.016	.017	.018	.020	.027
8	Unrated	.027	.027	.027	.027	.027	.027	.027	.027	.027	.027	.027	.027

(C) CONTRIBUTION TAX RATE SCHEDULE - NEGATIVE EXCESS EMPLOYERS

		<u>Fund Level in Millions of Dollars</u>											
		125	110 to	95 to	85 to	75 to	65 to	55 to	45 to	35 to	25 to	More than	0
		Million	125	110	95	85	75	65	55	45	35	Zero to	or
		Plus	Million	Million	Million	Million	Million	Million	Million	Million	Million	25 Million	Deficit
15	-0	.028	.028	.028	.028	.028	.028	.028	.028	.028	.028	.028	.030
16	-1	.029	.029	.029	.029	.029	.029	.029	.029	.029	.029	.029	.031
17	-2	.030	.030	.030	.030	.030	.030	.030	.030	.030	.030	.030	.032
18	-3	.031	.031	.031	.031	.031	.031	.031	.031	.031	.031	.031	.033
19	-4	.032	.032	.032	.032	.032	.032	.032	.032	.032	.032	.032	.034

1 (d) Notwithstanding any provisions to the contrary, any
2 employer, at any time prior to ~~the-fifteenth-day-of~~ March 15 of
3 any year, may make PAY voluntary contributions TAXES in addition
4 to the contributions TAXES provided under articles 70 to 82 of
5 this title, which contributions TAXES shall be credited to the
6 employer's account and be used in determining said employer's
7 rate for the current calendar year and subsequent calendar years.

8 (e) As used in sections 8-76-101 to 8-76-104, for the
9 purpose of computing the contribution TAX rate of any employer,
10 the term "annual payroll" means the total amount of wages for
11 employment paid by an employer during a calendar year, and the
12 term "average annual payroll" means the average of the annual
13 taxable payrolls of an employer for the last three calendar
14 years. For the purpose of computing the contribution TAX rate of
15 any employer, the term "annual payroll" means the total amount of
16 wages for employment paid by an employer during a twelve-month
17 period ending June 30, and the term "average annual payroll"
18 means the average of the annual taxable payrolls of an employer
19 for the last three preceding fiscal years ending on June 30. For
20 the purpose of computing the contribution TAX rate of any
21 employer for the year 1953 and each calendar year thereafter, the
22 term "annual payroll" means the total amount of wages for
23 employment paid by an employer during a twelve-month period
24 ending June 30, and the term "average annual payroll" means the
25 average of the annual taxable payrolls for the last three
26 preceding fiscal years ending on June 30; except that, if an

1 employer who is entitled to an experience rate has not been
2 subject TO ARTICLES 70 TO 82 OF THIS TITLE for a period of three
3 years prior to the computation date, the division shall compute
4 his average annual payroll by dividing the total taxable payrolls
5 of the employer prior to the computation date by the total months
6 during which such wages were paid and multiplying the amount so
7 determined by twelve.

8 (5) The division shall notify each employer, as nearly as
9 possible prior to the date upon which any contributions TAXES for
10 each calendar year becomes BECOME due, of his rate of
11 contribution TAX as determined for such calendar year pursuant to
12 sections 8-76-101 to 8-76-104. The notification shall include
13 the amount determined as the employer's average annual payroll,
14 the total of all his contributions TAXES paid on his own behalf
15 and credited to his account for all past years, and the total
16 benefits charged to his account for all such years.

17 (6) Whenever there has been a period of five consecutive
18 calendar years during which there were no taxable wages paid for
19 services considered employment under the provisions of articles
20 70 to 82 of this title, any balance shown in the employer's
21 account will not be transferred nor be used for contribution TAX
22 rating purposes if such employer again becomes liable under
23 articles 70 to 82 of this title.

24 SECTION 1. 8-76-104 (1) and (2), Colorado Revised Statutes
25 1973, are amended to read:

26 8-76-104. Successor employer. (1) An employing unit

1 becoming an employer because of acquiring the organization,
2 trade, or business or substantially all of the assets of another
3 employing unit which, at the time of such acquisition, was an
4 employer subject to articles 70 to 82 of this title as defined in
5 section 8-70-103 (8) (d) shall succeed to the experience of the
6 predecessor employer, and the entire separate account, including
7 the actual contributions TAXES, benefits, and payroll experience
8 of the predecessor employer, shall pass to the successor for the
9 purpose of determining the rate of contributions TAXES for such
10 successor. For the purposes of this subsection (1), this
11 provision shall apply only to those employing units in which
12 fifty percent or more of the control of the management of such
13 employing unit is held immediately after such acquisition by the
14 same person who, immediately prior to such acquisition, held
15 fifty percent or more of the control of the management of such
16 employer and, if there is more than one person, then only if the
17 respective holdings of such persons in the control of the
18 management of such employing units are substantially in the same
19 proportions one to another as their respective holdings in the
20 control of the management of such employer were one to another
21 and only if the successor will continue the business.

22 (2) Notwithstanding any other provision of sections
23 8-76-101 to 8-76-104, if the successor employer was an employer
24 subject to articles 70 to 82 of this title prior to the date of
25 acquisition, his rate for contribution OF TAX for the remainder
26 of the calendar year shall be the same as his rate in the period

1 immediately preceding the date of acquisition.

2 SECTION 2. 8-76-108 (1)(a), (1)(c), and (1)(e), Colorado
3 Revised Statutes 1973, as amended, are amended to read:

4 8-76-108. Coverage by political subdivisions.

5 (1) (a) After December 31, 1977, political subdivisions shall
6 become covered employers if employees employed by such political
7 subdivisions perform services in employment as defined by section
8 8-70-103 (10) (f). Such political subdivisions may elect to make
9 contributions PAY TAXES in lieu of reimbursements. Any political
10 subdivision which makes reimbursement shall not be liable to make
11 such payments with respect to the benefits paid to any individual
12 whose base period wages include wages for previously uncovered
13 services as defined in section 8-70-103 (22) (c) to the extent
14 that the unemployment compensation fund is reimbursed for such
15 benefits pursuant to section 121 of Public Law 94-566.

16 (c) The amounts required to be paid in lieu of
17 contributions TAXES by any political subdivision under this
18 section shall be billed and payment made as provided in section
19 8-76-110 (3) with respect to similar payments by nonprofit
20 organizations.

21 (e) Political subdivisions or their instrumentalities which
22 are liable for payments in lieu of contributions TAXES shall pay
23 to the division for the unemployment compensation fund the amount
24 of regular benefits plus the amount of one-half of extended
25 benefits paid through December 31, 1978, and the full amount of
26 all regular and extended benefits paid beginning January 1, 1979,

1 that are attributable to service in their employ.

2 SECTION 3. 8-76-109, Colorado Revised Statutes 1973, is
3 amended to read:

4 8-76-109. Payments in lieu of taxes by state hospitals and
5 state institutions of higher education. State hospitals and
6 state institutions of higher education as defined in section
7 8-70-103 (14) and (15) may elect to make reimbursements in lieu
8 of ~~contributions~~ TAXES as provided for nonprofit organizations in
9 section 8-76-110 (1) to (3) and (5).

10 SECTION 4. 8-76-110 (2)(a), (2)(b), (2)(c), (2)(d), (2)(e),
11 (2)(f), (2)(i), (3)(a), (3)(b), (3)(f), (4), (5), and (6),
12 Colorado Revised Statutes 1973, as amended, are amended to read:

13 8-76-110. Financing benefits paid to employees of nonprofit
14 organizations. (2) Liability for taxes and election of
15 reimbursement. (a) Any nonprofit organization which, pursuant
16 to section 8-70-103 (8) (b), is or becomes subject to articles 70
17 to 82 of this title on or after January 1, 1972, shall pay
18 ~~contributions~~ TAXES under the provisions of section 8-76-101,
19 unless it elects, in accordance with this subsection (2), to pay
20 to the division for the unemployment compensation fund an amount
21 equal to the amount of regular benefits and one-half of the
22 extended benefits paid, that is attributable to service in the
23 employ of such nonprofit organization, to individuals for weeks
24 of unemployment which begin during the effective period of such
25 election.

26 (b) Any nonprofit organization which is or becomes subject

1 to articles 70 to 82 of this title on January 1, 1972, may elect
2 to become liable for payments in lieu of contributions TAXES for
3 a period of not less than one taxable year beginning with January
4 1, 1972, if it files with the division a written notice of its
5 election within the thirty-day period immediately following such
6 date.

7 (c) Any nonprofit organization which becomes subject to
8 articles 70 to 82 of this title after January 1, 1972, may elect
9 to become liable for payments in lieu of contributions TAXES for
10 a period of not less than the taxable calendar year within which
11 such subjection begins by filing a written notice of its election
12 with the division not later than thirty days immediately
13 following the date of the determination of such subjection. Any
14 nonprofit organization which elects to make payments in lieu of
15 contributions TAXES into the unemployment compensation fund as
16 provided in this paragraph (c) shall not be liable to make such
17 payments with respect to the benefits paid to any individual
18 whose base period wages include wages for previously uncovered
19 services as defined in section 8-70-103 (22) (c) to the extent
20 that the unemployment compensation fund is reimbursed for such
21 benefits pursuant to section 121 of Public Law 94-566.

22 (d) Any organization described in section 501 (c) (3) of
23 the "United-States "Internal Revenue Code of 1954", as amended,
24 which is exempt from income tax under section 501 (a) of such
25 code AND which was liable under the provisions of the "Colorado
26 Employment Security Act", ARTICLES 70 TO 82 OF THIS TITLE, prior

1 to January 1, 1972, may elect to become liable for payments in
2 lieu of contributions TAXES for a period of not less than
3 eighteen calendar months beginning July 1, 1971, by filing a
4 written notice of election with the division not later than
5 thirty days immediately following July 1, 1971; otherwise, said
6 employer may elect to become liable for payments in lieu of
7 contributions TAXES for a period of not less than one calendar
8 year beginning on or after January 1, 1972, if written notice of
9 such election is filed with the division within thirty days after
10 January first 1 of such year.

11 (e) Any nonprofit organization which makes an election in
12 accordance with paragraph (b), (c), or (d) of this subsection (2)
13 will continue to be liable for payments in lieu of contributions
14 TAXES until it files with the division a written notice
15 terminating its election not later than thirty days prior to the
16 beginning of the taxable year for which such termination shall IS
17 first be effective.

18 (f) Any nonprofit organization which has been paying
19 contributions TAXES under articles 70 to 82 of this title for a
20 period subsequent to January 1, 1972, may change to a
21 reimbursable basis by filing with the division not later than
22 thirty days prior to the beginning of any taxable year a written
23 notice of election to become liable for payments in lieu of
24 contributions TAXES. Such election shall not be terminable by
25 the organization for that and the next year.

26 (i) Notwithstanding any other provisions of articles 70 to

1 82 of this title, any nonprofit organization that WHICH, prior to
2 January 1, 1969, paid contributions TAXES required by articles 70
3 to 82 of this title and which elects, pursuant to paragraph (d)
4 of this subsection (2), to make payments in lieu of contributions
5 TAXES shall not be required to make any such payment on account
6 of any regular or extended benefits paid and attributable to
7 wages paid for service performed in its employ for weeks of
8 unemployment which begin on or after the effective date of such
9 election until the total amount of such benefits equals the
10 amount by which the contributions TAXES paid by such organization
11 with respect to a period before such election exceed benefits
12 paid for the same period and charged to the experience rating
13 account of such organization, as of the effective date of such
14 election.

15 (3) Reimbursement payments. (a) Payments in lieu of
16 contributions TAXES shall be made in accordance with the
17 provisions of this subsection (3).

18 (b) At the end of each calendar quarter, the division shall
19 bill each nonprofit organization (or group of such organizations)
20 which has elected to make payments in lieu of contributions TAXES
21 for an amount equal to the full amount of regular benefits plus
22 one-half of the amount of extended benefits paid during such
23 quarter or other prescribed period that is attributable to
24 service in the employ of such organization.

25 (f) Past-due payments of amounts in lieu of contributions
26 TAXES shall be subject to the same interest and penalties that,

1 pursuant to sections 8-79-101 and 8-79-104, apply to past-due
2 contributions TAXES.

3 (4) Provision of bond or other security. (a) In the
4 discretion of the division, any nonprofit organization which
5 elects to become liable for payment in lieu of contributions
6 TAXES shall be required, within fifteen days after the effective
7 date of its election, to execute and file with the division a
8 surety bond approved by the division, or it may elect instead to
9 deposit with the division money or securities. The amount of
10 such bond or deposit shall be determined in accordance with the
11 provisions of this subsection (4).

12 (b) The amount of bond or deposit required by this
13 subsection (4) shall be equal to three times the sum of the
14 amount of regular benefits plus one-half the extended benefits
15 paid, if any, that is ARE attributable to service in the employ
16 of the nonprofit organization during the previous calendar year
17 or the sum of said payments during the three previous calendar
18 years, whichever is the greater, but shall not exceed three and
19 six-tenths percent nor be less than one-tenth of one percent of
20 the total covered payroll of such organization for the preceding
21 calendar year. If the employer has not been subject to articles
22 70 to 82 of this title for a sufficient period of time to acquire
23 said three calendar years' experience, then the bond shall be an
24 amount computed by multiplying the total covered payroll for the
25 previous calendar year, or the equivalent thereof, by two and
26 seven-tenths percent. Any organization which, under the

1 provisions of paragraph (i) of subsection (2) of this section, is
2 not required to make payments in lieu of contributions TAXES will
3 not be required to file a surety bond or make a surety deposit
4 with the division as provided in this paragraph (b) until such
5 time as said organization is required to make payments in lieu of
6 contributions TAXES.

