

DEPARTMENT OF REGULATORY AGENCIES
FY 2019-20 JOINT BUDGET COMMITTEE HEARING AGENDA

Friday, December 7, 2018
1:30 pm – 3:00 pm

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Marguerite Salazar, Executive Director

1:45-2:00 PUBLIC UTILITIES COMMISSION

Main Presenters:

- Marguerite Salazar, Executive Director
- Doug Dean, Division Director, Public Utilities Commission

Supporting Presenters:

- Justin Lippard, Budget Director

Topics:

- Funding Overview: Page 1, Question 1 in the packet

2:00-2:30 CONSERVATION EASEMENTS

Main Presenters:

- Marguerite Salazar, Executive Director
- Justin Lippard, Budget Director

Supporting Presenters:

- None

Topics:

- Spending Authority Issue: Page 2, Question 2 in the packet

2:30-3:00 BROADBAND

Main Presenters:

- Marguerite Salazar, Executive Director
- Tony Neal-Graves, Executive Director, Colorado Broadband Office

Supporting Presenters:

- Jordan Beezley, Broadband Deployment Director

Topics:

- Rural Broadband Deployment Grants: Page 3, Questions 3-5 in the packet

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PUBLIC UTILITIES COMMISSION

FUNDING OVERVIEW

- 1 **Please describe how funds appropriated to the Public Utilities Commission are allocated to the specific functions and purposes associated with carrying out the Commission’s regulatory duties. Please include funding levels and staffing levels in the description of each allocation.**

Response: The Commission’s regulatory authority encompasses five general categories: (1) energy, (2) gas pipeline safety, (3) telecommunications, (4) transportation, and (5) water. Utilities within each of these industries pay fees which are deposited into one of 6 funds used to pay the cost of the PUC’s regulatory functions. Currently, the Legislature has authorized the PUC 97.7 FTE. Of these, allocations of staff resources are periodically adjusted across funds depending on work assignment and workload. The following tables show FTE allocations by organizational unit, FY 17-18 expenditures by specific regulatory function, and brief detail on those functions:

Administrative Section	FTE
Executive Office	10.0
Director	1.0
Commissioners	3.0
Administrative Support	2.0
Deputies and Chief ALJ	4.0
Safety and Operations	28.0
Transportation	
<i>Rates & Authorities</i>	4.0
<i>Administrative Support</i>	3.0
<i>Investigations and Compliance</i>	8.0
Rail/Transit	4.5
Gas Pipeline Safety	5.5
Operations	3.0
Fixed Utilities	31.3
Energy	6.0
Economics	
<i>Economists</i>	7.0
<i>Rate Analysts</i>	7.0
<i>Administrative Support</i>	2.0
Telecommunications	9.3
Policy and External Affairs	21.4
Administrative Services	4.0
External Affairs	4.7
Commission Advisors	8.7
Research and Emerging Issues	4.0
Administrative Hearings	7.0
Administrative Law Judges	5.0
Court Reporters	2.0
Total	97.7

Estimated Expenditures By Regulatory Function	Allocated FTE	FY 17-18 Expenditures
Regulation of Natural Gas, Electric, Water, and Steam utilities	52.3	\$7,894,863
Rail/Rail Transit	6.8	\$1,018,692
Pipeline Safety	8.5	\$1,273,365
Motor Carrier Regulation	15.2	\$2,759,081
Disabled Telephone Users Program	1.5	\$3,298,368
Regulation of Telecommunications Utilities	4.0	\$1,595,283
Colorado High Cost Support Mechanism Administration	3.4	\$238,804
Regulation of Transportation Network Companies	6.0	\$214,573
Total	97.7	\$18,293,029

Note: Expenses by regulatory function are estimated shares of total expenses, and include both direct and indirect costs, such as program staff, allocated shares of executive staff, and all other allocated expenses including legal services, leased space, OIT costs, etc. Figures also include appropriated transfers to other agencies.

