

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF BUDGET BRIEFING
DEPARTMENT OF REGULATORY AGENCIES**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF REGULATORY AGENCIES

Department Overview

The Department's mission is broadly defined as consumer protection, that is carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through 38 boards, commissions, and advisory committees across more than 50 professions, occupations, programs, and institutions. The Department is organized in 10 predominantly cash-funded divisions as follows:

- The **Divisions of Banking, Financial Services and Securities** regulate state-chartered financial services institutions including banks, trust companies, credit unions and money transmitters, investment advisers, securities broker-dealers, and sales representatives.
- The **Civil Rights Division** administers and enforces Colorado's civil rights laws.
- The **Division of Insurance** regulates and licenses life, health, property and casualty, and other types of insurance companies and agents.
- The **Public Utilities Commission (PUC)** regulates the providers of public utilities in energy and telecommunications and specified industries that provide transportation for hire directly to consumers. The **Office of Consumer Counsel (OCC)** represents the interests of residential, small business and agricultural consumers on utility matters before the PUC.
- The **Division of Real Estate** licenses real estate agents, appraisers and mortgage loan originators, registers mortgage companies and homeowners associations, and administers the conservation easement certification programs.
- The **Division of Professions and Occupations**, formerly known as the Division of Registrations, oversees regulation of 347,000 licensees in 53 professions, occupations, and entities.
- The **Office of Policy and Research (OPR)** in the **Executive Director's Office (EDO)** provides sunset and sunrise regulatory evaluations and policy recommendations to the General Assembly.

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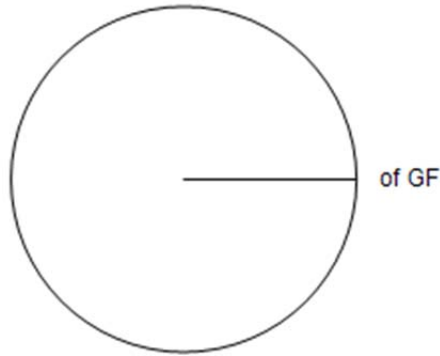
Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 *
General Fund	\$1,510,435	\$1,600,344	\$1,714,111	\$1,777,317
Cash Funds	68,157,532	69,765,231	71,265,174	73,661,623
Reappropriated Funds	6,825,033	4,239,807	4,265,351	4,368,294
Federal Funds	<u>1,231,398</u>	<u>1,194,128</u>	<u>1,314,203</u>	<u>1,359,180</u>
Total Funds	\$77,724,398	\$76,799,510	\$78,558,839	\$81,166,414
Full Time Equiv. Staff	578.4	592.1	557.9	562.8

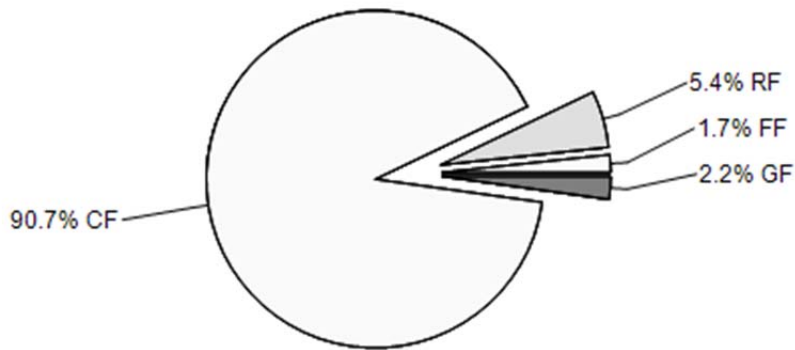
*Requested appropriation.

Department Budget: Graphic Overview

**Department's Share of Statewide
General Fund**

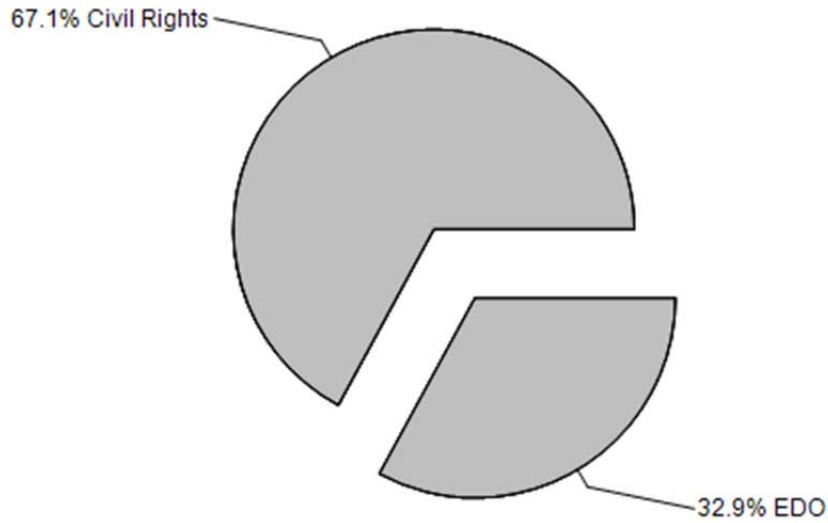


Department Funding Sources

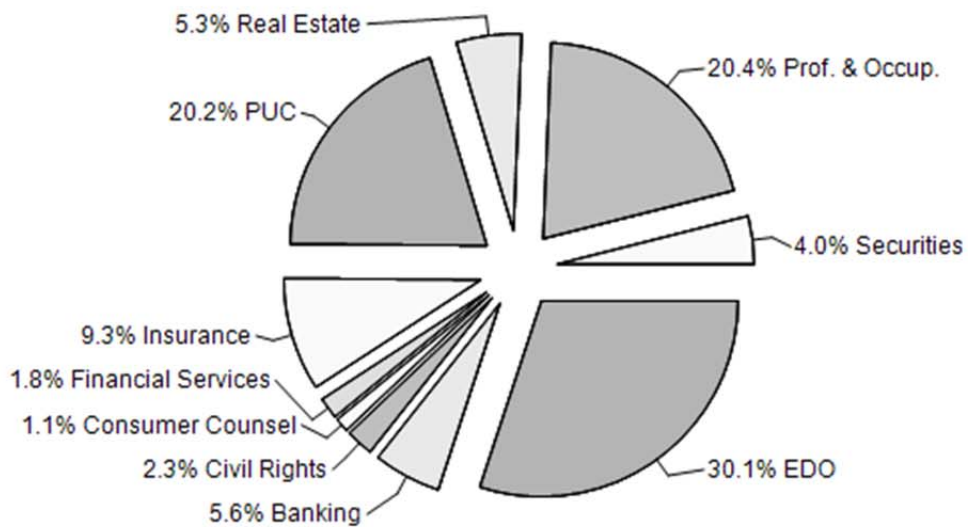


All charts are based on FY 2012-13 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on FY 2012-13 appropriation.

