



## Office of the Future of Work

On September 4th, 2019 Governor Polis signed an Executive Order creating the Office of the Future of Work. The office will serve as the central point of contact for the State's effort to understand, prepare for, and develop effective policy and programmatic solutions to respond to the changing economy and raise awareness about the future of work. The office will explore ways Colorado can modernize worker benefits and protections and develop a skilled and resilient workforce in order to build an inclusive and equitable economy of the future.

## Modernize Worker Protections and Benefits

Worker protections and the social safety net need to be modernized in order to support the people most vulnerable to the changing economy, and to ensure all types of workers are protected and have access to a living wage as work continues to evolve. In FY20-21, the office will specifically research the current landscape of who is covered by these protections and benefits, who is not, misclassification and the use of workers the employer classifies as independent contractors, and access strategies that reduce misclassification and promote greater access to benefits and economic opportunity for all workers in Colorado.

## Unemployment Insurance, Misclassification, and Independent Contractor Components of the Modernization of Worker Benefits Study

During the 2020 legislation session, Unemployment Insurance bill [SB20-207](#) was passed, and was subsequently signed into law on July 14th 2020. The bill includes a requirement for the Office of the Future of Work to study independent contractors and unemployment insurance as part of its recommendations to improve policy

*The Office of Future of Work in the Department of Labor and Employment, created by Executive Order B 2019 009, shall, within the scope of the executive order, study unemployment assistance as part of its study on the modernization of worker benefits and protections. **On or before January 15, 2021**, the Office of the Future of Work shall submit an initial report as directed by the executive order to the governor and to the business, labor, and technology committee of the senate and the business affairs and labor committee of the house of representatives, or their successor committees.*

## Areas of Study

There are four main questions these components of the study will aim to answer:

1. What is the current process for classification of workers in the Colorado Department of Labor and Employment's Unemployment Insurance, Workers Compensation, and Labor Standards and Statistics divisions?



2. What data exists and what data is needed to better understand and serve workers that are properly or improperly classified as independent contractors in Colorado?
3. What is the state of misclassification in Colorado? What is its economic impact? How can we reduce worker misclassification in Colorado?
4. How can we expand workers' access to worker protections for all workers in Colorado including unemployment insurance, workers compensation, wage-and-hour, and discrimination protections?

1) What is the current process for classification of workers in the Colorado Department of Labor and Employment's Unemployment Insurance, Workers Compensation, and Labor Standards and Statistics divisions?

- How are workers currently classified?
- What is the purpose of the unemployment insurance and workers compensation programs?
- What is misclassification and how is misclassification currently handled?
- Who is left out of our current system? What Colorado workers are left out of unemployment insurance, worker compensation and protection for other reasons beyond misclassification?

2) What data exists and what data is needed to better understand and serve workers that are properly or improperly classified as independent contractors in Colorado?

- Explore and analyze data from the Department of Revenue and the Pandemic Unemployment Assistance program to identify a landscape of workers classified, properly and improperly as independent contractors.
- Determine what groups of workers are not captured by this data and incorporate them into the landscape
- Identify mechanisms to ensure regular public reporting on independent contractor landscape

3) What is the state of misclassification in Colorado? What is its economic impact? How can we reduce worker misclassification in Colorado?

- Estimate the number of misclassifications in Colorado and the economic impact of misclassification
- Expand guidelines and resources for employer and worker education re: misclassification
- Explore employee definitions in relevant divisions and impact of aligning and/or simplifying definitions



- Describe a menu of available options for expanding the definition “employee” under various states workers’ compensation, unemployment insurance, discrimination, and wage-and-hour protections

4) How can we expand workers’ access to worker protections for all workers in Colorado including unemployment insurance, workers compensation, wage-and-hour, and discrimination protections?

- Create a menu of policy options for stakeholders which could include:
  - An analysis of the fiscal impact of funding Pandemic Unemployment Assistance at the state level and explore pay structures that would ensure its viability
  - Determine if there are workers that are not included in Pandemic Unemployment Assistance and what would be necessary to ensure that those workers have access to a unemployment insurance type benefit
  - Explore resources and tools to improve workers’ access to benefits and information
  - Explore portable and universal benefits models
  - Analysis of what is needed to sufficiently enforce worker protections

### Major Milestones and Timeline:

<i>Milestone</i>	<i>Deadline</i>
Finalize project plan and agenda for individual stakeholder meetings	By July 17
Conduct initial meetings with individual stakeholders and partners to get feedback for project plan	Between July 17 - August 28
Establish advisory working group structure and schedule	By August 28
Hold advisory working group meetings	By September 4
Research and ongoing advisory working group meetings	Thru October 31st
Draft of Independent Contractor study completed	By November 20
Office of the Future of Work Report due to Governor’s Office	By December 18
Final Independent Contractor study due to Governor’s Office and legislature	By January 15