7 (c) Any bond deposited under this subsection (4) shall be
8 in force for a period of not less than two taxable years and
9 shall be renewed with the approval of the division, at such times
10 as the division may prescribe, but not less frequently than at
11 two-year intervals as long as the organization continues to be
12 liable for payments in lieu of contributions TAXES. The division
13 shall require such adjustments to be made in a previously filed
14 bond as it deems appropriate. If the bond is to be increased,
15 the adjusted bond shall be filed by the organization within
16 fifteen days of the date notice of the required adjustment was
17 mailed or otherwise delivered to it. Failure by any organization
18 covered by such bond to pay the full amount of payments in lieu
19 of contributions TAXES when due, together with any applicable
20 interest and penalties provided for in subsection (3) (f) of this
21 section, shall render the surety liable on said bond to the
22 extent of the bond, as though the surety were such organization.

23 (d) Any deposit of money or securities in accordance with
24 this subsection (4) shall be retained by the division in an
25 escrow account until liability under the election is terminated,
26 at which time it shall be returned to the organization, less any

1 deductions as provided in this subsection (4). The division may
2 deduct from the money deposited under this paragraph (d) by a
3 nonprofit organization or sell the securities a nonprofit
4 organization has so deposited to the extent necessary to satisfy
5 any due and unpaid payments in lieu of contributions TAXES and
6 any applicable interest and penalties provided for in subsection
7 (3) (f) of this section. The division shall require the
8 organization, within fifteen days following any deduction from a
9 money deposit or sale of deposited securities under the
10 provisions of this paragraph (d), to deposit sufficient
11 additional money or securities to make whole the organization's
12 deposit at the prior level. Any cash remaining from the sale of
13 such securities shall be a part of the organization's escrow
14 account. The division may, at any time, review the adequacy of
15 the deposit made by any organization. If, as a result of such
16 review, the division determines that an adjustment is necessary,
17 it shall require the organization to make additional deposit
18 within fifteen days of written notice of its determination or
19 shall return to it such portion of the deposit as it no longer
20 considers necessary, whichever action is appropriate.
21 Disposition of income from securities held in escrow shall be
22 governed by the applicable provisions of the state law.

23 (e) If any nonprofit organization fails to file a bond or
24 make a deposit, or to file a bond in an increased amount or to
25 increase or make whole the amount of a previously made deposit,
26 as provided under this subsection (4), the division may terminate

1 such organization's election to make payments in lieu of
2 contributions TAXES, and such termination shall continue for not
3 less than the four-consecutive-calendar-quarter period beginning
4 with the quarter in which such termination becomes effective, but
5 the division may, for good cause, extend the applicable filing,
6 deposit, or adjustment period by not more than fifteen days.

7 (f) If any nonprofit organization is delinquent in making
8 payments in lieu of contributions TAXES as required under
9 subsection (2) of this section, the division may terminate such
10 organization's election to make payments in lieu of contributions
11 TAXES as of the beginning of the next taxable year, and such
12 termination shall be effective for that and the next taxable
13 year.

14 (5) Allocation of benefit costs. (a) Each employer liable
15 for payments in lieu of contributions TAXES shall pay to the
16 division for the unemployment compensation fund the amount of
17 regular benefits plus the amount of one-half of extended benefits
18 paid that are attributable to service in the employ of such
19 employer. If benefits paid to an individual are based on wages
20 paid by more than one employer and one or more of such employers
21 are liable for payments in lieu of contributions TAXES, the
22 amount payable to the fund by each employer that is liable for
23 such payments shall be determined in accordance with the
24 provisions of paragraph (b) or (c) of this subsection (5).

25 (b) If benefits paid to an individual are based on wages
26 paid by one or more employers who are liable for payments in lieu

1 of contributions TAXES and on wages paid by one or more employers
2 who are liable for contributions TAXES, the amount of benefits
3 payable by each employer who is liable for payments in lieu of
4 contributions TAXES shall be an amount which bears the same ratio
5 to the total benefits paid to the individual as the total base
6 period wages paid to the individual by such employer bear to the
7 total base period wages paid to the individual by all of his base
8 period employers.

9 (c) If benefits paid to an individual are based on wages
10 paid by two or more employers who are liable for payments in lieu
11 of contributions TAXES, the amount of benefits payable by each
12 such employer shall be an amount which bears the same ratio to
13 the total benefits paid to the individual as the total base
14 period wages paid to the individual by such employer bear to the
15 total base period wages paid to the individual by all of his base
16 period employers.

17 (6) Group accounts. Two or more employers who are liable
18 for payments in lieu of contributions TAXES, in accordance with
19 the provisions of subsection (2) of this section and sections
20 8-76-108 and 8-76-109, may file a joint application with the
21 division for the establishment of a group account for the purpose
22 of sharing the cost of benefits paid that are attributable to
23 service in the employ of such employers. Each such application
24 shall identify and authorize a group representative to act as the
25 group's agent for the purposes of this subsection (6). Upon its
26 approval of the application, the division shall establish a group

1 account for such employers effective as of the beginning of the
2 calendar quarter in which it receives the application and shall
3 notify the group's representative of the effective date of the
4 account. Such account shall remain in effect for not less than
5 two years and thereafter until terminated at the discretion of
6 the division or upon application by the group. Upon
7 establishment of the account, each member of the group shall be
8 liable for payments in lieu of ~~contributions~~ TAXES with respect
9 to each calendar quarter in the amount that bears the same ratio
10 to the total benefits paid in such quarter that are attributable
11 to service performed in the employ of all members of the group as
12 the total wages paid for service in employment by such member in
13 such quarter bear to the total wages paid during such quarter for
14 service performed in the employ of all members of the group. The
15 division shall prescribe such regulations as it deems necessary
16 with respect to applications for establishment, maintenance, and
17 termination of group accounts that are authorized by this
18 subsection (6) for addition of new members to, and withdrawal of
19 active members from, such accounts and for the determination of
20 the amounts that are payable under this subsection (6) by members
21 of the group and the time and manner of such payments.

22 SECTION 5. 8-76-111 (4), Colorado Revised Statutes 1973, as
23 amended, is amended to read:

24 8-76-111. Coverage of state employees. (4) The amounts
25 required to be paid in lieu of ~~contributions~~ TAXES by the state
26 under this section shall be billed and payment made as provided

1 in section 8-76-110 (3) with respect to similar payments by
2 nonprofit organizations.

3 SECTION 6. 8-76-112 (1) and (3), Colorado Revised Statutes
4 1973, as amended, are amended to read:

5 8-76-112. Political subdivisions - security for collection
6 of taxes or reimbursable payments. (1) In the event of default
7 in payment of contributions TAXES due or reimbursements of
8 benefit costs, the state treasurer, upon the request of the
9 division, shall set aside state funds otherwise payable to the
10 political subdivision as security to insure payment of the funds
11 due from the political subdivision to the unemployment trust
12 fund.

13 (3) The division may not request the state treasurer to set
14 aside funds to cover obligations of the political subdivision
15 until at least six months have elapsed since the due date for
16 payment of the contribution TAX or reimbursable obligation.

17 SECTION 7. 8-76-113 (1) and (2), Colorado Revised Statutes
18 1973, as amended, are amended to read:

19 8-76-113. Protest - appeal - filed by an employer.

20 (1) Any employer who wishes to appeal a determination of
21 liability for contributions TAXES, a determination of coverage
22 under the provisions of articles 70 to 82 of this title, or a
23 seasonality determination pursuant to section 8-73-106 may file a
24 written notice of appeal with the division. Except as otherwise
25 provided by this section, proceedings on appeal shall be governed
26 by the provisions of article 74 of this title. No appeal shall

1 be heard unless the notice of appeal has been postmarked or
2 received by the division within fifteen calendar days from the
3 date the notice of such determination is mailed by the division
4 to the employer.

5 (2) Any employer who wishes to protest an assessment of
6 contributions TAXES, a notice of rate of contribution TAX, a
7 recomputation of contribution TAX rate, or any notice of
8 correction of any matter set forth in this subsection (2) shall
9 file a request for redetermination with the division, in
10 accordance with regulations promulgated by the commission. The
11 division shall thereafter promptly notify the employer of its
12 redetermination decision. Any employer who wishes to appeal from
13 a redetermination decision may file a written notice of appeal
14 with the division. Except as otherwise provided by this section,
15 proceedings on appeal shall be governed by the provisions of
16 article 74 of this title. No appeal shall be heard unless notice
17 of appeal has been postmarked or received by the division within
18 fifteen calendar days from the date the notice of such
19 redetermination is mailed by the division to the employer.

20 SECTION 8. 8-76-114, Colorado Revised Statutes 1973, as
21 amended, is amended to read:

22 8-76-114. Local government advisory council. There is
23 hereby created a council known as the local government advisory
24 council to the division of employment and training. Said council
25 shall be composed of three local government employer
26 representatives, three local government employees, and one

1 representative of the public who is not an elected or appointed
2 official or an employee of any local government. Members of the
3 council shall be appointed by the governor. Appointments shall
4 be for a period of two years, and any members so appointed shall
5 be eligible for reappointment. Vacancies shall be filled by
6 appointment of the governor for unexpired terms. Members of the
7 council may adopt rules and procedures for the efficient and
8 timely conduct of council business. Members shall serve without
9 compensation but shall be reimbursed for necessary expenses. The
10 council shall aid the division in formulating policies and
11 discussing problems related to the extension of unemployment
12 insurance compensation under the "Colorado Employment Security
13 Act", ARTICLES 70 TO 82 OF THIS TITLE, to local governments. The
14 division shall consult with the council prior to adjusting rates
15 of contribution TAX pursuant to section 8-76-102 (3). The
16 division shall also consult with the council concerning any
17 proposed rule changes which may have an impact on local
18 governments.

19 SECTION 9. 8-77-102 (1), Colorado Revised Statutes 1973, is
20 amended to read:

21 8-77-102. Collection and transmittal of receipts - clearing
22 account - refunds - transfers. (1) The division of--employment
23 or its agent shall collect or receive all contributions TAXES,
24 payments in lieu of contributions TAXES, fines, and penalties
25 provided for in articles 70 to 82 of this title, all interest on
26 delinquent contributions TAXES provided for in section 8-79-101,

1 and all other moneys accruing to the fund from the federal
2 government or any other source whatsoever and shall transmit all
3 such moneys to the state treasurer, who shall cause the same to
4 be deposited in a clearing account in his name in a state or
5 national bank doing business in this state.

6 SECTION 10. 8-77-106 (1), Colorado Revised Statutes 1973,
7 as amended, is amended to read:

8 8-77-106. Unemployment revenue fund. (1) There is hereby
9 created the unemployment revenue fund, to which shall be credited
10 all interest collected by the division on delinquent
11 contributions TAXES pursuant to the provisions of section
12 8-79-101.

13 SECTION 11. 8-79-101, Colorado Revised Statutes 1973, as
14 amended, is amended to read:

15 8-79-101. Interest on past-due taxes. Contributions TAXES
16 unpaid on the date on which they are due and payable, as
17 prescribed by the commission, shall bear interest at the rate of
18 nine percent per annum or three-fourths of one percent per month
19 or any portion thereof on and after such date until payment plus
20 accrued interest is received by the division. Interest collected
21 pursuant to this section shall be paid into the unemployment
22 revenue fund.

23 SECTION 12. 8-79-102, Colorado Revised Statutes 1973, is
24 amended to read:

25 8-79-102. Collections. If, after due notice, any employer
26 defaults in any payment of contributions TAXES, penalties, or

1 interest thereon, the amount due may be collected by civil
2 action, which shall include the right of attachment in the name
3 of the division. Court costs shall not be charged to the
4 division, but any employer against whom judgment is taken shall
5 be taxed with all costs of such action. All costs collected by
6 the division shall be paid into the registry of the court. Civil
7 actions brought under this article to collect **contributions**
8 **TAXES**, penalties, or interest thereon from an employer shall be
9 heard by the court at the earliest possible date and shall be
10 entitled to preference upon the calendar of the court over all
11 other civil actions, except petitions for judicial review under
12 articles 70 to 82 of this title and cases arising under the
13 workmen's compensation act of this state.

14 SECTION 13. 8-79-103, Colorado Revised Statutes 1973, is
15 amended to read:

16 8-79-103. Taxes a lien on property. (1) The **contributions**
17 **TAXES** imposed by sections 8-76-101 to 8-76-104 shall be a first
18 and prior lien upon the real and personal property of any
19 employer subject to articles 70 to 82 of this title, except as to
20 the lien of general property taxes and except as to valid liens
21 existing at the time of the filing of the notice provided for in
22 section 8-79-105, and shall take precedence over all other liens
23 or claims of whatsoever kind or nature. Any employer who sells,
24 assigns, transfers, conveys, loses by foreclosure of a subsequent
25 lien, or otherwise disposes of his business, or any part thereof,
26 shall file with the division such reports as the commission, by

1 regulation, may prescribe within ten days after the date of any
2 such transaction. The employer's successor shall be required to
3 withhold sufficient of the purchase money to cover the amount of
4 said contribution TAX due and unpaid until such time as the
5 former owner shall-produce PRODUCES a receipt from the division
6 showing that said contributions TAXES have been paid or a
7 certificate that no contributions TAXES are due. Any such
8 successor who fails to comply with the above provisions shall be
9 personally liable for the payment of any contributions TAXES due
10 and unpaid.