PUC Regulatory Function	Description
Regulation of Natural gas, electric, water, and steam utilities	The Commission's regulatory duties associated with these functions are to ensure the availability of safe, reliable, adequate and efficient electric, gas, steam and water services to utility customers at rates that are just, reasonable, and not discriminatory. Staff functions include research, investigation, audit, complaint resolution, and adjudication of utility filings seeking changes in rates charged to customers as well as terms and conditions of service.
Rail/Rail Transit	The Commission's regulatory duties associated with railroads and all public highway-rail grade crossings are to regulate the location of crossing, method of warning, and minimum safe clearances of tracks and appurtenances. The Commission's regulatory duties associated with rail fixed guideway systems is to oversee all aspects of safety related to the operation of certain rail fixed guideway systems in the State. All rail and transit regulation is to be performed such that accidents may be prevented and the safety of the public promoted on railway and rail fixed guideway systems in Colorado. Staff functions include program audits; facility and track inspections; investigations; review and adjudication of rail and fixed guideway system issues.
Pipeline Safety	The Commission's regulatory duties associated with these functions are to administer and enforce, in cooperation with the U.S. Department of Transportation, the provisions of the federal Natural Gas Pipeline Safety Act, and Colorado Law on pipeline safety. Staff functions include pipeline inspections, program audits, and incident investigations.
Motor Carrier Regulation	The Commission's regulatory duties associated with these function are to administer and enforce Colorado law governing transportation of passengers, nonconsensual towing, and the intrastate transport of household goods. Staff functions include the processing of applications, investigation and resolution of complaints, vehicle inspections, compliance reviews, permit issuance, and the monitoring proof of insurance filings.
Disabled Telephone Users Program	The Commission's regulatory duties associated with these functions include fund administration of the Telecommunication Relay Services (TRS) program and other appropriated services for individuals with disabilities. Staff functions include program marketing, educational outreach, complaint resolution, program related training of public and private entities, and contract administration.
Regulation of telecommunications utilities	The Commission's regulatory duties associated with these functions are to foster, encourage, and accelerate the emergence of a competitive telecommunications environment through flexible regulatory treatments of telecom providers of wholesale and retail services. Staff functions include review, investigation, audit, complaint resolution, statewide numbering administration, 911 surcharge rate approvals, and advising or adjudication of filings seeking operating authorities, approval of certain rates, terms & conditions of service, asset transfers, provider of last resort obligations, and wholesale carrier interconnections.
HCSM program	The Commission's regulatory duties associated with these functions are to administer the High Cost Support Mechanism (HCSM) program including but not limited to all contributions from and distributions to telecom providers and assure compliance with federal universal service funding. The HCSM program and funds are used to make basic telecommunications service affordable in certain high cost rural areas of the state and allocate funds for grant awards made by the Colorado Broadband Deployment Board for the deployment of broadband services in rural unserved areas of the State. Staff functions include program administration of fund contributions and distributions, eligible telecom carrier application review and certification of fund recipients, implementation of basic voice service regulatory reduction plan, and complaint resolution
Regulation of Transportation Network Companies	The Commission's duties associated with these functions are to administer and enforce Colorado law governing the transportation of passengers by Transportation Network Companies. Staff functions include the investigation and resolution of complaints, vehicle inspections, record audits, and the monitoring of status of proof of financial responsibility filings.

CONSERVATION EASEMENTS

SPENDING AUTHORITY ISSUE

- 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. What is the Department's preferred solution to this issue for FY 2018-19?**

Response: The Department's preferred solution is to rectify the technical error via the supplemental budget process, by inserting the appropriation that was omitted from HB 18-1291. The Department appreciates JBC Staff's acknowledgement that this is a technical appropriations issue with HB 18-1291 that has nothing to do with the policy merits of the program, and appreciates the Committee's understanding that this is separate from any discussion on the policy merits of HB 18-1291. Without a supplemental appropriation, the Department will be unable to spend revenue in the newly created Conservation Cash Fund as directed by the bill.

BROADBAND

RURAL BROADBAND DEPLOYMENT GRANTS

- 3 **Does the Broadband Deployment Board require grantees to use certain technologies and infrastructure in providing access to broadband services? For example, are grantees required to use fiber to make last mile connections?**

Response: The Broadband Fund grant program is technology neutral, meaning that grantees may use any available technology to provide broadband services as long as the technology meets, speed, reliability, and other grant requirements. The Board has funded projects using wireless, cable, DSL and fiber to provide the last-mile connection to homes and businesses.