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General Factors Driving the Budget

The Department's FY 2013-14 budget request consists of 2.2 percent General Fund, 90.8 percent cash funds, 5.4 percent reappropriated funds, and 1.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Legal Services

Due to the stakes involved in many of the Department's regulatory decisions, legal services has been and will continue to be a driving factor of the Department's budget. Legal services account for 10.3 percent of the Department's FY 2012-13 total appropriation and 28.0 percent of the FY 2012-13 total appropriation for Legal Services to State Agencies in the Department of Law.

Department of Regulatory Agencies Legal Services Expenditures						
	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Legal Services	\$6,804,123	\$7,396,788	\$7,546,070	\$7,485,354	\$8,088,494	\$8,102,284
Legal Services Hours	94,462	98,493	100,107	102,022	106,835	104,884
Blended Legal Rate	72.03	75.10	75.38	73.37	75.71	77.25
Percent of Dept. Approp.	9.0%	9.9%	10.2%	10.4%	10.5%	10.3%
Percent of State Total	30.2%	29.0%	30.3%	29.0%	28.0%	28.0%
Total Legal Services to State Agencies	\$24,242,875	\$25,497,967	\$24,886,703	\$25,810,341	\$28,886,539	\$28,927,518

From FY 2008-09 through FY 2011-12, seven divisions accounted for 97.7 to 99.2 percent of the Department's legal services, and represent 97.8 percent in the FY 2013-14 request.

Legal Services Expenditures by Division						
	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Approp.	FY 13-14 Request
Professions & Occupations	\$3,378,450	\$3,515,106	\$3,286,424	\$3,336,464	\$3,569,597	\$3,750,072
PUC	1,180,036	1,240,536	1,225,399	1,382,247	1,478,830	1,553,598
Real Estate	918,223	906,652	781,201	743,813	795,786	836,021
Insurance	706,081	671,086	890,231	787,757	842,800	885,412
Securities	484,612	465,174	487,937	414,173	443,113	465,516
OCC	448,613	452,314	438,677	453,059	484,716	509,223
Civil Rights	<u>212,024</u>	<u>232,521</u>	<u>201,923</u>	<u>158,419</u>	<u>301,507</u>	<u>301,507</u>
Top Seven Subtotal	\$7,328,039	\$7,483,389	\$7,311,792	\$7,275,932	\$7,916,349	\$8,301,349
Top Seven Percent of Total	99.1%	99.2%	97.7%	98.5%	97.7%	97.8%
Department Total	\$7,396,788	\$7,546,070	\$7,485,354	\$7,387,038	\$8,102,284	\$8,492,167

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Growth in Regulated Programs through Legislation

The General Assembly has passed a significant number of bills over the last seven sessions that increased the Department's regulatory responsibilities. The 2007 Session was the peak year in terms of dollars appropriated through non-budget bills, and the 2008 Session was the peak year for increasing the number of Department FTE. The 2012 Session had substantially fewer bills and lower FTE and appropriation totals. The following table shows the impact of non-budget bills on the Department's budget.

Impact of Legislation on the Department's Budget						
Session	No. of Bills	Dollars Appropriated				Authorized FTE
		General Fund	Cash Funds	Reapprop. Funds	Total	
2006	11	\$0	\$1,088,461	\$194,600	\$1,283,061	7.2
2007	22	42,290	2,670,098	66,962	2,779,350	15.3
2008	19	149,205	2,233,416	0	2,382,621	17.3
2009	10	0	947,305	0	947,305	7.5
2010	13	0	507,245	593,333	1,100,578	6.4
2011	11	0	954,420	0	954,420	6.8
2012	<u>5</u>	<u>0</u>	<u>378,246</u>	<u>0</u>	<u>378,246</u>	<u>2.0</u>
Total	91	\$191,495	\$8,779,191	\$854,895	\$9,825,581	62.5

The impact of these bills by division is outlined in the following table. The number of bills impacting the Division of Professions and Occupations (formerly the Division of Registrations) is more than twice the number impacting any other division. These bills are primarily adding regulatory programs for professions or occupations.

Divisions Impacted by Bills by Legislative Session								
	2006	2007	2008	2009	2010	2011	2012	Total
Insurance	3	5	6	0	0	2	1	17
PUC	2	6	1	1	2	0	0	12
Real Estate	1	4	1	1	2	1	0	10
Prof. & Occup.	3	5	7	7	7	8	4	41
Other*	<u>2</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>11</u>
Total	11	22	19	10	13	11	5	91

*Other includes: Executive Director's Office, Division of Banking, and Civil Rights Division

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Licenses Issued by Certain Divisions

The Department is responsible for consumer protection, and licenses professionals in various industries to accomplish this mission. The Divisions of Insurance, Real Estate, Professions and Occupations, and Securities issue the majority of individual licenses. The budgets in these divisions are driven primarily by the number of individuals requiring licensure. The following table outlines the number of licenses regulated by these divisions.

Licenses Regulated						
Divisions of Insurance, Real Estate, Professions and Occupations, and Securities						
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Division of Insurance						
New Licenses	29,322	29,511	29,070	25,699	29,789	30,556
Active Licenses	109,705	115,229	118,783	123,204	129,559	128,710
Division of Real Estate						
Broker & Salesperson	14,321	18,292	11,820	10,662	10,660	10,777
Mortgage Loan Originators	n/a	n/a	8,729	4,690	5,013	5,443
Appraisers	4,884	4,447	4,006	3,597	3,365	3,209
Division of Registrations						
New Licenses	28,035	30,890	38,900	33,194	34,431	32,931
Active Licenses	295,281	292,584	315,147	324,271	345,026	347,645
Division of Securities						
Sales Representative License Renewals	134,053	143,772	145,347	145,504	153,576	163,818
Investment Advisor License Renewals	7,468	8,458	8,913	9,231	9,522	9,743

Financial Services Institution Examinations

The deterioration of the financial sector increased the workload of the examination sections of the Divisions of Banking, Financial Services, and Securities. While examination workload increased through FY 2010-11, bank and credit union examinations decreased in FY 2011-12. Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. The following table outlines the growth in the number of examinations conducted by these three divisions since FY 2006-07.