11 (2) When the business or property of any employer is placed
12 in receivership, seized under distraint for property taxes, or
13 assigned for the benefit of creditors, all contributions TAXES,
14 penalties, and interest imposed by articles 70 to 82 of this
15 title shall be a prior and preferred claim against all of the
16 property of said employer, except as to the lien of general
17 property taxes, and as to valid liens existing at the time of the
18 filing of the notice provided for in section 8-79-105, and as to
19 claims for wages of not more than two hundred fifty dollars to
20 each claimant earned within six months of the commencement of the
21 proceeding. No sheriff, receiver, assignee, or other officer
22 shall sell the property of any employer under process or order of
23 court in such cases without first ascertaining from the division
24 the amount of any contributions TAXES due and payable under
25 articles 70 to 82 of this title. If any such contributions TAXES
26 are due, owing, and unpaid, it is the duty of such sheriff,

1 receiver, assignee, or other officer to first pay the amount of
2 said ~~contributions~~ TAXES out of the proceeds of such sale before
3 making payment of any moneys to any judgment creditor or other
4 claims of whatsoever kind or nature, except the costs of the
5 proceedings. In the event of an employer's being subject to an
6 order for relief, judicially confirmed extension proposal, or
7 composition under the federal bankruptcy code of 1978, Title 11
8 of the United States Code, ~~contributions~~ TAXES then or thereafter
9 due shall be entitled to such priority as is provided in section
10 507 of that code for taxes due the state of Colorado.

11 SECTION 14. 8-79-104, Colorado Revised Statutes 1973, is
12 amended to read:

13 8-79-104. Failure to file true report - penalty. (1) If
14 any employer fails or neglects to make and file such report, as
15 required by articles 70 to 82 of this title or by the regulations
16 of the commission pursuant thereto, or willfully makes a false or
17 fraudulent report, the division may make an assessment of the
18 ~~contributions~~ TAXES due from their ITS own knowledge and from
19 such information as they IT can obtain through testimony or
20 otherwise. Upon the basis of assessments so made, the division
21 may compute and assess in addition thereto a penalty equal to ten
22 percent of such delinquent ~~contributions~~ TAXES or of the
23 deficiency resulting from such false or fraudulent report, and
24 this penalty shall be in addition to the interest imposed in
25 section 8-79-101.

26 (2) Any assessment so made and certified by the division

1 shall be prima facie good and sufficient for all legal purposes.
2 Notice and demand for such contributions TAXES plus any interest
3 and penalties imposed by articles 70 to 82 of this title shall be
4 made upon such forms as the division may prescribe, and the
5 notice and demand shall become final fourteen days after the date
6 of delivery of said notice and demand to the employer in person
7 or from AFTER the date of the transmittal thereof by registered
8 mail to his last known address or place of business. The
9 employer may file a request for review or modification of said
10 assessment with the division within the fourteen days in the
11 manner and form prescribed by the division. The division, on the
12 basis of evidence submitted by the employer disclosing the
13 correct amount of contributions TAXES, may amend or otherwise
14 modify its previous assessments.

15 SECTION 15. 8-79-105 (1) and (2), Colorado Revised Statutes
16 1973, as amended, are amended to read:

17 8-79-105. Levy on property - sale. (1) If any
18 contributions TAXES, penalties, or interest imposed by articles
19 70 to 82 of this title, as shown by reports filed by the employer
20 or as shown by assessment duly made as provided in section
21 8-79-104 or 8-79-107, are not paid within five days after the
22 same are due and demand made therefor, the division may issue a
23 notice setting forth the name of the employer, the amount of the
24 contributions TAXES, penalties, and interest, the date of the
25 accrual thereof, and a statement that the division claims a first
26 and prior lien therefor, except as provided in this article. Such

1 notice shall be on forms prepared by the division and shall be
2 verified by any duly qualified representative of the division and
3 may be filed or recorded in the office of the COUNTY clerk and
4 recorder of any county in the state in which the employer owns
5 property. After such notice has been filed or recorded, the
6 division may issue a warrant under its official seal directed to
7 the sheriff of any county of the state or any duly authorized
8 agent of the division commanding him to levy upon, seize, and
9 sell such of the real and personal property of the employer found
10 within his county necessary for the payment of the amount due,
11 together with interest and penalties, as provided by law.

12 (2) It is the duty of any county clerk AND RECORDER to whom
13 such notices are sent to file or record the same without cost.
14 Any lien for contributions TAXES as shown upon the records of the
15 county clerk and recorder, upon the payment of all contributions
16 TAXES, penalties, and interest covered thereby, shall be released
17 by the division in the same manner as judgments are released.

18 SECTION 16. 8-79-107, Colorado Revised Statutes 1973, is
19 amended to read:

20 8-79-107. Immediate assessment, when. If the division
21 believes that the collection of any contributions TAXES,
22 penalties, or interest under the provision PROVISIONS of articles
23 70 to 82 of this title will be jeopardized by delay, whether or
24 not the time otherwise prescribed by articles 70 to 82 of this
25 title or any regulations issued pursuant thereto for making
26 reports and paying such contributions TAXES has expired, it may

1 immediately assess such contributions TAXES together with all
2 penalties and interest, the assessment of which is provided for
3 by articles 70 to 82 of this title. Such contributions TAXES,
4 penalties, and interest shall thereupon become immediately due
5 and payable, and immediate notice and demand shall be made by the
6 division for the payment thereof.

7 SECTION 17. 8-79-108 (2) and (3), Colorado Revised Statutes
8 1973, are amended to read:

9 8-79-108. Refunds. (2) If it is determined by the
10 division, or by court action, that any employing unit is entitled
11 to a refund of contributions TAXES, there shall be deducted from
12 the amount of the refund granted an amount equal to all benefits
13 which the division has paid to those employees of such employing
14 unit upon whose wages such contributions TAXES were based. At
15 the time such refund is paid, the employing unit's account
16 relative to such contribution TAX and wages and to benefits
17 charged shall be corrected for experience rating purposes, but
18 such corrected amount shall be used only in future computations.

19 (3) Refunds of interest which were paid into the
20 unemployment compensation fund shall be paid from the
21 unemployment compensation fund, and refunds of interest which
22 were paid into the unemployment revenue fund shall be paid from
23 the unemployment revenue fund. All refunds of contributions
24 TAXES shall be made from the unemployment compensation fund.

25 SECTION 18. 8-80-101, Colorado Revised Statutes 1973, is
26 amended to read:

1 8-80-101. Waiver of rights void. Any agreement by an
2 individual to waive, release, or commute his rights to benefits
3 or any other rights under articles 70 to 82 of this title shall
4 be void. Any agreement by any individual in the employ of any
5 person or concern to pay all or any portion of an employer's
6 contributions TAXES required under articles 70 to 82 of this
7 title from the employer shall be void. No employer shall
8 directly or indirectly make, require, or accept any deduction
9 from wages to finance the employer's contributions TAXES required
10 from him or require or accept any waiver of any rights under
11 articles 70 to 82 of this title by any individual in his employ.
12 Any employer or officer or agent of any employer who violates any
13 provision of this section is guilty of a misdemeanor and, upon
14 conviction thereof, for each offense, shall be punished by a fine
15 of not less than one hundred dollars nor more than one thousand
16 dollars, or by imprisonment in the county jail for not more than
17 six months, or by both such fine and imprisonment.

18 SECTION 19. 8-81-101 (2) and (4)(a)(I), Colorado Revised
19 Statutes 1973, as amended, are amended to read:

20 8-81-101. Penalties. (2) Any employing unit, or any
21 officer or agent of an employing unit, or any other person who
22 makes a false statement or representation knowing it to be false
23 or who knowingly fails to disclose a material fact WITH INTENT to
24 defraud an individual by preventing or reducing the payment of
25 benefits to which such individual would otherwise be entitled, or
26 to avoid becoming or remaining a subject employer, or to avoid or

1 reduce any **contribution TAX** or other payment required from an
2 employing unit under articles 70 to 82 of this title or under the
3 employment security law of any other state, or of the federal
4 government, or of a foreign government or ANY SUCH EMPLOYING
5 UNIT, OFFICER OR AGENT, OR OTHER PERSON who willfully fails or
6 refuses to make PAY any such **contributions TAXES** or MAKE ANY
7 other payment, or to furnish any reports required under section
8 8-72-107, or to produce or permit the inspection or copying of
9 records as required under section 8-72-107 is guilty of a
10 misdemeanor and, upon conviction thereof, shall be punished by a
11 fine of not less than twenty-five dollars nor more than one
12 thousand dollars, or by imprisonment in the county jail for not
13 more than six months, or by both such fine and imprisonment.
14 Each false statement or representation or failure to disclose a
15 material fact and each day such failure or refusal continues
16 shall constitute a separate offense.

17 (4) (a) (I) Any person who has received any sum as benefits
18 under articles 70 to 82 of this title to which he was not
19 entitled by reason of his false representation or willful failure
20 to disclose a material fact, if so found by the division, shall
21 be liable to repay such sum to the division for the fund. Such
22 sum shall be collectible in the manner provided in sections
23 8-79-102 to 8-79-107 for the collection of past-due **contributions**
24 **TAXES**, or, if collection efforts fail, such sum shall be deducted
25 from any future benefits payable to such person under articles 70
26 to 82 of this title. Amounts which remain uncollected for more

1 than seven years from the ending date of the benefit year during
2 which payment was last made may be waived as noncollectible.

3 SECTION 20. Repeal. 8-70-103 (6), Colorado Revised
4 Statutes 1973, is repealed.

5 SECTION 21. Effective date. This act shall take effect
6 July 1, 1981.

7 SECTION 22. Safety clause. The general assembly hereby
8 finds, determines, and declares that this act is necessary for
9 the immediate preservation of the public peace, health, and
10 safety.

BILL 6

A BILL FOR AN ACT

1 CONCERNING THE ADMINISTRATION OF THE DIVISION OF EMPLOYMENT AND
2 TRAINING.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires the director of the division of employment and training to submit an annual budget request to the joint budget committee.

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

4 SECTION 1.8-72-101, Colorado Revised Statutes 1973, as
5 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

6 8-72-101. Duties and powers of the division. (3) The
7 director of the division shall prepare an annual budget request
8 using forms and procedures agreed to by the executive director of
9 the department of labor and employment and the joint budget
10 committee of the general assembly. The budget request documents
11 and such additional information as may be requested shall be

1 submitted to the department of labor and employment and the joint
2 budget committee according to the same time schedule for
3 budgetary review and analysis required of all executive agencies.
4 The governor shall include his recommendations for the division
5 as part of his regular budget message and according to section
6 24-37-403, C.R.S. 1973. The general assembly, upon
7 recommendation of the joint budget committee, shall make
8 appropriations to the division based on an evaluation of the
9 budget request and the availability of state (and federal) funds.

10 SECTION 2. Effective date. This act shall take effect July
11 1, 1981.

12 SECTION 3. Safety clause. The general assembly hereby
13 finds, determines, and declares that this act is necessary for
14 the immediate preservation of the public peace, health, and
15 safety.

BILL 7

A BILL FOR AN ACT

1 CONCERNING ADMINISTRATION OF THE STATE PERSONNEL SYSTEM.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides for the delineation of constitutional rule-making authority between the state personnel board and the state personnel director. Further provides for certain management authority to be held by heads of principal departments and presidents of colleges and universities. Alters jurisdiction of the state personnel board in grievance procedures. Lessens the time that certified employees must be on reemployment lists and modifies those instances in which attorney's fees may be recovered. Repeals the provision requiring general reemployment lists to contain the names of all certified employees, regardless of department.

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

3 SECTION 1. 24-50-101, Colorado Revised Statutes 1973, is
4 amended BY THE ADDITION OF A NEW SUBSECTION to read:

5 24-50-101. Short title - legislative declaration -
6 terminology. (3) (a) It is the purpose of the state personnel
7 system, as a merit system, to assure that a well-qualified work
8 force is serving the residents of Colorado, that all segments of

1 its population have an equal opportunity for state employment,
2 that recruitment be from qualified individuals from appropriate
3 sources, and that after fair and open competition, selection be
4 on the basis of job-related ability and quality of performance.

5 (b) It is the duty of the state personnel board through its
6 constitutional rule-making capacity, to establish general
7 criteria for adherence to the merit principle and for fair
8 treatment of individuals within the state personnel system.
9 Furthermore, in its role as adjudicator the state personnel board
10 shall provide fair and timely resolution of cases before it.

11 (c) It is the responsibility of the state personnel
12 director to provide leadership in the areas of policy and
13 operation of the state personnel system as well as to provide
14 consultant services to executive branch agencies and institutions
15 of higher education to further their professional management of
16 human resources in state government. The state personnel
17 director shall provide necessary and appropriate rules,
18 directives, and oversight in the discharge of his constitutional
19 duty to administer the state personnel system.

20 (d) The heads of principal departments and presidents of
21 colleges and universities shall be responsible and accountable
22 for the actual operation and management of the state personnel
23 system for their respective departments, colleges, or
24 universities.

25 SECTION 2. 24-50-123, Colorado Revised Statutes 1973, as
26 amended, is amended to read:

1 24-50-123. Grievances - review. The board shall by rule
2 adopt a uniform grievance procedure to be used by all principal
3 departments and agencies for employees in the state personnel
4 system. The grievance procedure shall provide an orderly system
5 of review for all grievances, except those arising under section
6 24-50-125. The decision of the appointing authority shall be
7 final but shall be subject to review by the state personnel
8 board. ~~if--the--state-personnel-board-finds-that-the-appointing~~
9 ~~authority-has-acted-arbitrarily-or-capriciously;-the-board--shall~~
10 ~~assume-jurisdiction-over-the-grievance-~~

11 SECTION 3. 24-50-124 (2), Colorado Revised Statutes 1973,
12 is amended to read:

13 24-50-124. Reduction of employees. (2) Certified
14 employees who are separated shall be placed on departmental and
15 general reemployment lists for a period of not less than two
16 years ONE YEAR.