- 4 **From calendar year 2019 through calendar year 2023, S.B. 18-002 is projected by Legislative Council Staff to allocate \$115.0 million to the Broadband Deployment Board for project grants. Is this funding amount adequate to provide broadband access to all unserved areas of the state where the build out can be accomplished at reasonable costs per household and at reasonable costs to end users?**

Response: The exact amount of funding required to complete the infrastructure build-out is difficult to estimate. Our current assessment of the funds required to achieve a near 100% rural household broadband access at reasonable costs per household and at reasonable costs to end users is \$300 million. Assuming a 50/50 dollar match between the state and the private sector through the Broadband Fund (our internal goal is 50% matching funds for projects), the state must provide \$150 million. If the statutory minimum dollar match of 25% is applied, the state must provide \$225 million. The underlying assumptions are 1) approximately 150,000 rural households require access (based on the OIT broadband mapping project); 2) average cost is \$2000 per household to provide service; 3) use of multiple technologies, including fixed wireless; 4) access is delivered through a single service provider. In this funding assessment, we do not address issues such as increased redundancy, improved competition in served areas, or network speeds above 25/3.

- 5 **If the General Assembly were to provide a General Fund appropriation to the Broadband Deployment Board in FY 2018-19 and/or FY 2019-20 to augment available funding from the High Cost Support Mechanism, which grant cycle(s) would this money be awarded to applicants?**

Response: If the General Assembly were to provide a General Fund appropriation to the Broadband Deployment Board in FY 2018-19 and/or FY 2019-20, all or a portion of the money would be made available for the July 2019 grant cycle. Depending on the amount of funding provided and the timing of a transfer, the Board may decide to split the available funds between the July 2019 grant cycle and January 2020 grant cycle. If all or a portion of the funds were held until January 2020 the purpose of the delay would be to ensure applicants have sufficient time to develop quality proposals.

**ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED.
PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING FOR
COMMON QUESTIONS ACROSS DEPARTMENTS.**

- 1 **Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.**

Response: The Department is not aware of any unimplemented or partially implemented legislation, with the exception of recently passed legislation from the immediate prior legislative session which are routinely in progress at the Department. Below are priority items from last year's legislative session:

HB18-1128 Protections for Consumer Data Privacy

House Bill 18-1128 requires all government agencies to dispose of personally identifying information when that information is no longer needed and/or in accordance with records retention policies. The Division currently collects personally identifying information in the course of licensing applicants to comply with applicable requirements for confirming lawful presence and for the identification of licensees.

At the time of bill passage, the Division drafted a business requirements document for transmission to the current licensing software vendor (E-license) where affected information is stored to request a quote on cost for compliance with these new requirements. The vendor recently provided a quote and an approximate timeline for development (8 weeks for development and testing). There will be additional testing required on the part of Division staff prior to implementation. The Division is prepared to move forward on the provided quote once the funding has been confirmed.

HB 18-1291 Division of Conservation

The Division of Conservation has partially implemented HB 1291 as follows:

- Rules required by 12-61-1104(7)(a), (b) & (c) have been drafted and are being reviewed by counsel. Rule-making should be completed in December.
- Rule required by 12-61-1104(7)(d) has not been drafted as Division has identified no "other entities" that regularly review conservation easement transactions involving a "qualified appraisal." Rule making is not scheduled.
- Work on 12-61-1106(13)(c) (sharing information contained in confidential tax credit applications with a third-party vendor) is pending GA's clarification of this apparent internal inconsistency.
- 12-61-1106(13)(c) authorizes the director to share publicly-available information with a third party vendor for the purpose of developing and maintaining a registry of conservation easements.

- 12-61-1106(16) mandates that any information received, as part of a tax credit or preliminary advisory opinion application, by the division, director or commission be kept confidential.

It is not reasonable to expect staff to determine, without guidance, what information contained in otherwise-confidential applications submitted by taxpayers is publicly-available. HB 18-1291's lack of an appropriations clause, the scheduled July 1, 2019 repeal of 12-61-1103 and 12-61-1104, and the JBC's rejection of the June 20, 2018 1331 emergency supplemental have constrained the activities of the Division of Conservation.

HB18-1198, Best Practices for State Boards and Commissions by Reps. Saine and Kraft-Tharp and Senators Donovan and Smallwood.

Summary: The bill requires each statutorily created board or commission in state government, not including a special purpose authority, to implement written policies or bylaws and obtain annual training on specified issues in order to ensure that best practices are utilized and requires each state agency responsible for a statutorily created board or commission to ensure that the state board or commission obtains the annual training and implements the written policies.

Status: Partially Implemented. The Division of Professions and Occupations (Division), which oversees 26 Boards, Commissions and Advisory Committees, has adopted a Policy, The Board Member Code of Ethics, applicable to all of its Boards, Commissions, and Advisory Committees. The Division has revised its new Board, Commission and Advisory Committee member orientation and has revised its annual training to include the issues specified in the bill. Thus far, the Division has provided the Board Member Code of Ethics to each board, commission and advisory committee member, obtaining signature confirmation, rolled-out the revised new member orientation, and completed the revised annual training for 35% of its boards, commissions and advisory committees with the training for the remaining bodies scheduled through the first quarter of 2019. As noted herein, the Division has taken additional steps beyond the legislation to include its advisory committees in the Policy and training.