Financial Services Institution Examinations Conducted						
Divisions of Banking, Financial Services, and Securities						
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Banking	161	196	164	154	195	171
Credit Union	44	40	33	38	39	34
Securities	40	46	50	66	65	110

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Summary: FY 2012-13 Appropriation & FY 2013-14 Request

	Department of Regulatory Agencies					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	78,180,593	1,714,111	70,886,928	4,265,351	1,314,203	555.9
Other Legislation	378,246		378,246	0	0	2.0
TOTAL	\$78,558,839	\$1,714,111	\$71,265,174	\$4,265,351	\$1,314,203	557.9
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	\$78,558,839	\$1,714,111	\$71,265,174	\$4,265,351	\$1,314,203	557.9
NPI-1: Employee Engagement Survey	5,134	164	4,699	176	95	0.0
NPI-2: OIT Enterprise Asset Management	9,801	382	9,419	0	0	0.0
NPI-3: Capitol Complex Building Upgrade	307		307	0	0	0.0
Compensation-related Common Policies	2,402,888	94,645	2,185,233	107,228	15,782	0.0
Prior Year Legislation Annualizations	640,262		640,262	0	0	4.9
Other Technical and Base Adjustments	28,880	(12,513)	16,411	(3,647)	28,629	0.0
Operating Common Policies	1,845	(700)	(536)	1,998	1,083	0.0
OIT Common Policies	(458,186)	(18,772)	(439,414)	0	0	0.0
Indirect Cost Assessment Adjustments	(23,356)		(19,932)	(2,812)	(612)	0.0
TOTAL	\$81,166,414	1,777,317	\$73,661,623	\$4,368,294	\$1,359,180	562.8
Increase/(Decrease)	\$2,607,575	\$63,206	\$2,396,449	\$102,943	\$44,977	4.9
Percentage Change	3.3%	3.7%	3.4%	2.4%	3.4%	0.9%

Description of Requested Changes

NPI-1: Employee engagement service adjustment: The request includes a \$5,134 increase in total funds to support the Department's share of a survey to gauge employees' attitudes toward their work and their work environment, their overall satisfaction, and trends developing within

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the workforce. *This request item will be addressed in a separate staff briefing for the Department of Personnel scheduled for Monday, December 10, 2012.*

NPI-2 OIT Enterprise Management: The request includes a \$9,801 increase in total funds to support the Department's share of an executive branch information technology asset management program and corresponding data system. *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology scheduled for December 10, 2012.*

NPI-3 Capitol Complex Building Upgrades: The request includes a \$307 increase in total funds to support the Department's share of building maintenance and upgrades for the State's Capitol Complex. *This request item will be addressed in a separate staff briefing for the Department of Personnel scheduled for December 10, 2012.*

Compensation-related Common Policies: The request includes adjustments to centrally appropriated line items for compensation including the following: salary survey and merit pay; health, life, and dental; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund. *This request item was addressed in a separate staff briefing on Salary and Personnel Benefits on November 16, 2012.*

Prior Year Legislation Annualizations: The request includes an increase of \$640,262 cash funds and 4.9 FTE to reflect the FY 2013-14 impact of legislation that was passed in 2012, including the following acts: HB12-1052, HB12-1110, HB12-1266, HB12-1300, HB12-1303, and HB12-1311. Appendix B provides a short description of each of these acts.

Other Technical and Base Adjustments: The request includes a \$28,880 increase in total funds that reflect a Leased Space rate escalation predominantly in federal funds along with a fund adjustment, as well as Sunset Review Office funding adjustments.

Operating Common Policies: The request includes adjustments to centrally appropriated line items for the following: workers' compensation and payment to risk management and property; legal services; administrative law judge services; and capitol complex leased space. *This request item will be addressed in a separate staff briefing for the Department of Personnel scheduled for December 10, 2012.*

OIT Common Policies: The request includes adjustments to centrally appropriated line items for the following: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments. *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology scheduled for December 10, 2012.*

Indirect Cost Assessment Adjustments: The request includes a \$23,356 decrease in total funds that reflects adjustments to indirect cost assessment lines as a result of the Statewide Indirect Cost Plan.

Issue: Conservation Easement Tax Credit Program Pre-Approval Process and Statutory Cap

The Office of the State Auditor's (OSA) September 2012 performance audit of the conservation easement tax credit program (that included the Department of Revenue and the Division of Real Estate and the Conservation Easement Oversight Commission in the Department of Regulatory Agencies) recommended that the State move to a pre-approval process for conservation easement tax credits that would better align areas of expertise with areas of responsibility and provide certainty for taxpayers that the current system does not provide.

SUMMARY:

- Currently, the Department of Revenue's (DOR) approach to conservation easement tax credit claims does not technically *approve* a claim; rather, credit claims are *not disallowed*. There is *uncertainty for the taxpayer* since conservation easement tax credits are not technically approved, donors and transferees may attempt to use credits that could be disallowed, even several years after the transaction has taken place.
- The expertise necessary to review the validity of conservation easement agreements, particularly as related to appraised value and conservation purpose, primarily resides within the Division of Real Estate (DRE) and the Conservation Easement Oversight Commission (CEOC) in the Department of Regulatory Agencies. Currently the DRE and CEOC serve in an advisory capacity only when requested by the DOR.
- The current statutory cap, \$22 million for 2011 and 2012 and \$34 million for 2013, on the annual total of conservation easement tax credits extends only through calendar year 2013.

RECOMMENDATION:

Staff recommends that the Committee sponsor or co-sponsor with the Legislative Audit Committee (LAC), legislation to implement a pre-approval process for conservation easement tax credits. It appears that the LAC may consider legislation for the 2013 legislative session for a pre-approval process for conservation easement tax credits based on the audit recommendation. Although the audit report specifies an implementation date of July 2013, the DOR, the DRE, and the CEOC will be presenting a plan for a pre-approval process at the December 12th and 13th LAC meeting.