17 SECTION 4. 24-50-125.5 (1), Colorado Revised Statutes 1973,
18 as amended, is amended to read:

19 24-50-125.5. Recovery for improper personnel action.
20 (1) Upon final resolution of any proceeding concerning a
21 personnel action taken pursuant to rules adopted by the board
22 pursuant to section 24-50-103 (6), including proceedings related
23 to the provisions of section ~~24-50-104-(3)-or-(4);-24-50-109;-or~~
24 24-50-125, which results in the determination that the employee
25 involved has the right to be restored to his classified position
26 and to receive any unpaid salary and, further, that the personnel

1 action from which the proceeding arose was instituted
2 frivolously, in bad faith, maliciously, as a means of harassment,
3 or otherwise groundless, the department, agency, board, or
4 commission taking such personnel action shall be liable for any
5 attorney's fees and other costs incurred by the employee against
6 whom such personnel action was taken in defending against such
7 action, including the cost of any transcript, together with
8 interest computed at six percent per year. Reimbursement of such
9 attorney's fees and other costs shall be made by the department,
10 agency, board, or commission forthwith upon presentation by the
11 employee of a statement of the attorney's fees and other costs
12 incurred which has been approved by the board, and any such claim
13 approved by the board shall be a charge on moneys appropriated to
14 the department, agency, board, or commission. Each department,
15 agency, board, or commission shall report to the joint budget
16 committee each year concerning the number of claims made and the
17 amount of moneys paid by the department under this section during
18 the previous fiscal year.

19 SECTION 5. Repeal. 24-50-115 (3), Colorado Revised
20 Statutes 1973, is repealed.

21 SECTION 6. Effective date. This act shall take effect July
22 1, 1981.

23 SECTION 7. Safety clause. The general assembly hereby
24 finds, determines, and declares that this act is necessary for
25 the immediate preservation of the public peace, health, and
26 safety.

BILL 8

A BILL FOR AN ACT

1 CONCERNING PERFORMANCE EVALUATION OF EMPLOYEES WITHIN THE STATE
2 PERSONNEL SYSTEM.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides that it is state policy that a state employee's advancement and compensation should be based upon the employee's performance. Directs the state personnel director to establish a compensation plan based upon performance. Requires employees to be evaluated at least annually and for evaluations to be on a fiscal year basis.

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

4 SECTION 1. 24-50-104 (2) and (4) (a), Colorado Revised
5 Statutes 1973, are amended to read:

6 24-50-104. Classification and compensation. (2)

7 Salaries. (a) It is the policy of the state to encourage career
8 service for officers and employees in the state personnel system.

9 It is likewise the policy of the state, in recruiting and
10 retaining competent personnel, to compensate such officers or
11 employees with salaries, fringe benefits, including retirement

1 benefits, working conditions, including job security, and hours
2 of work comparable to those found by the state personnel director
3 to prevail for comparable kinds of employment in typical places
4 of public and private employment with which the state competes in
5 recruiting personnel. In order to preserve the integrity of the
6 merit system of employment and to insure that employees in the
7 state personnel system are graded and compensated according to
8 standards of efficient service, which shall be the same for all
9 persons having like duties, the state personnel director, with
10 the approval of the board, shall establish a classification plan
11 under which all such employees shall be placed.

12 (b) IT IS ALSO THE POLICY OF THE STATE THAT, IN ORDER TO
13 OBTAIN PERFORMANCE AND PRODUCTIVITY IN STATE SERVICE, EMPLOYEES'
14 ADVANCEMENT AND APPROPRIATE COMPENSATION BE BASED ON DEMONSTRATED
15 ABILITY AND QUALITY OF PERFORMANCE. THE STATE PERSONNEL DIRECTOR
16 SHALL ESTABLISH A COMPENSATION PLAN, WHICH SHALL BE BASED SOLELY
17 ON PERFORMANCE AND WHICH SHALL BE OPERATIONAL ON AND AFTER JULY
18 1, 1982.

19 (4) Revision and maintenance of classification plan.

20 (a) The state personnel director shall revise the classification
21 plan whenever conditions indicate that change is necessary. Such
22 ~~revision shall be made on the basis of evidence which clearly~~
23 ~~indicates the need for change.~~ Such revision may consist of the
24 addition, abolition, consolidation, division, or amendment of
25 existing classes, occupational groupings, and levels.

26 SECTION 2. 24-50-104 ~~**~~(8), Colorado Revised Statutes 1973,

1 is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

2 24-50-104. Classification and compensation. (8) Salary
3 administration. The state personnel director shall provide for
4 periodic salary increases bases upon a system of performance
5 evaluation for all employees. The system of performance
6 evaluation shall be operational on and after July 1, 1982.

7 SECTION 3. 24-50-118 (1), Colorado Revised Statutes 1973,
8 is amended to read:

9 24-50-118. Service and performance evaluations - system and
10 use. (1) The state personnel director shall provide a-system
11 for the evaluation of employee performance and conduct. and--the
12 service--of--each--employee--shall--be--periodically--evaluated--under
13 such-system: EACH EMPLOYEE SHALL BE EVALUATED ANNUALLY, AT A
14 MINIMUM, AND SUCH EVALUATIONS SHALL BE ON A FISCAL YEAR BASIS.

15 SECTION 4. Effective date. This act shall take effect July
16 1, 1981.

17 SECTION 5. Safety clause. The general assembly hereby
18 finds, determines, and declares that this act is necessary for
19 the immediate preservation of the public peace, health, and
20 safety.

APPENDIX A

COLORADO DIVISION OF EMPLOYMENT AND TRAINING

PROJECTION OF INCOME TO THE UI TRUST FUND BASED ON COMPUTATION DATE OF JULY 1, 1979 FOR RATE YEAR 1980 DISTRIBUTION OF PER CENT OF EXCESS

ASSUMPTIONS AND COMMENTS

The projections for benefits paid include reimbursable payments which are paid back to the Fund over and above the income received from the contributing employers. Extended benefits paid are not estimated separately. There will be on and off occurrences of extended benefits throughout the projection period. In aggregate, the reimbursable income and the extended benefit costs should tend to offset each other over the projection period. However, the timing of when extended benefits are triggered could affect which rate table would go into effect at times.

Basic Assumptions for All Six Conditions:

- The average weekly wage grows at a compounded rate of 6.8%. This is slightly less than the 1974 through 1979 experience of about 7.3%. The occurrence of almost full coverage in 1978 reduced the covered statewide average somewhat.
- The average yearly employment grows at a compounded rate of 5.6%. This is the same as the 1974 through 1979 experience for the private covered sector. Any added effect of new substantial shale or coal development is not present. This should allow just the normal growth in Colorado to be shown, probably slightly on the conservative side.
- The following growth factors were used over the projection period to result in the 5.6% compounded growth rate:

1979-80	.9847	1984-85	.9847
80-81	1.0519	85-86	1.0519
81-82	1.0699	86-87	1.0699
82-83	1.1047	87-88	1.1047
83-84	1.0738		

- The insured unemployment rates used for the estimated business cycles are essentially those surrounding our most recent recessionary experience from 1973 through 1979. The 1975 highest annual insured unemployment rate of 3.33% was not used. A milder rate of 2.74% and 2.80% was used to remain on the conservative side for the projection. It seemed important that the income flow requirement not be unduly inflated.
- The insured unemployment rate is also designed to take into consideration the tendency toward a higher nominal unemployment which seems to go with higher participation rates from women and multi-worker families.

- No assumption is made in regard to the election and its myriad effects. No assumption is inserted to account for grouping of employers at higher per cent of excess rates after a year of higher benefit charges nor is any adjustment made for the effect of lower benefit years of benefit charging. The 1980 Rate Year distribution of employers by per cent of excess remains constant throughout.

COLORADO DIVISION OF EMPLOYMENT AND TRAINING
 PROJECTION OF INCOME TO THE UI TRUST FUND
 BASED ON COMPUTATION DATE OF JULY 1, 1979 FOR
 RATE YEAR 1980 DISTRIBUTION OF PER CENT OF EXCESS
 (IN MILLIONS)

Condition A - Current Law - No Change
 Broken: 1st Quarter 83 and 1986 on
 (13 Quarters)

	ACTUAL										ESTIMATED				
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Reserve From Prior Period.....	\$114.1	\$100.6	\$ 45.0	\$ 33.7	\$ 56.5	\$ 96.6	\$133.8	121.4	45.2	.6	23.4	71.6	49.4	(85.4)	(137.1)
Income:															
2. Contributions.....	12.1	14.0	55.0	90.9	83.9	81.4	64.8	44.3	68.6	115.7	131.4	108.5	99.9	169.8	193.2
3. Interest.....	6.4	4.4	1.1	2.4	3.9	5.8	7.1	6.7	2.0	.3	2.4	4.2	1.2	-	-
Out-Go:															
4. Regular UI.....	30.0	69.4	60.7	64.5	49.2	52.3	85.2	127.2	115.2	93.2	85.6	134.9	235.9	221.5	159.1
5. Extended UI (50%).....	-	5.9	6.8	5.8	.6	-	-	-	-	-	-	-	-	-	-
6. Other.....	(2.0)	1.3	.1	(.2)	2.1	2.3	.9	-	-	-	-	-	-	-	-
7. Reserve Remaining.....	100.6	45.0	33.7	56.5	96.6	133.8	121.4	45.2	.6	23.4	71.6	49.4	(85.4)	(137.1)	(103.0)
<u>FUND LEVEL DATA</u>															
8. % Of Contributions Paid To Taxable Wages.....	.39%	.46%	1.68%	2.53%	1.63%	1.41%	1.13%	.73%	1.06%	1.63%	1.74%	1.49%	1.33%	2.19%	2.37%
9. Wage Base.....	\$4,200	100+	55-70	25-40	\$6,000	65-75	110-125	\$6,000	75-85	0-25	0-25	45-55	55-65	0	0
10. Contribution Schedule Used (mill. \$).....	100+	100+	55-70	25-40	35-45	65-75	110-125	125+	.004%	.12%	.32%	.21%	(.32%)	(.46%)	(.29%)
11. % Of Fund Balance To Total Wages (Private)....	1.60%	.67%	.45%	.66%	.94%	1.10%	.95%	.31%	.004%	.12%	.32%	.21%	(.32%)	(.46%)	(.29%)
12. % Of Benefits Paid To Total Wages.....	.48%	1.13%	.89%	.82%	.49%	.44%	.66%	.88%	.70%	.48%	.38%	.58%	.90%	.74%	.45%
<u>COVERED WORKFORCE DATA</u>															
13. Average Private Covered Workforce (thous)....	706.0	695.2	731.3	782.4	864.3	928.1	928	976	1,044	1,153	1,239	1,220	1,283	1,373	1,516
14. Average Total Covered Workforce (thous)....	761.8	754.2	808.8	863.5	1,070.6	1,150.8	1,151	1,210	1,296	1,430	1,536	1,513	1,591	1,703	1,880
<u>COVERED WORKFORCE WAGE DATA</u>															
15. Total Covered Private Wages (mill. \$).....	6,294.1	6,682.4	7,573.9	8,580.1	10,250.7	12,135.8	12,815	14,395	16,444	19,396	22,261	23,409	26,293	30,051	35,437
16. Total Taxable Covered Wages (mill. \$).....	3,073.7	3,032.6	3,265.8	3,595.3	5,134.3	5,757.8	5,757	6,046	6,462	7,080	7,546	7,304	7,494	7,753	8,151
17. % Of Taxable Wages To Total Private Wages....	48.8%	45.4%	43.1%	41.9%	50.1%	47.4%	45.0%	42.0%	39.3%	36.5%	33.9%	31.2%	28.5%	25.8%	23.0%
18. Average Private Covered Weekly Wages.....	\$171.44	\$184.85	\$197.45	\$210.90	\$228.09	\$249.61	\$266	\$284	\$303	\$324	\$346	\$369	\$394	\$421	\$450
<u>UNEMPLOYMENT INSURANCE BENEFIT DATA</u>															
19. Maximum Weekly Benefit Amount (Jan-Jun)....	\$ 93	\$102	\$108	\$116	\$122	\$134	\$142	\$154	\$165	\$176	\$188	\$201	\$214	\$229	\$244
20. Maximum Weekly Benefit Amount (Jul-Dec)....	98	108	114	121	130	137	150	161	171	181	191	201	211	221	231
21. Average Weekly Benefit Amount.....	73.17	79.95	82.76	85.74	90.39	99.50	\$106	\$113	\$121	\$129	\$138	\$148	\$158	\$168	\$180
22. Average Weeks Claimed Per Week.....	12.075	25.135	21.841	21.630	17.088	15.591	22,917	31,791	27,280	20,550	17,652	26,064	42,672	37,513	25,228
23. Average Weeks Duration of Claim.....	12.5	16.1	10.7	10.9	11.2	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
<u>RATE OF UNEMPLOYMENT DATA</u>															
24. % Total Unemployment.....	3.5%	5.2%	4.9%	4.7%	3.7%	3.2%	3.8%	4.8%	4.1%	3.3%	3.0%	3.7%	4.9%	4.2%	3.2%
25. % Insured Unemployment.....	1.59%	3.33%	2.80%	2.61%	1.77%	1.39%	1.99%	2.74%	2.20%	1.50%	1.20%	1.80%	2.80%	2.30%	1.40%
26. % Insured Unemployment for the U.S.....	3.46%	5.93%	4.50%	3.91%	3.22%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%	2.89%

UIR-ML/LMI/9-19-80R

APPENDIX C

COLORADO DIVISION OF EMPLOYMENT AND TRAINING
PROJECTION OF INCOME TO THE UI TRUST FUND
BASED ON COMPUTATION DATE OF JULY 1, 1979 FOR
RATE YEAR 1980 DISTRIBUTION OF PER CENT OF EXCESS
(IN MILLIONS)

