



JOINT BUDGET COMMITTEE STAFF FY 2019-20 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Regulatory Agencies

The Department of Regulatory Agencies is statutorily-tasked with ensuring that individuals and businesses who provide Colorado with professional services are doing so ethically and responsibly. These duties are carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through boards, commissions, and advisory committees. The Department's FY 2018-19 appropriation represents 0.3 percent of statewide operating total funds appropriations and 0.0 percent of statewide General Fund appropriations.

FY 2018-19 APPROPRIATION AND FY 2019-20 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION:						
HB 18-1322 (Long Bill)	\$99,162,135	\$1,941,431	\$90,759,586	\$5,211,298	\$1,249,820	572.9
Other legislation	456,148	10,000	446,148	0	0	1.8
TOTAL	\$99,618,283	\$1,951,431	\$91,205,734	\$5,211,298	\$1,249,820	574.7
FY 2019-20 REQUESTED APPROPRIATION:						
FY 2018-19 Appropriation	\$99,618,283	\$1,951,431	\$91,205,734	\$5,211,298	\$1,249,820	574.7
R1 Division of Securities operating expenses adjustment	40,000	0	40,000	0	0	0.0
Centrally appropriated line items	2,639,060	146,391	2,212,603	254,823	25,243	0.0
Non-prioritized request items	396,016	15,291	380,667	58	0	0.0
Annualize prior year budget actions	0	9,530	0	0	(9,530)	0.0
Indirect cost assessment	(33,491)	0	(32,708)	0	(783)	0.0
Annualize prior year legislation	(7,905)	(10,000)	2,095	0	0	0.2
TOTAL	\$102,651,963	\$2,112,643	\$93,808,391	\$5,466,179	\$1,264,750	574.9
INCREASE/(DECREASE)	\$3,033,680	\$161,212	\$2,602,657	\$254,881	\$14,930	0.2
Percentage Change	3.0%	8.3%	2.9%	4.9%	1.2%	0.0%

R1 DIVISION OF SECURITIES OPERATING EXPENSES ADJUSTMENT: The request includes an increase of \$40,000 cash funds spending authority from the Division of Securities Cash Fund to allow for additional expenditures for operating expenses. If approved, this request would not drive a fee increase, as the Department is able to cover this extra amount with the existing fund balance in the Division of Securities Cash Fund.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$2,639,060 total funds, including \$146,391 General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; payments to the Governor's Office of

Information Technology (OIT); and CORE operations. The following table itemizes each requested centrally appropriated line item change.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Merit pay adjustment	\$1,348,746	\$50,754	\$1,191,730	\$94,366	\$11,896	0.0
PERA Direct Distribution	1,068,890	37,914	947,774	72,749	10,453	0.0
Health, life, and dental adjustment	439,163	14,989	382,103	64,670	(22,599)	0.0
Leased space adjustment	158,700	39,060	97,902	(19,613)	41,351	0.0
AED adjustment	116,694	5,816	94,536	24,515	(8,173)	0.0
SAED adjustment	116,694	5,816	94,536	24,515	(8,173)	0.0
CORE adjustment	24,064	926	21,618	1,229	291	0.0
Workers' compensation adjustment	21,685	(430)	24,122	(2,810)	803	0.0
Short-term disability adjustment	4,038	195	3,286	829	(272)	0.0
Payments to OIT adjustment	(369,949)	(1,322)	(368,627)	0	0	0.0
Legal services adjustment	(250,835)	(4,817)	(242,846)	(2,413)	(759)	0.0
Administrative law judges adjustment	(37,538)	(1,455)	(36,083)	0	0	0.0
Payment to risk management / property funds adjustment	(1,292)	(1,055)	2,552	(3,214)	425	0.0
TOTAL	\$2,639,060	\$146,391	\$2,212,603	\$254,823	\$25,243	0.0

NON-PRIORITIZED REQUEST ITEMS: The request includes an increase of \$396,016 total funds, including \$15,291 General Fund, for items requested by other departments that impact the agencies covered in this briefing document. The following table itemizes each requested non-prioritized decision item.