Additionally, staff recommends that the Committee sponsor legislation to provide an annual cap on the total amount of conservation easement tax credits allowed by the State beyond calendar year 2013, not to exceed \$45 million dollars annually.

DISCUSSION:

Conservation easements are the ownership rights to limit development on land, as opposed to the most complete ownership of land known as *fee simple* or *fee title*, as owned by a landowner. This allows land to be protected and preserved from development without necessitating government ownership. The landowner retains the right to occupy, sell, or bequeath to heirs, and may retain traditional land uses such as livestock grazing or agricultural production while the property remains on tax rolls.

In Colorado, to qualify for a tax credit, conservation easements must be perpetual, meaning the restrictions remain on the property forever, and meet one or more of the following four conservation purposes: (1) Outdoor recreation or education; (2) natural habitat or ecosystem; (3) open space for scenic enjoyment or pursuant to a clearly delineated governmental conservation policy; or (4) historic preservation.

The audit objective was to determine whether conservation easement tax credits that are being claimed by taxpayers are valid based on the current requirements and processes effective since the enactment of H.B. 08-1353, that created the CEOC and brought the DRE into the process. *To further clarify, the audit did not consider legal processes related to the resolution of tax credit claims filed through program processes in place prior to the 2008 legislation, concerning which there is general, ongoing uncertainty.* Similarly, this issue brief does not address those issues or the legal and policy environment related to resolving claims prior to 2008.

There are statutory caps on the total amount of conservation easement tax credits allowed by the State for calendar years 2011, 2012, and 2013. The certificates issued by the DRE have reached the statutory cap of \$22 million for calendar years 2011 and 2012 and the DRE has begun to issue certificates for 2013. The statutory cap for calendar year 2013 is \$34 million.

Roles

A **landowner** or **donor** is a property owner who donates the conservation easement.

A **conservation easement holder** or **qualified organization** is a state-certified governmental or non-profit entity that acquires the conservation easement. A qualified organization is certified to have a commitment to protect the conservation purposes and the resources to enforce compliance with the restrictions.

An **appraiser** is a qualified, state-licensed professional who determines the conservation easement's fair market value through a qualified appraisal consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).

A **transferee** is an individual or corporate taxpayer who purchases a conservation easement tax credit from a landowner.

The **Department of Revenue's** (DOR), Taxpayer Service Division (TPS) is responsible for processing tax filings, including conservation easement tax credit claims.

The **Division of Real Estate** (DRE) in the Department of Regulatory Agencies (DORA) receives copies of all conservation easement appraisals, certifies qualified organizations, and as of January 1, 2011, issues conservation easement tax credit certificates to ensure compliance with the statutory aggregate caps on total dollar amount of tax credits available for calendar years 2011, 2012, and 2013.

The **Conservation Easement Oversight Commission** (CEOC) in DORA is an advisory board to the DOR and the DRE that reviews conservation easement documents upon referral from DOR or DRE, and reviews qualified organization applications and makes recommendations to DRE to approve or deny certification of conservation easement holders.

Audit Recommendation No. 11: Pre-Approval of Tax Credit Claims

The audit's analysis totaled \$638.9 million in tax credits claimed from tax years 2000 through 2009. Given the scale of this program and its financial impact on State revenues, the audit's recommendations were made to ensure conservation easement tax credits are valid claims that are: (1) Supported by land donations that have valid conservation purposes; (2) properly valued; and (3) donated to qualified organizations that have the capacity to maintain, monitor, and defend the purposes of the easements in perpetuity. The audit found deficiencies in the current process with each of those elements. With the goals in mind and deficiencies identified, the audit's more substantial recommendation is for the State to move to a pre-approval process for conservation easement tax credits.

Currently, the DOR's approach to conservation easement tax credit claims does not technically *approve* a claim; rather, credit claims are *not disallowed*. DOR's review of claims occurs *after* a taxpayer files a return claiming a credit. In some cases, a conservation easement transaction may have occurred years before a credit is claimed. This approach is known as an *audit-based* approach, and is the usual process for a taxing authority.

The audit identifies the following two disadvantages to the current audit-based approach:

1. There is *uncertainty for the taxpayer* since conservation easement tax credits are not technically approved, donors and transferees may attempt to use credits that could be disallowed, even several years after the transaction has taken place. Donors make significant financial decisions when they enter into a conservation easement agreement or a tax credit transfer agreement. When a credit is subsequently disallowed, a landowner is faced with a legal agreement restricting the use of land in which the expected financial benefits may not actually exist, along with potential financial liabilities and legal complications related to a tax credit transfer contract.
2. *Decision-making authority is not well aligned with areas of expertise*. The expertise necessary to review the validity of conservation easement agreements, particularly related to tax credit claims based on appraised value, primarily resides within the DRE and CEOC, relative to the DOR. Currently the DRE and CEOC serve in an advisory capacity only when requested, to the DOR's *decision-making* role in *not disallowing* claims.

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The audit suggests the following decision-making points of responsibility in a pre-approval process for the State based on existing areas of responsibility and expertise available in the current process:

1. **Appraisal/Appraiser:** The DRE would have responsibility for determining whether a qualified appraisal was completed by a qualified appraiser.
2. **Qualified Purposes:** The CEOC would assess and evaluate the quality of conservation easement transactions, ensuring that, at a minimum, they meet a qualified conservation purpose (which, according to the audit report, is not being systematically addressed in the current process).
3. **Qualified Organizations:** The DRE, with input from the CEOC, would continue to certify qualified organizations to be conservation easement holders.
4. **Tax-related Compliance:** The DOR would retain responsibility for tax-related compliance in claiming and using approved credits.

Additionally, the clearly delineated steps of a pre-approval process would allow for an appeals process to be more clearly defined and communicated to taxpayers, landowners/donors, and conservation easement holders.

Points to Consider

Staff's initial concern was that the recommendation may not be implemented until the 2014 legislative session at the earliest based on the timing suggested in the audit report. Specifically, the audit's *Recommendation No.11* that the agencies involved work together to design a pre-approval process, requests a report to the Legislative Audit Committee and to the House and Senate Finance Committees by July 1, 2013.