Condition B - (1) Current Tax Schedule
\$125 million
(2) Taxable Wage Base \$8,000

Broke 4th Quarter 86 through 2nd Quarter
88 (7 Qtrs)

FUND LEVEL ACCOUNTING	ACTUAL						ESTIMATED									
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	
1. Reserve From Prior Period.....	\$114.1	\$100.6	\$ 45.0	\$ 33.7	\$ 56.5	\$ 96.6	\$133.8	121.4	45.2	20.5	84.5	154.5	129.8	(22.6)	(90.9)	
Income:																
2. Contributions.....	12.1	14.0	55.0	90.9	83.9	81.4	64.8	44.3	88.3	155.0	148.6	100.1	78.0	153.2	273.9	
3. Interest.....	6.4	4.4	1.1	2.4	3.9	5.8	7.1	6.7	2.2	2.2	7.0	10.1	5.5	-	-	
Out-Go:																
4. Regular UI.....	30.0	69.4	60.7	64.5	49.2	52.3	85.2	127.2	115.2	93.2	85.6	134.9	235.9	221.5	159.1	
5. Extended UI (50%).....	-	5.9	6.8	5.8	.6	-	See Assumptions									
6. Other:.....	(2.0)	1.3	.1	(.2)	2.1	2.3	.9									
7. Reserve Remaining.....	100.6	45.0	33.7	56.5	96.6	133.8	121.4	45.2	20.5	84.5	154.5	129.8	(22.6)	(90.9)	23.9	
FUND LEVEL DATA																
8. % Of Contributions Paid To Taxable Wages.....	.39%	.46%	1.68%	2.53%	1.63%	1.41%	1.13%	.73%	1.03%	1.63%	1.45%	.98%	.73%	1.35%	2.21%	
9. Wage Base.....	\$4,200			\$4,200	\$6,000			\$6,000	\$8,000						\$8,000	
10. Contribution Schedule Used (mill. \$).....	100+	100+	55-70	25-40	35-45	65-75	110-125	125+	75-85	0-25	45-55	110-125	125+	35-45	0	
11. % Of Fund Balance To Total Wages (Private)...	1.60%	.67%	.45%	.66%	.94%	1.10%	.95%	.31%	.12%	.44%	.69%	.55%	(.09%)	(.30%)	.07%	
12. % Of Benefits Paid To Total Wages.....	.48%	1.13%	.89%	.82%	.49%	.44%	.66%	.88%	.70%	.48%	.38%	.58%	.90%	.74%	.45%	
COVERED WORKFORCE DATA																
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14. Average Total Covered Workforce (thous).....	761.8	754.2	808.8	863.5	1,070.6	1,150.8	1,151	1,210	1,296	1,430	1,536	1,513	1,591	1,703	1,880	
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15. Total Covered Private Wages (mill. \$).....	6,294.1	6,682.4	7,573.9	8,580.1	10,250.7	12,135.8	12,815	14,395	16,444	19,396	22,261	23,409	26,293	30,051	35,437	
16. Total Taxable Covered Wages (mill. \$).....	3,073.7	3,032.6	3,265.8	3,595.3	5,134.3	5,757.8	5,757	6,046	8,551	9,504	10,240	10,183	10,649	11,359	12,403	
17. % Of Taxable Wages To Total Private Wages....	48.8%	45.4%	43.1%	41.9%	50.1%	47.4%	45.0%	42.0%	52.0%	49.0%	46.0%	43.5%	40.5%	37.8%	35.0%	
18. Average Private Covered Weekly Wages.....	\$171.4	\$184.85	\$197.45	\$210.90	\$228.09	\$249.61	\$266	\$284	\$303	\$324	\$346	\$369	\$394	\$421	\$450	
UNEMPLOYMENT INSURANCE BENEFIT DATA																
19. Maximum Weekly Benefit Amount (Jan-Jun).....	\$ 93	\$102	\$108	\$116	\$122	\$134	\$142	\$154	\$165	\$176	\$188	\$201	\$214	\$229	\$244	
20. Maximum Weekly Benefit Amount (Jul-Dec).....	98	108	114	121	130	137	150									
21. Average Weekly Benefit Amount.....	73.17	79.95	82.76	85.74	90.39	99.50	\$106	\$113	\$121	\$129	\$138	\$148	\$158	\$168	\$180	
22. Average Weeks Claimed Per Week.....	12.075	25.135	21.841	21.630	17.088	15.591	22,917	31,791	27,280	20,550	17,652	26,064	42,672	37,513	25,228	
23. Average Weeks Duration of Claim.....	12.5	16.1	10.7	10.9	11.2	10.6										
RATE OF UNEMPLOYMENT DATA																
24. % Total Unemployment.....	3.5%	5.2%	4.9%	4.7%	3.7%	3.2%	3.8%	4.8%	4.1%	3.3%	3.0%	3.7%	4.9%	4.2%	3.2%	
25. % Insured Unemployment.....	1.59%	3.33%	2.80%	2.61%	1.77%	1.39%	1.99%	2.74%	2.20%	1.50%	1.20%	1.80%	2.80%	2.30%	1.40%	
26. % Insured Unemployment for the U.S.....	3.46%	5.93%	4.50%	3.91%	3.22%	2.89%										

LEGISLATIVE COUNCIL
COMMITTEE ON LEGISLATIVE PROCEDURES

Members of the Committee

Sen. Fred Anderson,
Chairman
Rep. Robert Burford,
Vice-Chairman
Sen. Regis Groff
Sen. Dan Noble

Rep. John Hamlin
Rep. Bob Kirscht

Council Staff

Tina Walls
Research Associate

The Legislative Council was charged to conduct a study continuing the work of the 1979 Interim Committee on Legislative Procedures by Senate Joint Resolution 26.

The Executive Committee of the Colorado Legislative Council functioned as the Interim Committee on Legislative Procedures pursuant to a motion adopted at the August 7, 1980 meeting of the Legislative Council.

Distribution of Senate and House Bound Journals -- Bill 9

The Senate and House journals cover the proceedings of each regular and special session of the Colorado General Assembly. The journals are compiled, printed, and bound as soon as possible after the adjournment of each session under the direction of the Chief Clerk of the House of Representatives and the Secretary of the Senate. The Secretary of the Senate and the Chief Clerk are also responsible for delivering one copy of each published journal to the state's county clerks, each member of the General Assembly, and the Colorado Supreme Court Library.

In disseminating copies of the bound journals, the Secretary of the Senate and the Chief Clerk of the House of Representatives have found that some county clerks do not wish to receive the journals. However, the committee recommended that the journals should be made available in each county for public inspection.

In order to accomplish the committee's recommendation, Bill 9 is suggested. If enacted, the bill will provide that a written notification be sent to each County Clerk and Recorder informing them that the House and Senate journals are available. The County Clerk is to notify the Secretary of the Senate and the Chief Clerk if he wishes to receive a copy. If no request is made, then a copy of each published journal is delivered to the law library of the county.

Number of Reports to be Filed for the General Assembly -- Bill 10

House Bill 1199, passed in 1980, created a state publications depository and distribution center in the state library. One of the purposes of the center is to make state publications available to the public. The law provides that four copies of any report, to be made to the General Assembly, also be available at the state publications depository. In addition, House Bill 1199 reduced the number of reports which are to be filed in each house of the General Assembly from ten copies to one.

In accordance with House Bill 1199, the committee recommends submitting the following reports to the state publications depository:

the House and Senate journals; the Session Laws of Colorado; the general appropriations (long) bill and related reports; the Digest of Bills prepared by the Legislative Drafting Office; and the interim committee reports and special reports prepared for the Legislative Council. The committee also recommends Bill 10 which, if approved by the General Assembly, will provide that six copies of any report made to the General Assembly are to be filed in the joint legislative library located in the office of the Legislative Council. Each house of the General Assembly would continue to retain one copy of these reports.

Prefiled Bills -- Bill 11 (Joint Resolution)

Joint Rule 24 outlines the procedures for sponsoring bills in either house of the General Assembly. Currently legislators may not introduce more than six bills, excluding appropriation measures and prefiled bills. Members can request permission to exceed the six bill limit from the Committee on Delayed Bills in the appropriate house. Prefiled bills must be requested of the Legislative Drafting Office no later than December 1. If a legislator submits a bill draft request, by subject only, the legislator is required to submit the necessary information to draft a bill within five days after making the initial request. This applies to all bills, whether they are prefiled or bills which would qualify under the six bill limit.

Several problems have occurred regarding prefiled bills. Some prefiled bills are not printed prior to the first day of the session because of the number of prefiled bills requested by legislators. In addition, some bill drafts are not completed because of the legislator's failure to submit adequate information (including a list of co-sponsors) to the Legislative Drafting Office.

The committee recommends that the 1981 General Assembly adopt Bill 11 which seeks to more clearly identify a prefiled bill for purposes of exclusion from the six bill limitation. The resolution specifies that if the failure to prepare a prefiled bill, prior to the session, is due to the workload of the Legislative Drafting Office and not due to the delay or failure of a member of the General Assembly to supply adequate information, then the bill may still be classified as prefiled. Such a bill would therefore be excluded from the six bill limitation.

Committees of Reference -- Bill 12 (Resolution)

In an attempt to align the committees of reference in each house, the committee recommends Bill 12. If adopted, this measure will eliminate the House Committee on Game, Fish, and Parks in House Rule 25 (a) and (k). It also provides that any reference to the Committee on Game, Fish, and Parks in the Joint Rules of the Senate and House of Representatives shall mean the House Committee on Agriculture, Livestock, and Natural Resources. The bill provides that the

elimination of the House Committee on Game, Fish, and Parks will become effective at the beginning of the second regular session of the Fifty-third General Assembly.

The committees of reference in the Colorado House of Representatives and Senate will be as follows if the bill is adopted.

<u>House Committees</u>	<u>Senate Committees</u>
(1) Agriculture, Livestock, and Natural Resources.	(1) Agriculture, Natural Resources, and Energy.
(2) Appropriations.	(2) Appropriations.
(3) Business Affairs and Labor.	(3) Business Affairs and Labor.
(4) Education.	(4) Education.
(5) Finance.	(5) Finance.
(6) Health, Environment, Welfare, and Institutions.	(6) Health, Environment, Welfare, and Institutions.
(7) Judiciary.	(7) Judiciary.
(8) Local Government.	(8) Local Government.
(9) State Affairs.	(9) State Affairs.
(10) Transportation and Energy.	(10) Transportation.

Deadline Schedule

In an attempt to diffuse the workload of the General Assembly throughout the session, a series of legislative deadlines were developed by the Committee on Legislative Procedures in 1973. Their recommendation was introduced and adopted in 1974 as House Joint Resolution 1002. The deadline schedule was implemented the following year. Additional changes to the deadline schedule have occurred since 1975.

In 1979, the Committee on Legislative Procedures reexamined the deadline schedule and recommended two additional deadlines: a deadline for recess; and a deadline for sine die. The idea of the deadline for recess was to allow a reasonable time period, after the existing deadline for final passage of all bills originating in the other house, within which concurrence, conference committee reports, and the signing of bills could be accomplished. The recommended deadline for sine die was to allow sufficient time for delivery of bills to the Governor and for his action on each measure prior to the General Assembly's consideration of vetoes and final adjournment. House

Joint Resolution 1001 was introduced during the 1980 session and adopted on January 18, 1980. The deadlines adopted were:

Odd-year Session

130th day Deadline for recess.
150th day Reconvene for adjournment sine die.

Even-year Session

105th day Deadline for recess.
120th day Reconvene for adjournment sine die.

House Joint Resolution 1001 was superseded by House Joint Resolution 1030 which passed on April 18, 1980. This measure extended the date to reconvene for adjournment sine die for the odd-numbered year session to the 175th day and for the even-numbered year session to the 150th day. A provision was also added that the General Assembly could be reconvened earlier by a joint notice of the President of the Senate and Speaker of the House of Representatives. H.J.R. 1030 was passed to extend the 1980 deadline to reconvene for adjournment sine die to allow time to enroll measures passed by the General Assembly, deliver measures to the Governor, and provide sufficient time to act on each measure.

Adjournment sine die and exclusion of certain appropriation bills from deadlines -- Bill 13 (Joint Resolution). The current committee recognizes that time must be available to administratively process measures between recess and reconvening for adjournment sine die. However, the committee stressed that the current deadline which allows forty-five days in the odd-numbered year and even-numbered year sessions between the deadline for recess and adjournment is too long. Therefore, the committee recommends the following deadline schedule in Bill 13.