SB18-022 Clinical Practice for Opioid Prescribing by Senators Tate and Aguilar and Reps. Pettersen and Kennedy.

Summary: The bill restricts the number of opioid pills that a health care practitioner, including physicians, physician assistants, advanced practice nurses, dentists, optometrists, podiatrists, and veterinarians, may prescribe for an initial prescription to a seven-day supply and allows each health care practitioner to exercise discretion to include a second fill for a seven-day supply unless the person receiving the prescription meets certain requirements. In addition the bill requires health care practitioners to query the PDMP prior to prescribing the second fill for an opioid.

Status: Partially Implemented. The Guidelines for the Safe Prescribing and Dispensing of Opioids has been revised to include the bill's requirements and is in the process of being adopted by the Division's seven prescribing boards. Extensive outreach has been conducted through e-mail blasts, presentations, newsletters and board meetings.

SB 18-132 - Concerning a waiver of federal law to permit insurance carriers to offer catastrophic health plans to any individual residing in Colorado – Prime Sponsors Senator Smallwood and Representative Kennedy

Bill Description: The bill requires the Commissioner of Insurance to do an actuarial analysis to determine if the sale of catastrophic health plans to all Colorado residents (as opposed to only those under age 30 or whose premiums would exceed a set level) would result in a reduction in Colorado's advanced premium tax credits or increase individual health plan premiums. If the analysis finds that there will be no reduction in advanced premium tax credits or an increase in average premiums, the Division was directed to file what is known as a Section 1332 waiver application to allow for the greater availability of Catastrophic plans.

Status: Partially Implemented. A 1332 waiver must satisfy four statutory requirements for the federal government to approve the waiver request. One of those requirements is that the waiver cannot increase the federal deficit. In other words, the waiver must be "deficit neutral." The actuarial analysis required by SB 132 found that the catastrophic plan waiver proposed by the legislation was not likely to be deficit neutral. After a meeting with CCIIO on the actuarial report findings, the Division submitted a letter to CCIIO requesting guidance on whether a 1332 waiver application should be submitted, as CCIIO informally advised the Division that their application would be denied. The Division is awaiting a formal response from CCIIO. Both Senator Smallwood and Representative Kennedy are aware of the findings in the actuarial analysis and the correspondence with CCIIO.

SB 18-178 – Concerning the definition of similar coverage for workers' compensation for certain operators of commercial vehicles – Prime Sponsors Senator Smallwood and Representative Kraft-Tharp

Bill Description: The bill would permit 'occupational accident coverage insurance policies' to satisfy requirements in certain circumstances for workers compensation coverage. The bill specifies the requirements for when such a policy may be considered as providing similar coverage. The bill requires the Commissioner of Insurance to promulgate a regulation establishing the minimum coverages for benefits under an occupational accident coverage insurance policy. The bill does not specify a date by which the regulation must be promulgated.

Status: Partially Implemented. The Division circulated an initial draft rule and is currently engaged in discussions with stakeholders regarding the content of the draft regulation. The Division will complete those stakeholder discussions prior to promulgating the regulation. Both Representative Kraft-Tharp and Senator Smallwood are aware of the ongoing stakeholder discussions.

- 2 **Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report: Status of Outstanding Audit Recommendations" that was published by the State Auditor's Office and dated June 30, 2018 (link below)? What is the Department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.**

<http://leg.colorado.gov/audits/annual-report-status-outstanding-audit-recommendations-june-30-2018>

Response: The Department has no high priority outstanding audit recommendations as identified in this report.

- 3 **If the Department receives federal funds of any type, please respond to the following:**
- a. **Are you expecting any changes in federal funding with the passage of the FFY 2018-19 or 2019-20 federal budget? If yes, in which programs, and what is the match requirement for each program?**
 - b. **Does the Department have a contingency plan if federal funds are eliminated?**
 - c. **Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2018-19 or 2019-20.**

Response: There are no potential sanctions that might be issued against the Department by the federal government during FFY 2018-19 or 2019-20.