Staff is aware that there are general concerns related to conservation easements in the state that regard the legal resolution processes in place (which the audit did not address), particularly for claims filed before 2008. Therefore there may be some hesitation in changing policy too quickly without thinking through all of the contingencies. Staff believes that the caution and hesitation is primarily a symptom of paralysis created by a tax credit policy that was initially implemented without sufficient statutory guidance. The process has since devolved to the courts to resolve for those cases arising under the early program and its processes that lacked policy clarity and process definition. The audit recommendation for a pre-approval process provides that: (1) The policy decision-making will be clearly delineated in statute identifying agency responsibility for judging valid claims to conservation easements and related tax credits; and (2) the policy will allow for administrative appeals processes along the path to pre-approval, thereby limiting the need for the courts to become involved in the process after the fact.

Further, Colorado landowners are currently unable to sell tax credits in an efficient market for such, as long as there is uncertainty whether a tax credit will eventually be disallowed. It

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appears that currently tax credit brokers are able to charge a premium for the due diligence required in offering tax credits for sale in an uncertain system. A pre-approval process will place the burden for due-diligence at the point in the process where it should reside, on the State, at the front end of the process. This change in process would allow a more efficient market for the sale of tax credits that is intended to benefit Colorado landowners and not necessarily credit brokers. Staff cannot ascertain any State or public interest in delaying implementation of a pre-approval process as recommended in the audit that would give the State's landowners and taxpayers, as well as the state agencies responsible for administering the program, clarity and certainty.

Staff's discussion with state auditors suggest that the OSA considers the timing recommendation to be an absolute deadline that was set based on post-audit findings and recommendations negotiated with the agencies. The OSA supports a timeline that would lead to implementation of a pre-approval process in 2013. LAC members have expressed similar concerns with waiting to introduce legislation for a pre-approval process until sometime after the 2013 legislative session. The LAC is scheduled to meet on December 12th and 13th at which time the agencies are to report on progress related to *Audit Recommendation No. 11*, and LAC members will consider legislation for the 2013 session. Staff's discussions with the Department and program staff from the DRE similarly suggest that an agency plan for the implementation of a pre-approval process will likely be presented at the December LAC meeting, and that the agencies will be ready to move forward on the audit recommendation at that time.

While the audit recommendation, including cross-agency cooperation and necessary proposed legislation appear ready to be offered, staff's goal is to raise the Committee's awareness regarding this issue, emphasize the urgency for acting on the recommendation in the 2013 legislative session, and suggest that the Committee informally or formally support legislation that may be introduced through the LAC. Since most of the responsibility for the pre-approval process would move from the DOR to the DRE, this would likely increase the cash-funded appropriation for the DRE while reducing the General-Funded appropriation for the DOR.

Additionally, on a related issue, the Committee should be aware that the current statutory cap, \$22 million for 2011 and 2012 and \$34 million for 2013, on the annual total of conservation easement tax credits extends only through calendar year 2013. Under current law, there is no statutory cap in place for 2014 and beyond. In addition to broad policy considerations related to foregoing revenue for the Statewide policy goal implied by the tax credit program, there are practical program limitations and considerations for providing an ongoing cap beyond 2013. Discussions with program staff at the DRE suggest that qualified organizations holding conservation easements have the capacity to complete 150 to 160 transactions per year. Based on the average tax credit certificate amount of approximately \$280,000, that equates to about \$40 to \$45 million in tax credits annually.

Recommendation

Staff recommends that the Committee sponsor or co-sponsor legislation with the LAC to implement a pre-approval process for conservation easement tax credits, in the event the LAC sponsors legislation for such a process based on the audit recommendation at its December meeting.

Staff also recommends that the Committee sponsor legislation to cap the total amount of conservation easement tax credits allowed by the State beyond calendar year 2013, not to exceed \$45 million dollars annually, for the purpose of assuring that qualified organizations can reasonably absorb new agreements and responsibly manage conservation easements beyond 2013.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue does not address any of the Department of Regulatory Agencies' goals, objectives, or performance measures in a way that promotes or increases the Department's effectiveness related to its strategic plan. Instead, the issue discusses increasing the Department's responsibility for the State's conservation easement tax credit program in ways that fit with the Department's existing responsibilities and expertise. This is a program that can benefit from the Department's objectives, particularly in its Division of Real Estate, for enforcement, outreach, proactive regulation, timely access, and complaint resolution.

Issue: The Division of Insurance Role in Federal Health Care Reform

This issue is an informational update on the Division of Insurance's role in federal health care reform and its relationship to the Colorado Health Benefit Exchange (COHBE).

SUMMARY:

- The Colorado Health Benefit Exchange, also known as the COHBE or the Exchange, is a statewide, web-based marketplace for health insurance created in S.B. 11-200 as a non-profit, public organization governed by an independent Board of Directors with additional direction from a Legislative Implementation Review Committee. The operating costs of the Exchange are to be funded by the federal government through 2014 after which the COHBE needs to generate enough revenue to pay for its operations.
- As the COHBE's open enrollment period moves closer and scheduled to begin October 2013, the Division of Insurance will continue to delineate the Division's functions apart from those in the Exchange including a focus on regulating a health insurance market that provides choice and affordability to consumers regardless of whether they purchase a policy inside or outside the Exchange.
- While the Division of Insurance does not have the authority to regulate COHBE's business operations, the Division will continue to regulate the carriers and producers that sell products in the COHBE and will continue to regulate the entire health insurance market – large group, small group and individual policies.

DISCUSSION:

The Colorado Health Benefit Exchange (COHBE or Exchange) is a statewide, web-based marketplace for health insurance, supported by a call center, to help Coloradans shop for and compare plans, sign up for and buy health insurance, and which is expected to interface with various government databases to determine a consumer's eligibility for tax credits and public insurance. Small employers will also be able to purchase plans for their employees using tax credits through the Exchange. The COHBE is scheduled to open for business by October 2013.

Senate Bill 11-200 created the COHBE as a non-profit, public organization governed by a Board of Directors with additional direction from a Legislative Implementation Review Committee. The committee's role is to help guide implementation of the Exchange, review certain financial decisions, and make recommendations about the Exchange to the General Assembly. The operating costs of the Exchange are to be funded by the federal government through 2014 after which the COHBE needs to generate enough revenue to pay for its operations. No Colorado tax dollars are allocated to operate the Exchange.