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Securing IT operations (OIT)	\$226,512	\$9,375	\$217,137	\$0	\$0	0.0
Essential database support (OIT)	80,653	3,338	77,315	0	0	0.0
Application refresh and consolidation (OIT)	52,060	2,155	49,905	0	0	0.0
Annual fleet vehicle request (DPA)	27,592	0	27,592	0	0	0.0
Optimize self-service capabilities (OIT)	6,369	264	6,105	0	0	0.0
IDS increased input costs (DPA)	2,830	159	2,613	58	0	0.0
TOTAL	\$396,016	\$15,291	\$380,667	\$58	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net zero refinance of \$9,530 federal funds with \$9,530 General Fund for adjustments related to prior year budget actions. The following table itemizes each annualization.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 salary survey	\$0	\$9,530	\$0	\$0	(\$9,530)	0.0

INDIRECT COST ASSESSMENT: The request includes a decrease of \$33,491 total funds to realign the Department's indirect cost plan. The following table itemizes each requested adjustment by division.

INDIRECT COST ASSESSMENT ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Division of Professions and Occupations	(\$12,735)	\$0	(\$12,735)	\$0	\$0	0.0
Public Utilities Commission	(5,808)	0	(5,808)	0	0	0.0
Division of Insurance	(5,652)	0	(5,292)	0	(360)	0.0

INDIRECT COST ASSESSMENT ADJUSTMENTS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Division of Real Estate	(3,365)	0	(3,365)	0	0	0.0
Division of Banking	(2,544)	0	(2,544)	0	0	0.0
Division of Securities	(1,527)	0	(1,527)	0	0	0.0
Division of Financial Services	(992)	0	(992)	0	0	0.0
Office of Consumer Counsel	(445)	0	(445)	0	0	0.0
Civil Rights Division	(423)	0	0	0	(423)	0.0
TOTAL	(\$33,491)	\$0	(\$32,708)	\$0	(\$783)	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a decrease of \$7,905 total funds, including a decrease of \$10,000 General Fund, and an increase of 0.2 FTE for adjustments related to prior year legislation. The following table itemizes each annualization.

ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 18-234 (Human Remains Disposition Sale Businesses)	\$17,317	\$0	\$17,317	\$0	\$0	0.3
S.B. 18-027 (Enhanced Nurse Licensure Compact)	6,525	0	6,525	0	0	0.0
H.B. 18-1256 (Sunset Continue Civil Rights Division And Commission)	(10,000)	(10,000)	0	0	0	0.0
S.B. 18-132 (1332 State Waiver Catastrophic Health Plans)	(9,200)	0	(9,200)	0	0	0.0
H.B. 18-1357 (Behavioral Health Care Ombudsperson Parity Reports)	(8,355)	0	(8,355)	0	0	(0.1)
H.B. 18-1017 (Psychology Interjurisdictional Compact)	(4,192)	0	(4,192)	0	0	0.0
TOTAL	(\$7,905)	(\$10,000)	\$2,095	\$0	\$0	0.2

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ADMINISTRATION FUNDING FOR CONSERVATION EASEMENTS: House Bill 18-1291 (Sunset Conservation Easement Oversight Commission) extended the repeal date for the functions of the conservation easement tax credit program by one year from July 1, 2018 to July 1, 2019 and made a series of policy and programmatic changes. The legislation, however, did not include spending authority for FY 2018-19 for the Department to administer the program.

UPDATE ON RURAL BROADBAND DEPLOYMENT GRANTS: The General Assembly passed legislation in recent years to repurpose a portion of money collected through the High Cost Support Mechanism from supporting basic telephone services to supporting the build out of broadband service in unserved areas. This money is used to fund projects across the state that increase the number of addresses serviced by broadband.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2019-20_regbrf.pdf