There are no material changes in permanent, ongoing federal awards expected to occur during FFY 2018-19 or 2019-20 however the Department continues to monitor the passage of the federal budget and appropriations pending before Congress. While the Department is primarily cash-funded, there are a few programs that may be nominally impacted if there is a reduction of federal funds. For example, the State Health Insurance Assistance Program (SHIP) is funded through March 31, 2019 and funding may be reduced or eliminated starting April 1, 2019 depending the passage of the budget. Additionally, the Senior Medicare Patrol (SMP) Program is funded through May 31, 2019 and the Medicare Improvements for Patients and Providers Act (MIPAA) is funded through September 29, 2019 and the availability of funding is uncertain beyond that point. The Program Manager for these three programs is looking at available funding options if funding is reduced or eliminated.

- 4 **Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media. Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?**

Response: The Department is statutorily required to conduct outreach and public awareness campaigns via the Consumer Outreach and Education Program created in Section 24-34-108, C.R.S. The Department annually submits a report to the Joint Budget Committee on the activities of this program each November 1st.

Goal and purpose of public awareness campaign "Take 5 to Get Wise":

Building upon the substantial progress made by the launch of its long-term awareness campaign in FY14-15, "Take 5 to Get Wise - Ask DORA" ("Take 5"), the Department has since initiated new annual phases of the campaign with the primary purpose to continue boosting awareness about DORA's consumer protection resources and encouraging consumers to take "just five minutes" to access these resources before making critical consumer decisions.

The Department continues to see positive results from these efforts while each year refining its messaging and creating a consistently identifiable presence on high-priority consumer issues while serving as a reminder to professional licensees of their responsibilities to their customers.

Cost:

At year end of FY17-18, the program collected \$199,564 in surcharges and interest. Total expenditures amounted to \$206,730.

Activities:

Approximately 75% of the expenditures were for public service announcement development, distribution and other related purposes. At least 15% of the expenditures were associated with educational materials, collateral, and miscellaneous expenses related to the program, and another 10% of the expenditures were associated with building consumer protection awareness for community outreach and engagement efforts.

While not all costs associated with outreach that is conducted by the Department are funded by the Consumer Outreach Fund, it is integral to the overall initiative and performance objectives by the Department.

This year's initiatives covered a wide variety of topics, including insurance (home and medical); health/healthcare providers; services/licenses; HOAs and finance/fraud-related issues; and utilities/energy; and civil rights/anti-discrimination laws. These topics were integrated into the broader Take 5 campaign through the development and implementation of several new and established partnerships and collaborations, which included:

- Deploying a robust digital marketing program targeting Coloradans who are on social and other online networks. This involved creating new animated videos/Public Service Announcements (PSAs) developed in English and Spanish specifically for online networks. It also included a traditional Spanish-language television media campaign.
- An initiative to reach statewide rural audiences with PSAs using individual venue-based advertising at local small-town movie theaters.
- Continuing to improve and promote the award-winning consumer information website, askDORA.colorado.gov, while adding more robust social media, including developing Facebook Live programming, partnering on social media campaigns; and developing

accompanying collateral to give to consumers and licensees.

- Developing a series of informational reports for industry stakeholders on the fiscal year initiatives and resulting impacts made by each division so those industries are more informed about the strides their specific regulatory oversight divisions made.
- Boosting consumer attention to additional consumer friendly web resources, including:
 - Developing a more robust Financial Literacy presence on askDORA.colorado.gov
 - Creating an all-new HOA Consumer Information Resource Center accessible through askDORA.colorado.gov
 - Continuing efforts to increase visibility for “CO Health Professional Check” (Colorado.gov/cohpc), which launched in March 2017 to better provide information to the public about their licensed healthcare provider – which for the first time included development of a mobile friendly licensing search database; as well as the Military and Veterans Career Transition Programs (Colorado.gov/dora-military), which launched in May 2017 to better provide information occupational licensing information to active and retired military members and their spouses. This program was the recipient of the year’s Clement’s Good Government Award and a Horizon Interactive Award.

Collaborations:

- **Colorado Business Roundtable (COBRT)**

DORA has provided a monthly speaker for its on-air, livestream and podcast program, *Connect and Collaborate*, with a goal of demystifying regulatory processes and initiatives that help to promote the state’s economic health.

- **Rocky Mountain PBS**

The relationship with Rocky Mountain PBS included airing Take 5 PSAs and, in addition, sending out information to its members regarding household goods movers.

- **Stop Fraud Colorado – Attorney General’s Office**

DORA frequently partners with Stop Fraud Colorado on several events around the metro area, and specifically on social media chats regarding financial fraud for the military and veteran community as well as during Colorado Consumer Protection Month in November. These chats often trend on social media reaching many thousands of social media users.