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As the COHBE's open enrollment period that begins October 2013, moves closer, the Division of Insurance will continue to delineate the Division's functions apart from those in the Exchange including a focus on regulating a health insurance market that provides choice and affordability to consumers regardless of whether they purchase a policy inside or outside the Exchange.

The Division will continue to review all requests for increases or decreases in rates for plans affected by federal health care reform; increases will continue to require prior approval. The Division will continue licensing a variety of risk-bearing entities, including new entities created in the Affordable Care Act (ACA) such as accountable care organizations (ACOs) and consumer operated and oriented plans (COOPs.) The Division has already met with interested parties for the purpose of building understanding of Division processes and requirements for obtaining these types of licenses. Although the Division has deferred to the federal government to administer risk adjustment and reinsurance programs during the first year, the Division will be involved in providing data and may assume responsibility for these functions and programs in subsequent years.

The Division will continue to oversee the licensing and continuing education requirements for health insurance producers that will include information about the COHBE and other federal requirements in the appropriate curriculum. The Division will further assist COHBE in developing curricula and certification of Exchange *Navigators* (as distinguished from licensed producers), however the Division will not have regulatory authority over Navigators.

The Division will continue to answer questions and complaints from consumers concerning their coverage under their insurance policies and answer consumer inquiries about application of state requirements to insurance whether sold through or outside the Exchange. The Division will not, however, address consumer questions about the purchase of coverage through the Exchange as those questions will be handled by COHBE staff. The Division's role is involvement after the consumer has purchased a policy. The Division is also implementing a strategic communication plan to advise and educate consumers about rate review, the role of the Division, and other aspects of the ACA.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue does not directly address improvement of effectiveness for any of the Department of Regulatory Agencies' goals, objectives, or performance measures. Instead, the issue discusses the Department's role in federal health care reform and its relationship to the Colorado Health Benefit Exchange. It is expected that the Division's current strategic plan objectives of (1) complaint resolution, (2) carrier stability, (3) consumer outreach and education, and (4) business education are all addressed in the Division's continuing responsibilities in regulating the health insurance market in the State and in its new responsibilities related to federal health care reform.

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Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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DEPARTMENT OF REGULATORY AGENCIES
Barbara Kelley, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES

The Executive Director's Office performs department-wide administrative functions including accounting, budgeting, and purchasing. The Office of Policy and Research conducts sunrise and sunset evaluations pursuant to section 24-34-104 (8), C.R.S.

Personal Services	<u>2,141,818</u>	<u>2,135,583</u>	<u>2,233,220</u>	<u>2,233,220</u>
FTE	28.4	28.0	29.5	29.5
General Fund	0	0	2,636	3,380
Cash Funds	0	0	37,360	44,020
Reappropriated Funds	2,141,818	2,135,583	2,193,224	2,185,820
Health, Life, and Dental	<u>2,633,444</u>	<u>2,873,888</u>	<u>3,257,548</u>	<u>3,757,214</u>
General Fund	89,650	92,463	115,010	138,470
Cash Funds	2,362,286	2,596,890	2,930,931	3,395,435
Reappropriated Funds	181,508	157,668	161,670	177,342
Federal Funds	0	26,867	49,937	45,967
Short-term Disability	<u>49,782</u>	<u>56,574</u>	<u>54,636</u>	<u>67,420</u>
General Fund	1,730	1,956	1,917	2,264
Cash Funds	44,915	49,889	48,891	60,783
Reappropriated Funds	3,137	4,325	3,432	3,778
Federal Funds	0	404	396	595

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>767,991</u>	<u>880,361</u>	<u>1,073,245</u>	<u>1,286,682</u>	
General Fund	26,415	30,573	34,627	43,339	
Cash Funds	693,014	789,205	964,304	1,159,976	
Reappropriated Funds	48,562	54,187	62,041	71,764	
Federal Funds	0	6,396	12,273	11,603	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>559,808</u>	<u>707,267</u>	<u>922,177</u>	<u>1,161,589</u>	
General Fund	19,067	24,403	29,615	39,126	
Cash Funds	505,331	634,182	828,699	1,047,201	
Reappropriated Funds	35,410	43,543	53,316	64,787	
Federal Funds	0	5,139	10,547	10,475	
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>920,860</u>	
General Fund	0	0	0	32,528	
Cash Funds	0	0	0	838,884	
Reappropriated Funds	0	0	0	34,624	
Federal Funds	0	0	0	14,824	
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>516,729</u>	
General Fund	0	0	0	20,087	
Cash Funds	0	0	0	455,779	
Reappropriated Funds	0	0	0	35,392	
Federal Funds	0	0	0	5,471	