DEADLINE SCHEDULE WITH THE RECOMMENDED DEADLINE FOR SINE DIE

Long (odd-numbered years) Session

<u>Legislative Day</u>	<u>Deadline</u>	<u>Calendar Day 1981</u>
30th	Bill Draft Request Due	February 5 (Thursday)
60th	Introduction of Bills	March 7 (Saturday)
80th	Own House Bills Out of Committee	March 27 (Friday)

95th	Final Passage - House of Introduction	April 11 (Saturday)
110th	Committee Reports - Bills from Other House	April 26 (Sunday)
120th	Final Passage - Bills from Other House	May 6 (Wednesday)
130th	Recess	May 16 (Saturday)
160th (NEW)	Reconvene for Adjourn- ment Sine Die	June 15 (Monday)

DEADLINE SCHEDULE WITH THE RECOMMENDED DEADLINE FOR SINE DIE

Short (even-numbered years) Session

<u>Legislative Day</u>	<u>Deadline</u>	<u>Calendar Day 1982</u>
15th	Bill Draft Requests Due	January 20 (Wednesday)
30th	Introduction of Bills	February 4 (Thursday)
45th	Own House Bills Out of Committee	February 19 (Friday)
55th	Final Passage - House of Introduction	March 1 (Monday)
70th	Committee Reports - Bills from Other House	March 16 (Tuesday)
80th	Final Passage - Bills from Other House	March 26 (Friday)
105th	Recess	April 20 (Tuesday)
125th (NEW)	Reconvene for Adjournment Sine Die	May 10 (Monday)

In addition to recommending deadlines for legislative recess and sine die, the 1979 Committee on Legislative Procedures recommended a change to the existing exclusion of appropriation bills from deadlines. Currently, all appropriation bills are exempt from the following deadlines: request for a bill draft; bill introduction; committee consideration of a measure in each house; and passage in the house of introduction. Senate Joint Resolution 4, introduced in 1980, recom-

mended excluding only the general appropriation (long) bill, supplemental appropriation bills, and the legislative appropriation bill from these deadlines. Based on S.J.R. 4, all appropriation bills would have been excluded from the deadline for committees of reference to report bills originating in the other house. The 1979 proposal was not adopted. If the proposal had been adopted, questions regarding the types of "appropriation" bills that are to be excluded from deadlines would have been eliminated. The committee, therefore, recommends that this change be made in 1981.

Sponsorship of Bills -- Bill 14 (Joint Resolution)

The 1979 Committee on Legislative Procedures recommended an addition to the joint rules which would require designating prime sponsors from both houses prior to the introduction of a measure. The committee further recommended that the six bill limit not apply to the number of bills a legislator in the second house may introduce. The recommendation resulted from the occurrence of bills reaching the second house without a sponsor to present the measures during hearings before the committee of reference and to carry the measure during floor debate in the second house.

Based on the committee's 1979 recommendation, Senate Joint Resolution 5 was introduced in the 1980 session. The measure was amended to allow that a prime sponsor from the second house was to be designated prior to the passage of a measure on third reading in the house of origin. S.J.R. 5 was not adopted during the 1980 session. Therefore, the committee recommends that the General Assembly consider the concept again through Bill 14.

Committees -- Bills 15 and 16 (Resolutions)

The committee reviewed several issues regarding the procedures used by the committees of reference in both houses. The committee recognized that when a committee of reference takes final action on a measure there may not be sufficient time to prepare the committee's report within the current three day limit. The committee recommends that the current number of days that a chairman is given to report final action taken on a measure be increased from three legislative days to five legislative days. The recommendation is to apply only when committee action takes place on the deadline date for committees to report bills originating in their own house. This should provide adequate time for the preparation of the committee of reference report.

The committee also agreed that a committee of reference should hear and take action on every measure assigned to it. The committee recommends Bills 15 and 16 which will, if approved, amend the appropriate rules to implement these recommendations.

Committees of Reference Schedule for 1981

An afternoon meeting schedule based on the categorization of the committees of reference was first employed for the 1975 legislative session. The afternoon meeting schedule has not been changed since 1975. A morning schedule was implemented, in part, during the 1977 legislative session and became fully operational during the 1979 session.

The interim committee reviewed several options to alleviate scheduling problems of the Legal Services and Audit committees. In addition to its duties to provide legal services to the General Assembly, the Committee on Legal Services reviews the rules and regulations of agencies and is the committee of reference for bills which alter the rules and regulations of agencies. The interim committee also discussed the problems experienced by the Revisor and the enrolling room in reviewing, enrolling, and printing bills prior to third reading.

The committee recommends that the 1981 schedule for the Colorado General Assembly be adopted as illustrated in Exhibit A. The basic changes are that the Legal Services and Audit committees are to meet from 8:00 a.m. to 11:00 a.m. rather than 1:30 p.m. to 5:00 p.m. on alternating Fridays. Floor action for second reading would be scheduled for each Monday at 10:00 a.m. and third reading on each Friday at 11:00 a.m. This is a reversal of the current schedule for second and third reading. The recommendation to change the second and third reading schedule is to allow time for revising and printing measures being considered by each house.

Fiscal Note Procedure -- Bill 17 (Joint Resolution)

For several years, there has been a great deal of dissatisfaction with the fiscal note process. Fiscal notes have not always accurately reflected a measure's impact nor have they been updated as a measure proceeds through the legislative process. The Office of State Planning and Budgeting expressed concern on the number of unnecessary fiscal notes which it must prepare. The office also pointed out that it is difficult to prioritize the measures requiring fiscal notes.

To address concerns regarding the fiscal note process, the committee recommends Bill 17 which amends Joint Rule 22. If approved, the major change to the fiscal note process will be the addition of a statement of probable fiscal impact (see Appendix A). This statement will indicate whether each printed measure has a fiscal impact on state government, local government, the state's economy, or no fiscal impact. The Division of Budgeting will review each measure within four legislative days after receiving the measure from either the Chief Clerk of the House of Representatives or the Secretary of the Senate. The Division of Budgeting in the Office of State Planning and Budgeting is then to provide a statement of probable fiscal impact to the chairman of the committee of reference and the prime sponsor of

1981 Legislative Session

First Regular Session -- 53rd General Assembly

MORNING SENATE COMMITTEE SCHEDULE*

Senate Com- mittee Room	Monday 10:00 a.m. to 12:00 noon	Tuesday 9:00 a.m. to 12:00 noon	Wednesday 9:00 a.m. to 12:00 noon	Thursday 9:00 a.m. to 12:00 noon	Friday 8:00 a.m. to 12:00 noon
320A	10:00 a.m. FLOOR ACTION FOR SECOND READING	Business Affairs and Labor Chrm: Staff:	Health, Environment, Welfare, and Institutions Chrm: Staff:	Education Chrm: Staff:	11:00 a.m. - 12:00 p.m. FLOOR ACTION FOR THIRD READING Legislative Audit Committee will meet on 1st & 3rd Fridays, 8:00 - 11:00 a.m. in House Committee Room C. Committee on Legal Services will meet on the 2nd & 4th Fridays, 8:00 - 11:00 a.m. in House Committee Room E.
320B		State Affairs Chrm: Staff:	Local Government Chrm: Staff:	Agriculture, Natural Resources & Energy Chrm: Staff:	
320C		Judiciary Chrm: Staff:	Transportation Chrm: Staff:	Finance Chrm: Staff:	
320E					

*Joint Budget Committee will meet in Room 341 from 9:00 until 12:00 noon Tuesday through Thursday.

1981 Legislative Session

First Regular Session -- 53rd General Assembly

AFTERNOON SENATE COMMITTEE SCHEDULE*

Senate Com- mittee Room	Monday and Wednesday	Tuesday and Thursday		Friday
	1:30 p.m. to 5:00 p.m. (Category 1)	1:30 p.m. to 3:30 p.m. (Category 3)	3:30 p.m. to 5:00 p.m. (Category 2)	(Category 4) **
320A	Business Affairs and Labor <u>Chrm:</u> <u>Staff:</u>	Education <u>Chrm:</u> <u>Staff:</u>	Health, Environ- ment, Welfare and Institutions <u>Chrm:</u> <u>Staff:</u>	
320B	State Affairs <u>Chrm:</u> <u>Staff:</u>	Agriculture, Natural Resources, and Energy <u>Chrm:</u> <u>Staff:</u>	Local Government <u>Chrm:</u> <u>Staff:</u>	
320C	Judiciary <u>Chrm:</u> <u>Staff:</u>	Finance <u>Chrm:</u> <u>Staff:</u>	Transportation <u>Chrm:</u> <u>Staff:</u>	
320E				

*Joint Budget Committee will meet in Room 341 from 1:30-5:00 p.m. Monday through Thursday.

**The Committee on Appropriations is considered a Category 4 committee.

1981 Legislative Session

First Regular Session -- 53rd General Assembly

MORNING HOUSE COMMITTEE SCHEDULE*

House Com- mittee Room	Monday 10:00 a.m. to 12:00 noon	Tuesday 9:00 a.m. to 12:00 noon	Wednesday 9:00 a.m. to 12:00 noon	Thursday 9:00 a.m. to 12:00 noon	Friday 8:00 a.m. to 12:00 noon
B	10:00 a.m. FLOOR ACTION FOR SECOND READING	Business Affairs and Labor <u>Chrm:</u> <u>Staff:</u>	Health, Environ- ment, Welfare, and Institutions <u>Chrm:</u> <u>Staff:</u>		Game, Fish, and Parks 8:00-9:00 a.m. <u>Chrm:</u> <u>Staff:</u>
C		State Affairs <u>Chrm:</u> <u>Staff:</u>		Finance <u>Chrm:</u> <u>Staff:</u>	Legislative Audit Committee 1st & 3rd Fridays of each month 8:00-11:00 a.m.
D		Judiciary <u>Chrm:</u> <u>Staff:</u>		Agriculture, Livestock, and Natural Resources <u>Chrm:</u> <u>Staff:</u>	
E			Local Government <u>Chrm:</u> <u>Staff:</u>		Committee on Legal Services 2nd & 4th Fridays of each month 8:00-11:00 a.m.
F			Education <u>Chrm:</u> <u>Staff:</u>	Transportation and Energy <u>Chrm:</u> <u>Staff:</u>	11:00 a.m. - 12:00 p.m. FLOOR ACTION FOR THIRD READING
G					

*Joint Budget Committee will meet in Room 341 from 9:00 until 12:00 noon Tuesday through Thursday.

1981 Legislative Session

First Regular Session -- 53rd General Assembly

AFTERNOON HOUSE COMMITTEE SCHEDULE*

House Com- mittee Room	<u>Monday and Wednesday</u>		<u>Tuesday and Thursday</u>	<u>Friday</u>
	1:30 p.m. to 3:30 p.m. (Category 2)	3:30 p.m. to 5:00 p.m. (Category 3)	1:30 p.m. to 5:00 p.m. (Category 1)	1:30 p.m. to 5:00 p.m. (Category 4) **
B	Health, Environ- ment, Welfare, and Institutions <u>Chrm:</u> <u>Staff:</u>		Business Affairs and Labor <u>Chrm:</u> <u>Staff:</u>	
C		Finance <u>Chrm:</u> <u>Staff:</u>	State Affairs <u>Chrm:</u> <u>Staff:</u>	Game, Fish, and Parks <u>Chrm:</u> <u>Staff:</u>
D		Agriculture, Livestock, and Natural Resources <u>Chrm:</u> <u>Staff:</u>	Judiciary <u>Chrm:</u> <u>Staff:</u>	
E	Local Government <u>Chrm:</u> <u>Staff:</u>			
F	Education <u>Chrm:</u> <u>Staff:</u>			
G		Transportation and Energy <u>Chrm:</u> <u>Staff:</u>		

*Joint Budget Committee will meet in Room 341 from 1:30-5:00 p.m. Monday through Thursday.

**The Committee on Appropriations is considered a Category 4 committee.

the measure in each house. No measure can be referred by a committee of reference unless a statement of probable fiscal impact is delivered.

The chairman of the committee of reference is responsible for determining which measures require a fiscal note and indicating to the Division of Budgeting the approximate date a measure is to be considered. After submitting the request for a fiscal note, the chairman can request that a fiscal note be delivered within three actual session days. Measures for which a probable fiscal impact is indicated by the Division of Budgeting cannot be favorably referred to the House or Senate by a committee of reference until a fiscal note is available. The fiscal note is to reflect any fiscal modifications resulting from committee amendments to a measure as expressed in the committee of reference report.

The addition of the statement of probable fiscal impact is based on the need to: reduce the number of unnecessary fiscal notes prepared by the Division of Budgeting; provide adequate time for the division to prepare accurate fiscal notes for the committee of reference; and allow the chairman of the committee of reference to prioritize and schedule measures so that a fiscal note will be available for the committee's consideration.

If this bill, proposed by the Committee on Legislative Procedures, is adopted the Division of Budgeting will also be responsible for updating fiscal notes, when appropriate, after second and third reading, and after a report has been submitted by a conference committee. By updating fiscal notes as a measure proceeds through the legislative process, the General Assembly will continue to receive updated fiscal impact information.

Other Committee Business

Printing contract for the 1981-82 biennium. At the beginning of each biennium, a legislative printing contract is negotiated to provide for the printing of House and Senate calendars, journals, bills, memorials and resolutions, and the binding and indexing of journals and session laws. Staff was directed to proceed with contracting for these items for the 1981-82 biennium.

Annual and sick leave policy for House and Senate staff. The committee recommends the following compensation policy for full-time year-round and part-time House and Senate employees. If adopted, full-time year-round employees will be paid on the basis of a five day work week. The full-time staff will accrue: compensatory time for working weekends, holidays, and for other appropriate times; sick leave; and annual (vacation) leave. Sick leave is accrued at a rate of one and 1/4 days per month. Annual leave will be accrued at a rate of one day per month for the first five years and increase for every five years of additional service. After fifteen years of service, annual leave is accrued at a rate of one and 3/4 days per month.

Part-time staff, primarily staff working during the actual session, will be paid on the basis of each day worked. Part-time staff does not accrue sick-leave, compensatory time, or annual leave. The proposed policies for full-time year-round employees are generally based on the state's Department of Personnel rules.

Pre-session orientation conference. The pre-session orientation program is designed to acquaint newly elected members of the Colorado General Assembly with the legislative process. The functions of the Legislative Service Agencies (Legislative Drafting Office, Legislative Audit Committee, Legislative Council, and the Joint Budget Committee) are discussed and explained as well as other items related to the process. The staff of each house provides information on the procedures of the respective house. The committee agreed to the attached schedule for the 1980 orientation conference (see Appendix B).

Use of the CLEAR system by the Joint Budget Committee and its staff. The committee recommends including the Computerized Legislative Evaluation and Analysis Resource (CLEAR) system in the legislative budget for 1981-82. Along with providing current services, the CLEAR system will then be used by the Joint Budget Committee and its staff. The CLEAR system will initially assist the JBC during the formative stages of preparing the general appropriation (long) bill.