- **National Consumer Protection Week**

DORA partnered with the Federal Trade Commission to help highlight National Consumer Protection Week as well as held a Consumer Protection Open House in which every DORA division was featured in its the lobby of its downtown headquarters.

- **Financial Literacy Outreach**

Statewide outreach and educational sessions on financial literacy were held in southern Colorado and the Western Slope.

- **HOA Information and Resource Center**

The Division of Real Estate at DORA increased their visibility to their audiences to launch an all new HOA Information and Resource Center presence on askDORA.colorado.gov. This hub for HOA information features access to webinars, news, meetings and workshops. The Division of Real Estate works with the BBB and AARP on educating their members about housing and HOAs, including timeshares.

Sample of Outreach Events:

- **Salute to Seniors:** Largest expo in the state for seniors (over 2,000 attendees) at Colorado Convention Center.
- **Safety Fairs:** Large safety expo for residents of Jefferson County (over 5,000 attendees) at Jefferson County Fair Grounds is just one example of the Safety Fairs attended.
- **African American Health and Safety Fair:** The area's largest expo focused on the health and wellness needs of the African American community.
- **Government Social Media Conference:** The largest gathering of social media expertise of public service agencies in the country.
- **Colorado Municipal League Annual Conference:** DORA division leadership attended to connect with local leaders regarding consumer protection.
- **Law Days:** DORA divisions work with legal groups and bar associations to ensure their presence at a variety of Law Days held throughout different communities across the state.
- **Smart Energy Fairs:** The Office of Consumer Counsel works to reach household consumers regarding smart energy use, utilities, rates and utility scam awareness.

Metrics:

- DORA focused on gaining presence with its PSAs over social and digital platforms and in rural Colorado areas via broadcasting in main-street movie theaters. In summary, "Impressions" — which are the number estimated to have seen the information (possible for one person to see the information multiple times) — totaled 15,702,277. "Clicks" — which are the number of actions online taken by the audiences to access the information — totaled 32,263.
- DORA's outreach initiatives continue to gain recognition. The Department was honored to be awarded the highly-coveted Horizon Interactive Award for its Veterans and Military Occupational Licensing and Prescription Drug Monitoring Program websites.

- 5 **Based on the Department's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy? Do the statewide compensation policies administered by the Department of Personnel help or hinder in addressing vacancy or turnover issues?**

Response: Although the Department does not have division-specific data available at this time, the most recent State of Colorado Workforce Report published by the Department of Personnel and Administration, indicates that DORA has an 9.4% turnover rate, with a total of 52 employees leaving the department in FY 2017-18 (19 employees left the department due to retirement, 32 voluntarily left the department, and 1 left the department on an involuntary

basis). Statewide compensation policies are a challenging and complex undertaking, and the Department looks forward to the opportunity to continue partnering with the Department of Personnel & Administration, alongside the other state agencies, on ways to continue to address vacancy and turnover issues statewide.

- 6 **Please identify how many rules you have promulgated in the past two years (FYs 2016-17 and 2017-18). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department’s rules as a whole? If so, please provide an overview of each analysis.**

Response: In FY 2016-17, 183 rules were included in DORA’s regulatory agenda, of which 19 were newly promulgated rules and 131 were revisions. In FY 2017-18, 105 rules were included in DORA’s regulatory agenda, of which 12 were newly promulgated rules and 93 were revisions. Over the past two years, 31 new rules have been promulgated by DORA

DORA agencies prepared cost-benefit analyses on two rules in FY 2016-17 and on two rules in FY 2017-18. Section 24-4-103(2.5), C.R.S., mandates that CBAs must include:

- The reason for the rule or amendment;
- Any anticipated economic benefits of the rule or amendment;
- Any adverse effects on the economy, consumers, private markets, small businesses, job creation and economic competitiveness; and,
- At least two alternatives to the proposed rule or amendment, including the cost and benefits of pursuing each of the alternatives.