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Workers' Compensation	<u>77,407</u>	<u>67,729</u>	<u>70,200</u>	<u>60,479</u>	
General Fund	2,850	2,328	2,236	1,926	
Cash Funds	69,615	64,296	64,251	55,354	
Reappropriated Funds	4,942	0	2,407	2,074	
Federal Funds	0	1,105	1,306	1,125	
Operating Expenses	<u>131,851</u>	<u>125,640</u>	<u>210,344</u>	<u>210,344</u>	
General Fund	0	0	3,689	3,689	
Cash Funds	23,238	18,984	95,427	95,427	
Reappropriated Funds	108,613	106,656	111,228	111,228	
Legal Services	<u>7,877,947</u>	<u>8,007,882</u>	<u>8,102,284</u>	<u>8,492,167</u>	
General Fund	148,721	153,464	156,586	156,586	
Cash Funds	7,081,789	7,679,034	7,711,438	8,101,321	
Reappropriated Funds	647,437	30,433	89,339	89,339	
Federal Funds	0	144,951	144,921	144,921	
Administrative Law Judge Services	<u>300,459</u>	<u>405,007</u>	<u>297,213</u>	<u>240,708</u>	
General Fund	13,842	18,658	13,441	10,886	
Cash Funds	286,617	386,349	283,772	229,822	
Purchase of Services from Computer Center	<u>1,484,641</u>	<u>1,695,122</u>	<u>1,783,611</u>	<u>1,569,069</u> *	
General Fund	24,265	60,624	70,270	61,193	
Cash Funds	1,371,730	1,634,498	1,713,341	1,507,876	
Reappropriated Funds	88,646	0	0	0	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Multiuse Network Payments	<u>127,783</u>	<u>149,825</u>	<u>348,448</u>	<u>154,776</u>	
General Fund	4,625	5,385	13,728	6,036	
Cash Funds	112,232	144,440	334,720	148,740	
Reappropriated Funds	10,926	0	0	0	
Management and Administration of OIT	<u>139,117</u>	<u>278,679</u>	<u>136,785</u>	<u>96,614</u>	
General Fund	2,574	9,957	5,389	3,768	
Cash Funds	122,801	268,722	131,396	92,846	
Reappropriated Funds	13,742	0	0	0	
COFRS Modernization	<u>0</u>	<u>0</u>	<u>144,715</u>	<u>144,715</u>	
General Fund	0	0	3,016	3,016	
Cash Funds	0	0	131,452	131,452	
Reappropriated Funds	0	0	7,995	7,995	
Federal Funds	0	0	2,252	2,252	
Payment to Risk Management and Property Funds	<u>27,792</u>	<u>106,459</u>	<u>129,422</u>	<u>202,531</u> *	
General Fund	987	3,537	4,122	6,451	
Cash Funds	25,094	97,694	118,456	185,370	
Reappropriated Funds	1,711	3,550	4,438	6,945	
Federal Funds	0	1,678	2,406	3,765	
Vehicle Lease Payments	<u>205,660</u>	<u>151,802</u>	<u>221,254</u>	<u>221,254</u>	
Cash Funds	205,660	151,802	221,254	221,254	
Information Technology Asset Maintenance	<u>668,485</u>	<u>669,379</u>	<u>671,403</u>	<u>671,403</u>	
Cash Funds	478,227	478,622	480,646	480,646	
Reappropriated Funds	190,258	190,757	190,757	190,757	

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Leased Space	<u>2,791,912</u>	<u>2,906,477</u>	<u>3,038,518</u>	<u>3,067,398</u>	
General Fund	96,132	106,866	106,866	93,609	
Cash Funds	2,262,957	2,446,956	2,536,022	2,548,585	
Reappropriated Funds	432,823	313,215	356,190	357,135	
Federal Funds	0	39,440	39,440	68,069	
Capitol Complex Leased Space	<u>6,358</u>	<u>6,098</u>	<u>4,787</u>	<u>5,190</u> *	
Cash Funds	6,358	6,098	4,787	5,190	
Hardware/Software Maintenance	<u>690,689</u>	<u>714,220</u>	<u>723,034</u>	<u>693,878</u>	
General Fund	0	800	800	800	
Cash Funds	433,268	454,823	463,632	434,476	
Reappropriated Funds	257,421	258,597	258,602	258,602	
Consumer Outreach/Education Program	<u>200,000</u>	<u>198,581</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	200,000	198,581	200,000	200,000	
TOTAL - (1) Executive Director's Office and Administrative Services	20,882,944	22,136,573	23,622,844	25,974,240	10.0%
<i>FTE</i>	<u>28.4</u>	<u>28.0</u>	<u>29.5</u>	<u>29.5</u>	<u>0.0%</u>
General Fund	430,858	511,014	563,948	627,154	11.2%
Cash Funds	16,285,132	18,101,065	19,300,779	21,440,437	11.1%
Reappropriated Funds	4,166,954	3,298,514	3,494,639	3,597,582	2.9%
Federal Funds	0	225,980	263,478	309,067	17.3%

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(2) DIVISION OF BANKING

The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies; and conducts examinations of institutions and ensures institutions comply with the Public Deposit Protection Act. The Division is entirely cash funded by the Division of Banking Cash Fund, pursuant to section 11-102-403, C.R.S.

Personal Services	<u>2,860,656</u>	<u>2,828,701</u>	<u>3,578,405</u>	<u>3,578,405</u>	
FTE	36.7	36.1	40.0	40.0	
Cash Funds	2,860,656	2,828,701	3,578,405	3,578,405	
Operating Expenses	<u>432,187</u>	<u>494,995</u>	<u>490,703</u>	<u>490,703</u>	
Cash Funds	432,187	494,995	490,703	490,703	
Board Meeting Costs	<u>19,167</u>	<u>22,703</u>	<u>23,500</u>	<u>23,500</u>	
Cash Funds	19,167	22,703	23,500	23,500	
Indirect Cost Assessment	<u>309,464</u>	<u>301,494</u>	<u>277,199</u>	<u>275,624</u>	
Cash Funds	309,464	301,494	277,199	275,624	

TOTAL - (2) Division of Banking	3,621,474	3,647,893	4,369,807	4,368,232	(0.0%)
FTE	<u>36.7</u>	<u>36.1</u>	<u>40.0</u>	<u>40.0</u>	<u>0.0%</u>
Cash Funds	3,621,474	3,647,893	4,369,807	4,368,232	(0.0%)

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(3) CIVIL RIGHTS DIVISION

The Civil Rights Division enforces state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, sex (gender), national origin, ancestry, physical or mental disability, religion, color, marital status, or sexual orientation.

Personal Services	<u>1,590,869</u>	<u>1,580,235</u>	<u>1,593,380</u>	<u>1,593,380</u>	
FTE	25.9	26.9	27.0	27.0	
General Fund	945,538	999,428	1,068,671	1,068,671	
Reappropriated Funds	297,629	232,343	174,930	174,930	
Federal Funds	347,702	348,464	349,779	349,779	
Operating Expenses	<u>100,438</u>	<u>100,438</u>	<u>100,438</u>	<u>100,438</u>	
General Fund	59,318	59,318	59,318	59,318	
Federal Funds	41,120	41,120	41,120	41,120	
Hearings Pursuant to Complaint	<u>17,000</u>	<u>17,000</u>	<u>18,000</u>	<u>18,000</u>	
General Fund	17,000	17,000	17,000	17,000	
Federal Funds	0	0	1,000	1,000	
Commission Meeting Costs	<u>5,168</u>	<u>5,174</u>	<u>12,374</u>	<u>12,374</u>	
General Fund	5,168	5,174	5,174	5,174	
Federal Funds	0	0	7,200	7,200	
Indirect Cost Assessment	<u>35,191</u>	<u>51,798</u>	<u>55,460</u>	<u>54,848</u>	
Federal Funds	35,191	51,798	55,460	54,848	

TOTAL - (3) Civil Rights Division	1,748,666	1,754,645	1,779,652	1,779,040	(0.0%)
FTE	<u>25.9</u>	<u>26.9</u>	<u>27.0</u>	<u>27.0</u>	<u>0.0%</u>
General Fund	1,027,024	1,080,920	1,150,163	1,150,163	0.0%
Reappropriated Funds	297,629	232,343	174,930	174,930	0.0%
Federal Funds	424,013	441,382	454,559	453,947	(0.1%)

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(4) OFFICE OF CONSUMER COUNSEL

The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas, and telecommunications utility rate and service proceedings before the Public Utility Commission. The Division is cash funded by the Public Utilities Commission Fixed Utility Fund pursuant to section 40-2-114, C.R.S.