Currently, the CLEAR system is available for the use of the General Assembly and its staff for a number of purposes. However, access to budgetary information on the CLEAR system, prior to the introduction of the long bill, will not be available to other members of the General Assembly unless they serve on the Joint Budget Committee. It is envisioned that information will be available at the time the respective caucuses meet. The CLEAR system will also continue to supply its previous services to members of the General Assembly and its support staff.

BILL 9

A BILL FOR AN ACT

1 CONCERNING THE DISTRIBUTION OF PUBLISHED JOURNALS OF THE
2 GENERAL ASSEMBLY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides that the secretary of the senate and the chief clerk of the house of representatives shall notify each county clerk and recorder when published journals of the general assembly are available. If the county clerk and recorder so requests, the journals will be sent to him. If the county clerk and recorder does not request the journals, they will be sent to the county law library.

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

5 SECTION 1. 2-2-311, Colorado Revised Statutes 1973, 1980
6 Repl. Vol., is amended to read:

7 2-2-311. Disposition of journals. (1) The secretary of
8 the senate and the chief clerk of the house of representatives
9 shall deliver one copy of each of the published journals to
10 ~~the--county--clerks--of--the--several--counties--of--the--state--who~~

1 ~~shall keep them on file for public inspection; one copy~~ to
2 each member of the general assembly and one copy to the
3 supreme court library.

4 (2) THE SECRETARY OF THE SENATE AND THE CHIEF CLERK OF
5 THE HOUSE OF REPRESENTATIVES SHALL SEND WRITTEN NOTICE TO EACH
6 COUNTY CLERK AND RECORDER IN THE STATE THAT THE PUBLISHED
7 JOURNALS ARE AVAILABLE. IF THE COUNTY CLERK AND RECORDER OF
8 ANY COUNTY WISHES TO RECEIVE ONE COPY OF EACH OF THE PUBLISHED
9 JOURNALS, HE SHALL SO NOTIFY THE SECRETARY OF THE SENATE AND
10 THE CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES, AND A COPY OF
11 EACH SHALL BE DELIVERED TO HIM. IF THE COUNTY CLERK AND
12 RECORDER OF ANY COUNTY DOES NOT REQUEST THE PUBLISHED
13 JOURNALS, THE SECRETARY OF THE SENATE AND THE CHIEF CLERK OF
14 THE HOUSE OF REPRESENTATIVES SHALL DELIVER ONE COPY THEREOF TO
15 THE LAW LIBRARY OF SUCH COUNTY.

16 (3) The secretary of the senate and the chief clerk of
17 the house of representatives shall retain sufficient copies OF
18 THE PUBLISHED JOURNALS for other official uses.

19 SECTION 2. Safety clause. The general assembly hereby
20 finds, determines, and declares that this act is necessary
21 for the immediate preservation of the public peace, health,
22 and safety.

BILL 10

A BILL FOR AN ACT

1 CONCERNING THE FILING OF REPORTS REQUIRED OR ALLOWED TO BE MADE
2 TO THE GENERAL ASSEMBLY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Increases the number of copies of reports which must be filed with each house of the general assembly. Requires that reports also be filed in the joint legislative library.

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

4 SECTION 1. 24-30-208 (9), Colorado Revised Statutes 1973,
5 as amended, is amended to read:

6 24-30-208. Information coordination act - policy -
7 functions of the division of accounts and control. (9) Whenever
8 any report is required or allowed to be made to the general
9 assembly, the filing of one copy of such report in each house of
10 the general assembly, SIX COPIES IN THE JOINT LEGISLATIVE
11 LIBRARY, and four copies with the state librarian for the state
12 publications depository and distribution center, plus copies to

1 those legislators requesting such, shall be deemed to be
2 sufficient compliance with the direction or authority to make
3 such report.

4 SECTION 2. Safety clause. The general assembly hereby
5 finds, determines, and declares that this act is necessary for
6 the immediate preservation of the public peace, health, and
7 safety.

BILL 11

SENATE JOINT RESOLUTION NO.

1 AMENDING JOINT RULE NO. 24, CONCERNING THE EXEMPTION FROM THE
2 SIX-BILL LIMIT FOR PREFILED BILLS.

3 Be It Resolved by the Senate of the Fifty-third General
4 Assembly of the State of Colorado, the House of
5 Representatives concurring herein:

6 That Joint Rule No. 24 (b) of the Joint Rules of the
7 Senate and House of Representative is amended to read:

8 JOINT RULE NO. 24

9 (b) (1) A member of the General Assembly may not introduce
10 more than six bills IN A REGULAR SESSION OF THE
11 GENERAL ASSEMBLY, excluding bills for
12 appropriations and prefiled bills requested of the
13 Legislative Drafting Office no later than December
14 1 ~~in--a--regular--session--of--the--General--Assembly~~
15 WHICH THE MEMBER HAS SPECIFIED TO BE PREFILED,
16 except when given permission to exceed the limit
17 established by this rule by the Senate Committee on
18 Delayed Bills for members of the Senate and the
19 House Committee on Delayed Bills for members of the
20 House of Representatives.

21 (2) EVEN IF A BILL WHICH WOULD BE EXCLUDED FROM THE
22 LIMITATION IMPOSED BY PARAGRAPH (1) OF THIS
23 SUBSECTION (b) AS A PREFILED BILL IS NOT ACTUALLY
24 PREFILED OR PRINTED PRIOR TO THE CONVENING OF THE
25 LEGISLATIVE SESSION, THE BILL SHALL BE EXCLUDED
26 FROM SUCH LIMITATION IF THE FAILURE TO PREFILE OR
27 PRINT THE BILL PRIOR TO THE CONVENING OF THE
28 LEGISLATIVE SESSION IS DUE TO THE WORKLOAD OF THE
29 LEGISLATIVE DRAFTING OFFICE AND WAS NOT DUE TO THE
30 DELAY OF THE MEMBER.

BILL 12

1 Be It Resolved by the House of Representatives of the
2 Fifty-third General Assembly of the State of Colorado:

3 That Rule No. 25 (a) of the Rules of the House of
4 Representatives is REPEALED AND REENACTED, WITH AMENDMENTS, to
5 read:

6 25. COMMITTEES

7 (a) Committees of reference of the House shall be:

8 (1) Agriculture, Livestock, and Natural Resources.

9 (2) Appropriations.

10 (3) Business Affairs and Labor.

11 (4) Education.

12 (5) Finance.

13 (6) Health, Environment, Welfare, and Institutions.

14 (7) Judiciary.

15 (8) Local Government.

16 (9) State Affairs.

17 (10) Transportation and Energy.

18 That Rule No. 25 (k) (1) of the Rules of the House of
19 Representatives is amended, and the said Rule No. 25 is
20 further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

1

25. COMMITTEES

2

(k) (1) The committees of reference as listed in subsection
(a) of this rule shall be placed in the following
categories for the purpose of scheduling meetings:

3

4

Category Committee

5

1 Business Affairs and Labor.
Judiciary.
State Affairs.

6

7

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2 Education.
Health, Environment, Welfare, and Institutions.
Local Government.

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3 Agriculture, Livestock, and
Natural Resources.
Finance.
Transportation and Energy.

16

17

4 Appropriations.
~~Game; Fish; and Parks;~~

18

19

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22

(l) Any reference in the joint rules of the Senate and
House of Representatives to the House committee on
Game, Fish, and Parks shall be deemed to mean the
House committee on Agriculture, Livestock, and
Natural Resources.

23

24

25

Be It Further Resolved, That this Resolution shall apply
to the second regular session of the Fifty-third General
Assembly and thereafter.

BILL 13

SENATE JOINT RESOLUTION NO.

1 CONCERNING THE DEADLINE SCHEDULE.

2 Be It Resolved by the Senate of the Fifty-third General
3 Assembly of the State of Colorado, the House of
4 Representatives concurring herein:

5 That Joint Rule No. 23 (a) of the Joint Rules of the
6 Senate and House of Representatives is amended to read:

7 JOINT RULE NO. 23

8 (a) Deadline schedule. For the purposes of organizing the
9 legislative session, the schedule for the enactment of
10 legislation shall be as follows:

11 Odd-year Session

12 First House
13 Deadlines:

14 30th day Deadline for bill draft requests to the Legislative
15 Drafting Office.*

16 60th day Deadline for the introduction of bills. No bill
17 delivered by the Legislative Drafting Office on or
18 before the fiftieth legislative day shall be
19 introduced more than ten legislative days after
20 such delivery. Any bill delivered by the
21 Legislative Drafting Office on or after the
22 fifty-first legislative day and before the
23 fifty-sixth legislative day shall be introduced not
24 later than five days after such delivery; except
25 that no bill shall be introduced after the sixtieth
26 legislative day.*

27 80th day Deadline for committees of reference to report
28 bills originating in their own house.*

- 1 95th day Deadline for final passage of bills in the house of
2 introduction.*
- 3 Second House
4 Deadlines:
- 5 110th day Deadline for committees of reference to report
6 bills originating in the other house.**
- 7 120th day Deadline for final passage of all bills originating
8 in the other house.
- 9 130th day Deadline for recess.
- 10 ~~175th~~
11 160TH day Reconvene for adjournment sine die unless earlier
12 reconvened by joint notice by the president of the
13 senate and the speaker of the house of
14 representatives.
- 15 * THE GENERAL APPROPRIATION BILL, SUPPLEMENTAL APPROPRIATION
16 BILLS, AND LEGISLATIVE APPROPRIATION BILL ARE EXCLUDED FROM
17 THESE DEADLINES.
- 18 ** ALL appropriation bills are excluded from these deadlines.

19 Even-year Session

- 20 First House
21 Deadlines:
- 22 15th day Deadline for bill draft requests to the Legislative
23 Drafting Office.*
- 24 30th day Deadline for the introduction of bills. No bill
25 delivered by the Legislative Drafting Office on or
26 before the twentieth legislative day shall be
27 introduced more than ten legislative days after
28 such delivery. Any bill delivered by the
29 Legislative Drafting Office on or after the
30 twenty-first legislative day shall be introduced
31 not later than the thirtieth legislative day.*
- 32 45th day Deadline for committees of reference to report
33 bills originating in their own house.*
- 34 55th day Deadline for final passage of bills in the house
35 of introduction.*

1 Second House

2 Deadlines:

3 70th day Deadline for committees of reference to report
4 bills originating in the other house.**

5 80th day Deadline for final passage of all bills originating
6 in the other house.

7 105th day Deadline for recess.

8 ~~150th~~

9 125TH day Reconvene for adjournment sine die unless earlier
10 reconvened by joint notice by the president of the
11 senate and the speaker of the house of
12 representatives.

13 * THE GENERAL APPROPRIATION BILL, SUPPLEMENTAL APPROPRIATION
14 BILLS, AND LEGISLATIVE APPROPRIATION BILL ARE EXCLUDED FROM
15 THESE DEADLINES.

16 ** ALL appropriation bills are excluded from these deadlines.

BILL 14

SENATE JOINT RESOLUTION NO.

1 PROVIDING FOR THE DESIGNATION OF A PRIME SPONSOR FOR BILLS IN
2 THE SECOND HOUSE.

3 Be It Resolved by the Senate of the Fifty-third General
4 Assembly of the State of Colorado, the House of
5 Representatives concurring herein:

6 That Joint Rule No. 24 of the Joint Rules of the Senate
7 and House of Representatives is amended BY THE ADDITION OF A
8 NEW SUBSECTION to read:

9 JOINT RULE NO. 24

10 (a.5) At least one member of the second house shall be
11 designated as the prime sponsor of the bill in the
12 second house prior to its passage on third reading
13 in the originating house. If the name of such
14 member does not appear on the printed bill, the
15 prime sponsor in the originating house shall be
16 responsible for securing a prime sponsor in the
17 second house, and he may secure one or more other
18 sponsors in the second house. The prime sponsor in
19 the originating house shall notify the presiding
20 officer of the originating house of such sponsors
21 at any time prior to the passage of the bill on
22 third reading in the originating house. Thereupon
23 the presiding officer shall order that the names of
24 such sponsors be added to the bill, and such names
25 shall appear on the reengrossed bill.

26 That Joint Rule No. 24 (b) of the Joint Rules of the
27 Senate and House of Representatives is amended to read:

28 JOINT RULE NO. 24

29 (b) A member of the General Assembly may not introduce more
30 than six bills, excluding bills for appropriations and
31 prefiled bills requested of the Legislative Drafting

1 Office no later than December 1, in a regular session of
2 the General Assembly except when given permission to
3 exceed the limit established by this rule by the Senate
4 Committee on Delayed Bills for members of the Senate and
5 the House Committee on Delayed Bills for members of the
6 House of Representatives; EXCEPT THAT NOTHING IN THIS
7 SUBSECTION (b) SHALL LIMIT THE NUMBER OF BILLS
8 ORIGINATING IN THE OTHER HOUSE WHICH A MEMBER MAY
9 INTRODUCE IN THE SECOND HOUSE.

BILL 15

HOUSE RESOLUTION NO.