The following table shows the specific rules for which CBAs were requested:

Fiscal Year	Program Name	Short Description	CCR Number	Date Reviewed
16-17	Office of Barber and Cosmetology	Barber & Cosmetology Rules	4 CCR 731-1	12/16/2016
16-17	Medical Board	Licensure and Practice by Physician Assistants	3 CCR 713-7	2/3/2017
17-18	Office of Barber and Cosmetology	Barber & Cosmetology Rules	4 CCR 731-1	10/17/2017
17-18	Medical Board	Delegation of Medical Services	3 CCR 713-30	2/3/2017

All four CBAs contained the required elements stated above. A brief overview of each follows:

- Division of Professions and Occupations/Office of Barber and Cosmetology: Amending all existing rules for further clarification and to afford adequate infection

control requirements for public protection (FY 16-17) Three requests for a CBA were received and a CBA was prepared on a single rule pertaining to mandated waiting periods for certain cosmetology services. The CBA stated that economic benefits may accrue to non-physician healthcare providers as they would be able to authorize such procedures, but licensees may realize economic costs by complying with mandated waiting periods. Costs and negative economic impacts may accrue to licensed physicians by the creation of waiting periods and by allowing non-physicians to authorize such procedures.

- Division of Professions and Occupations/Colorado Medical Board: Rules regarding the delegation and supervision of medical services to unlicensed health care providers (FY 16-17). One request for a CBA was received and a CBA was prepared on six sections of the proposed rules. While minimal to no economic benefits were expected to be realized, the CBA stated that failure to adopt the rules could result in unnecessary physical and irreversible harm to patients utilizing the services of unlicensed persons. While no adverse effects on the economy were anticipated for most of the provisions reviewed, some adverse impacts on small business were possible as a result of obtaining in-state physician supervision, one-time creation of protocols and mandated physician review of patient records.
- Division of Professions and Occupations/Office of Barber and Cosmetology: Revision of all existing rules to reduce regulatory burden and simplify for clarification. A request for a Cost Benefit Analysis (CBA) was received in regards to Rule 2.1 and 2.2 as related to Training Requirements. Single rule pertaining to mandated waiting periods for certain cosmetology services. The prepared CBA stated that economic benefits may accrue due to the reduction of educational burden and alternative pathways to licensure leading to an increased number of persons seeking education or apprenticeships and thus an increase in educational programs, teaching positions or apprenticeships and an increased number of cosmetologists in the workforce. Costs are minimal and will be absorbed by the program. Negative economic impacts may accrue due to a decrease in tuition dollars due to decreased hour requirements, however it is likely that increased enrollment would offset any such impact
- Division of Professions and Occupations/Colorado Medical Board: Rules regarding the licensure and practice by physician assistants, delegation and supervision of medical services to unlicensed health care providers (FY 16-17). One request for a CBA was received and a CBA was prepared on six sections of the proposed rules. While minimal to no economic benefits were expected to be realized, the CBA stated that failure to adopt the rules could result in unnecessary physical and irreversible harm to patients utilizing the services of unlicensed persons. While no adverse effects on the economy were anticipated for most of the provisions reviewed, some adverse impacts on small

business were possible as a result of obtaining in-state physician supervision, one-time creation of protocols and mandated physician review of patient records.

- 7 **What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations.**

Response: Major cost drivers impacting the Division primarily include the cost of purchasing legal services from the Office of the Attorney General's Legal Services to State Agencies Section. This \$10.1 million cost accounts for approximately 10% of the Department's budget, and changes in step with modifications to the Department of Law's blended hourly rate for legal services. Most recently, the Department's actual expenses increased by \$1 million between FY 2016-17 and FY 2017-18.

- 8 **How is the Department's caseload changing and how does it impact the Department's budget? Are there specific population changes or service needs (e.g. aging population) that are different from general population growth?**

Response: Most Divisions in the Department are affected by small upward fluctuations in licensee volume, required examinations, investigations, and enforcement proceedings requiring the use of legal services. For instance, the Division of Professions and Occupations has seen a rise in the number of total active licensees from 396,319 during FY 15-16 to 413,553 during FY 17-18. Similar trends exist Department-wide, and are related to growth in state population and growth in the number of professions regulated. Typically, these fluctuations do not drive required increases in the Department's budget, and the Department leverages existing resources to implement programs.

However, one Division in particular is more affected by caseload-related growth. In October 2016, the Colorado Civil Rights Division launched an online case filing system. As a result, (and possibly as a result of the growing population in Colorado), the number of cases filed with the Division has increased exponentially. For example, during FY 2014-2015, 963 cases were filed with the Civil Rights Division. During FY 2016-2017, 1,138 cases were filed with the Division. At present, the Division's case filings are rising at an unprecedented rate.

In spite of the number of cases received for filing with the Civil Rights Division, its number of employees has remained static. As a result, case processing is taking more time than in prior years due to the increased volume and limited resources.