1 Be It Resolved by the House of Representatives of the
2 Fifty-third General Assembly of the State of Colorado:

3 That Rule No. 25 (j) (3) of the Rules of the House of
4 Representatives is amended to read:

5 25. COMMITTEES

6 (j) (3) After a committee of reference has taken its final
7 action on a measure, the chairman of the committee
8 shall make a report of such action to the chief
9 clerk of the House within three legislative days;
10 EXCEPT THAT WHEN FINAL COMMITTEE ACTION TAKES PLACE
11 ON THE DEADLINE FOR COMMITTEES OF REFERENCE TO
12 REPORT BILLS ORIGINATING IN THEIR OWN HOUSE, THE
13 REPORT SHALL BE MADE TO THE CHIEF CLERK WITHIN FIVE
14 LEGISLATIVE DAYS. Final action shall consist of
15 reporting a measure out of committee, with or
16 without amendments, for consideration by the
17 committee of the whole, a recommendation for
18 reference to another committee of reference, or
19 postponing the measure indefinitely. A motion to
20 postpone consideration of a measure for more than
21 30 days shall be considered a motion to postpone
22 indefinitely. EVERY BILL SHALL BE REPORTED OUT OF
23 COMMITTEE FOR CONSIDERATION BY THE COMMITTEE OF THE
24 WHOLE OR INDEFINITELY POSTPONED BY A COMMITTEE OF
25 REFERENCE PRIOR TO THE ADJOURNMENT SINE DIE OF THE
26 LEGISLATIVE SESSION, AND A REPORT TO THAT EFFECT
27 SHALL BE DELIVERED TO THE CHIEF CLERK.

BILL 16

SENATE RESOLUTION NO.

1 Be It Resolved by the Senate of the Fifty-third General
2 Assembly of the State of Colorado:

3 That Rule No. 22 (f) of the Rules of the Senate is
4 amended to read:

5 22. COMMITTEE RULES

6 (f) After a committee of reference has taken its final action
7 on a measure, the chairman of the committee shall make a
8 report of such action to the secretary of the Senate
9 within three legislative days; EXCEPT THAT WHEN FINAL
10 COMMITTEE ACTION TAKES PLACE ON THE DEADLINE FOR
11 COMMITTEES OF REFERENCE TO REPORT BILLS ORIGINATING IN
12 THEIR OWN HOUSE, THE REPORT SHALL BE MADE TO THE
13 SECRETARY WITHIN FIVE LEGISLATIVE DAYS. Final action
14 shall consist of reporting a measure out of committee,
15 with or without amendments, for consideration by the
16 committee of the whole, a recommendation for reference to
17 another committee of reference, a report that the measure
18 not pass, or postponing the measure indefinitely. A
19 motion to postpone consideration of a measure for more
20 than 30 days shall be considered a motion to postpone
21 indefinitely. EVERY BILL SHALL BE REPORTED OUT OF
22 COMMITTEE FOR CONSIDERATION BY THE COMMITTEE OF THE WHOLE
23 OR INDEFINITELY POSTPONED BY A COMMITTEE OF REFERENCE
24 PRIOR TO THE ADJOURNMENT SINE DIE OF THE LEGISLATIVE
25 SESSION, AND A REPORT TO THAT EFFECT SHALL BE DELIVERED
26 TO THE SECRETARY.

BILL 17

SENATE JOINT RESOLUTION NO.

1 AMENDING JOINT RULE NO. 22, CONCERNING REVIEW OF THE FISCAL
2 IMPLICATIONS OF MEASURES INTRODUCED IN THE GENERAL ASSEMBLY.

3 Be It Resolved by the Senate of the Fifty-third General
4 Assembly of the State of Colorado, the House of Representatives
5 concurring herein:

6 That Joint Rule No. 22 of the Joint Rules of the Senate and
7 House of Representatives is amended to read:

8 JOINT RULE NO. 22

9 (a) The Secretary of the Senate and the Chief Clerk of the House
10 of Representatives shall furnish three copies of each
11 printed bill and concurrent resolution introduced in either
12 house to the Division of Budgeting for review of its fiscal
13 implications.

14 (b) ~~The Division of Budgeting is-requested-to~~ SHALL review each
15 such printed bill and concurrent resolution, except bills
16 limited to appropriations measures carrying specific dollar
17 amounts, ~~and-if-such-review-indicates-that-any-such-measure~~
18 ~~would--have--a---significant---effect---on---the---revenues;~~
19 ~~expenditures;-or-fiscal-liability-of-the-state-or-any-of-its~~
20 ~~political--subdivisions;--the--Division--of--Budgeting-shall~~
21 ~~advise-the-chairman-of-the-committee-of-reference--to--which~~
22 ~~the--bill--was-assigned-of-such-fact;-and-prior-to-committee~~
23 ~~consideration--shall--prepare--a--fiscal--note--giving---its~~
24 ~~estimate--of--such--effect~~ FOR ITS PROBABLE FISCAL IMPACT.
25 WITHIN FOUR LEGISLATIVE DAYS AFTER RECEIPT OF THE MEASURE
26 FROM THE SECRETARY OF THE SENATE OR CHIEF CLERK OF THE HOUSE
27 OF REPRESENTATIVES, THE DIVISION OF BUDGETING SHALL PROVIDE
28 THE CHAIRMAN OF THE COMMITTEE OF REFERENCE TO WHICH THE
29 MEASURE WAS ASSIGNED AND THE PRIME SPONSOR OF THE MEASURE IN
30 EACH HOUSE A STATEMENT OF PROBABLE FISCAL IMPACT. SUCH
31 STATEMENT SHALL INDICATE WHETHER THE MEASURE WILL HAVE A
32 FISCAL IMPACT ON STATE GOVERNMENT, LOCAL GOVERNMENT, OR THE

1 STATE'S ECONOMY, OR WHETHER IT WILL HAVE NO FISCAL IMPACT.
2 The committee chairman shall provide copies of the fiscal
3 note STATEMENT OF PROBABLE FISCAL IMPACT for all members of
4 the committee of reference. Unless approved in writing by
5 the President of the Senate in the case of a Senate bill or
6 the Speaker of the House in the case of a House bill, no
7 such measure shall be passed from a committee of reference
8 until ~~an appropriate fiscal note or a note stating that the~~
9 ~~measure has no significant fiscal effect~~ A STATEMENT OF
10 PROBABLE FISCAL IMPACT is delivered.

11 (c) UPON RECEIPT OF A STATEMENT THAT A MEASURE WILL HAVE FISCAL
12 IMPACT, THE CHAIRMAN OF A COMMITTEE OF REFERENCE SHALL
13 DETERMINE WHETHER THE MEASURE REQUIRES A FULL FISCAL NOTE IN
14 ACCORDANCE WITH SUBSECTION (e) OF THIS SECTION AND, IF SO,
15 SHALL MAKE A REQUEST THEREFOR OF THE DIVISION OF BUDGETING.
16 THE CHAIRMAN SHALL INDICATE TO THE DIVISION OF BUDGETING THE
17 APPROXIMATE DATE THE MEASURE IS TO BE SCHEDULED FOR HEARING.
18 AT ANY TIME AFTER SUBMITTING THE REQUEST FOR A FULL FISCAL
19 NOTE, THE CHAIRMAN OF THE COMMITTEE OF REFERENCE MAY SERVE
20 NOTICE ON THE DIVISION OF BUDGETING THAT SUCH FISCAL NOTE
21 MUST BE DELIVERED WITHIN THREE DAYS OF ACTUAL SESSION. ~~if a~~
22 ~~bill--be~~ ANY MEASURE FOR WHICH THE STATEMENT OF PROBABLE
23 FISCAL IMPACT INDICATES THAT THE MEASURE WILL HAVE FISCAL
24 IMPACT, WHICH IS referred by the A committee of reference
25 for action by the whole house, it shall be accompanied by an
26 appropriate fiscal note, which HAS BEEN UPDATED TO CONFORM
27 TO THE COMMITTEE OF REFERENCE REPORT. SUCH FISCAL NOTE
28 shall be reproduced for use of all members of both houses,
29 together with the committee report. THE DIVISION OF
30 BUDGETING SHALL ALSO UPDATE OR PREPARE FISCAL NOTES, WHEN
31 APPROPRIATE, AFTER SECOND AND THIRD READINGS IN EACH HOUSE
32 AND AFTER A REPORT HAS BEEN SUBMITTED BY A CONFERENCE
33 COMMITTEE.

34 (d) ~~The joint budget committee--staff--shall--also--review--each~~
35 ~~printed--bill--and--the--fiscal--note;--if--any;--and--prepare~~
36 ~~comments;--if--appropriate:~~ THE JOINT BUDGET COMMITTEE STAFF
37 MAY BE REQUESTED BY THE CHAIRMAN OF THE COMMITTEE OF
38 REFERENCE, WITH THE APPROVAL OF THE COMMITTEE ON DELAYED
39 BILLS OF THE HOUSE HAVING POSSESSION OF THE MEASURE, TO
40 REVIEW ANY FISCAL NOTE PREPARED BY THE DIVISION OF BUDGETING
41 AND TO PREPARE COMMENTS. Such comments shall be delivered
42 to the chairman of the committee of reference of the house
43 having possession of the ~~bill~~ MEASURE and be duplicated for
44 use of all members of both houses.

45 (e) A fiscal note shall cite the statutes affected, any
46 estimated increases or decreases in revenue or expenditures
47 OF THE STATE OR OF LOCAL GOVERNMENTS, ANY IMPACT ON THE
48 STATE'S ECONOMY, any costs which may be absorbed without

1 additional funding and, to the extent possible, the long
2 range fiscal implications of the ~~bill~~ MEASURE. No comment
3 or opinion relative to the merits of any ~~bill~~ MEASURE shall
4 be included in any fiscal note, but attention shall be
5 called to omissions and technical or mechanical defects.

6 (f) In the case of a resolution, other than a resolution
7 relating to the legislative department, which has any fiscal
8 implication, the sponsor thereof may request a ~~fiscal-note~~
9 STATEMENT OF PROBABLE FISCAL IMPACT from the Division of
10 Budgeting prior to its introduction, or if such resolution,
11 upon introduction, be referred to a committee of reference,
12 such committee may request a ~~fiscal--note~~ STATEMENT OF
13 PROBABLE FISCAL IMPACT, identifying the resolution by
14 reference to the pages of the journal wherein it appears.

15 (g) No measure having a significant effect on the revenues,
16 expenditures, or fiscal liability of the state or any
17 political subdivision thereof, for which a pertinent fiscal
18 note has not been delivered under ~~(b)-and-~~ SUBSECTION (c) OF
19 THIS SECTION, shall be passed on second reading until an
20 appropriate fiscal note is delivered if so requested in the
21 House by at least ten members, or in the Senate by at least
22 five members. ANY MEASURE FOR WHICH THE STATEMENT OF
23 PROBABLE FISCAL IMPACT INDICATES THAT THE MEASURE WOULD HAVE
24 NO FISCAL IMPACT SHALL NOT BE SUBJECT TO A REQUEST FOR A
25 FISCAL NOTE UNDER THIS SUBSECTION (g).

26 (h) In case the Division of Budgeting fails to furnish a fiscal
27 note on any ~~bill-or-resolution~~ MEASURE FOR WHICH A FISCAL
28 NOTE HAS BEEN REQUESTED UNDER SUBSECTION (c) OR (g) OF THIS
29 SECTION, it shall submit a report stating when such fiscal
30 note will be available, or that a fiscal note cannot be
31 provided. In such event, or upon five day's notice, the
32 requirement for a fiscal note may be waived by a majority
33 vote of members of the house then considering such measure,
34 and such waiver shall be noted in the journal of such house
35 at the time of second reading of a bill or adoption of a
36 resolution. Any waiver of such requirement by one house
37 shall not constitute a waiver by the other house.

STATEMENT OF PROBABLE FISCAL IMPACT

Report to the Committee of Reference

H.B./S.B. # _____ Committee of Reference _____

Sponsor(s) _____ Bill Title _____

The printed measure has the probable fiscal impact indicated below:

FISCAL IMPACT☐ yes☐ noState Government Impact☐ No fiscal impact.☐ Expenditure impact requiring:☐ A general fund appropriation.☐ A cash fund appropriation☐ Revenue impact to:☐ General Fund
(in excess of \$500,000)☐ Cash Funds☐ HUTF☐ Others
(type _____)Local Government Impact☐ No fiscal impact☐ Expenditure impact☐ Tax base impact☐ Revenue impactState's Economy☐ No fiscal impact☐ Fiscal impact
(type _____)

A G E N D A

Colorado Legislative Council's
Pre-session Orientation Conference

State Capitol Building
December 1-2, 1980

Monday, December 1st

8:30 a.m. -- Get Acquainted Coffee (outside of House Committee Room F)

9:00 a.m. -- House Committee Room F -- Welcome by Senator Fred Anderson, Chairman, Legislative Council

-- Film on the Colorado General Assembly

9:30-12:00 noon -- Briefings on the Legislative Service Agencies:

-- Group A -- Legislative Drafting Office

-- Group B -- Legislative Audit Committee
-- Joint Budget Committee
-- Legislative Council

12:00 noon -- Lunch (no planned function)

1:30 p.m. -- Reconvene in House Committee Room F

1:30-4:00 p.m. -- Group A -- Legislative Audit Committee
-- Joint Budget Committee
-- Legislative Council

-- Group B -- Legislative Drafting Office

6:30-9:30 p.m. -- Reception and Dinner, Broadway Arms Room in the Cosmopolitan Hotel (For Members and Spouses)

6:30 p.m. -- Reception

7:15 p.m. -- Dinner

-- After Dinner Speaker

Tuesday, December 2nd

9:00-12:00 noon -- Discussion with Respective House Staffs
-- Senators meet with Secretary of Senate in Senate Chambers
-- Representatives meet with Chief Clerk in House Chambers

12:00-1:45 p.m. -- Caucus or Leadership Sponsored Luncheons

2:00 p.m. -- Reconvene in House Committee Room F

2:00-2:45 p.m. -- The Press and the Legislature, a discussion on the "rules of the game"

2:45-4:00 p.m. -- Briefing on the General Assembly's Computerized Legislative Information System (CLEAR)