- 9 **Please provide an overview of the Department's current and future strategies for the use of outward facing technology (e.g. websites, apps) and the role of these technologies in the Department's interactions with the public. For the Department of Regulatory Agencies, please include in the response specific references to outward facing technology applied to licensing functions.**

Response: The following is an overview of technology strategies:

Current and future strategies:

The department's business website, colorado.gov/dora, was updated in 2015. The new website was considered a large improvement in terms of user friendly content, accessibility and transparency, and now that it is three years old, is due to be revisited and refreshed. The department is currently developing a preliminary plan to evaluate and redesign its primary business website so that consumers and licensees find even easier to use. The timeline to complete the initial project plan is this fiscal year, with development and deployment of the refreshed business website before the end of 2019.

Specialized Sites:

The department also continues to add and maintain consumer-facing "mini" websites regarding specialized programs that require reaching a targeted audience or a more dynamic visual presence, such as the site askDORA.colorado.gov, which is the hub for the department's consumer outreach and education initiative, Take 5 to Get Wise. Also included in the suit of minisites are: colorado.gov/dora-military to reach Veterans and Active Duty Military with information regarding career transition certifications and licensures; colorado.gov/dora-pdmp for the medical community to easily access the Prescription Drug Monitoring Program; and CO Health Professional Check - colorado.gov/cohpc, a special initiative to extract data from the Healthcare Professions Profiling Program (HPPP) database and provide it in an easy-to-use, searchable and mobile friendly format.

Digital Communications Tools:

Integrated into our overall strategy, last year the department developed a strategy and onboarded more integrated digital communications tools to make communications more consistent and seamless to both professional licensees and consumers, including:

- All divisions use the GovDelivery platform to provide email communications using a consistent brand and identity
- Most divisions are now deploying more webinars to reach audiences around the state with updates and information regarding particular regulatory programs
- The Division of Professions and Occupations launched a licensee and stakeholder outreach initiative using Telephone Townhalls and SMS texting for its Barber/Cosmetology program and will continue exploring using this combination technology for more engagement of stakeholders in its different programs.
- The Division of Real Estate has deployed using Google sites and forms to receive stakeholder input for its efficiency rule reviews as mandated by HB14-063, its quarterly newsletter, as has deployed a video program for licensee advisories regarding compliance issues.

Streamlined licensing a result of online applications:

In May 2017, 100% of all individual license applications were online in the Division of Professions and Occupations - 6 weeks ahead of schedule - shifting the focus to the construction and deployment of Online Business Applications, which have also been completed this performance cycle. As a result, processing times for licensing were overall

reduced, but the Division was recognized for decreases in pharmacy and mental health applications (decrease in license processing time for Pharmacists applications from a baseline of 115 days down to 25 days (a decrease of 78%); decrease in license processing time for Mental Health applications from a baseline of 72 days down to 40 days (a decrease of 44%)) resulting in the Tom Clements Award for great results, particularly focused on pharmacist and mental health application timelines.

The Division continues to build upon these efforts by implementing a plan for all reinstatement applications to be launched online. In addition, the Division continues its work leading to the issuance of a request for proposal by February 1 and award by June 30, 2019 for a licensing system and regulatory business platform that will encompass the needs for the diverse and multi-functions found in the Division ranging from online licensing to permitting to inspections to board packets and other business functions. A new business analyst has joined the Division and is leading the charge with process mapping and business requirement analysis while partnering with the Executive Director's office and the Division Director.

PROVIDE SIMPLE AND FAST LICENSING TO COLORADO PROFESSIONALS										
MEASURE	BASELINE	JUL	AUG	SEP	Q1	OCT	NOV	DEC	JAN	TARGET
AVERAGE DAYS TO PROCESS AN OCCUPATIONAL LICENSE	37	32	31	31	31	32				30
PROCESSING TIME FOR ADDICTION COUNSELOR APPLICATIONS	52	48.5	42.75	41.25	44	47.5				30
PROCESSING TIME FOR ELECTRICAL & PLUMBING APPLICATIONS	43	47.25	51.5	58.8	53	49.75				14
PROCESSING TIME FOR NURSING HOME ADMINISTRATORS APPLICATIONS	82	62	59	53	58	78				30
PROCESSING TIME FOR BARBER/COSMETOLOGY APPLICATIONS	34.8	32.4	34	38.8	35	30.33				30
100% OF REINSTATEMENT APPLICATIONS ONLINE	110	7%	7%	11%	-	13%				100%