Personal Services	<u>708,610</u>	<u>728,909</u>	<u>792,953</u>	<u>792,953</u>	
FTE	6.8	7.0	7.0	7.0	
Cash Funds	708,610	728,909	792,953	792,953	
Operating Expenses	<u>48,022</u>	<u>40,471</u>	<u>55,787</u>	<u>55,787</u>	
Cash Funds	48,022	40,471	55,787	55,787	
Indirect Cost Assessment	<u>49,233</u>	<u>44,431</u>	<u>48,510</u>	<u>48,234</u>	
Cash Funds	49,233	44,431	48,510	48,234	

TOTAL - (4) Office of Consumer Counsel	805,865	813,811	897,250	896,974	(0.0%)
FTE	<u>6.8</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>0.0%</u>
Cash Funds	805,865	813,811	897,250	896,974	(0.0%)

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(5) DIVISION OF FINANCIAL SERVICES

The Division of Financial Services regulates state-chartered credit unions, savings and loans, and life care institutions; and conducts examinations of institutions to ensure continued compliance with regulatory standards. The Division is entirely cash funded by the Division of Financial Services Cash Fund pursuant to section 11-40-106 (2), C.R.S.

Personal Services	<u>978,162</u>	<u>979,976</u>	<u>1,134,247</u>	<u>1,134,247</u>	
FTE	11.9	12.3	13.0	13.0	
Cash Funds	978,162	979,976	1,134,247	1,134,247	
Operating Expenses	<u>95,719</u>	<u>110,024</u>	<u>161,788</u>	<u>161,788</u>	
Cash Funds	95,719	110,024	161,788	161,788	
Indirect Cost Assessment	<u>105,499</u>	<u>95,208</u>	<u>90,090</u>	<u>89,578</u>	
Cash Funds	105,499	95,208	90,090	89,578	

TOTAL - (5) Division of Financial Services	1,179,380	1,185,208	1,386,125	1,385,613	(0.0%)
FTE	<u>11.9</u>	<u>12.3</u>	<u>13.0</u>	<u>13.0</u>	<u>0.0%</u>
Cash Funds	1,179,380	1,185,208	1,386,125	1,385,613	(0.0%)

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(6) DIVISION OF INSURANCE

The Division of Insurance is responsible for licensing insurance agents and adjusters; and regulating insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, self-insurance pools for workers' compensation, bail bondsmen, and pre-need funeral contracts. Unless otherwise indicated, the Division is funded by the Division of Insurance Cash Fund pursuant to section 10-1-103 (3), C.R.S.

Personal Services	<u>5,762,069</u>	<u>5,560,322</u>	<u>5,725,720</u>	<u>6,039,790</u>
FTE	77.8	77.7	82.9	85.8
Cash Funds	5,762,069	5,560,322	5,725,720	6,039,790
Federal Funds	0	0	0	0
Operating Expenses	<u>294,370</u>	<u>274,058</u>	<u>291,716</u>	<u>291,716</u>
Cash Funds	294,370	274,058	291,716	291,716
Out-of-State Travel Expenses	<u>11,117</u>	<u>2,313</u>	<u>100,000</u>	<u>100,000</u>
Cash Funds	11,117	2,313	100,000	100,000
Senior Health Counseling Program	<u>507,838</u>	<u>507,838</u>	<u>509,000</u>	<u>509,000</u>
FTE	0.0	2.9	2.0	2.0
Federal Funds	507,838	507,838	509,000	509,000
Transfer to CAPCO Administration	<u>79,593</u>	<u>80,281</u>	<u>78,746</u>	<u>78,746</u>
Cash Funds	79,593	80,281	78,746	78,746
Indirect Cost Assessment	<u>613,227</u>	<u>537,612</u>	<u>631,572</u>	<u>628,115</u>
Cash Funds	613,227	537,612	575,187	571,730
Federal Funds	0	0	56,385	56,385

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
TOTAL - (6) Division of Insurance	7,268,214	6,962,424	7,336,754	7,647,367	4.2%
<i>FTE</i>	<u>77.8</u>	<u>80.6</u>	<u>84.9</u>	<u>87.8</u>	<u>3.4%</u>
Cash Funds	6,760,376	6,454,586	6,771,369	7,081,982	4.6%
Federal Funds	507,838	507,838	565,385	565,385	0.0%

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(7) PUBLIC UTILITIES COMMISSION

The Public Utilities Commission regulates the rates and services of fixed and transportation utilities in Colorado; and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, and the Disabled Telephone Users Program.

Personal Services	<u>8,323,065</u>	<u>8,055,031</u>	<u>8,673,610</u>	<u>8,673,610</u>	
FTE	88.1	89.6	95.0	95.0	
Cash Funds	8,323,065	8,055,031	8,673,610	8,673,610	
Operating Expenses	<u>430,361</u>	<u>420,792</u>	<u>445,689</u>	<u>445,689</u>	
Cash Funds	430,361	420,792	445,689	445,689	
Expert Testimony	<u>24,450</u>	<u>20,881</u>	<u>25,000</u>	<u>25,000</u>	
Cash Funds	24,450	20,881	25,000	25,000	
Disabled Telephone Users Fund Payments	<u>1,890,099</u>	<u>1,900,542</u>	<u>2,439,591</u>	<u>2,439,591</u>	
Cash Funds	1,890,099	1,900,542	2,439,591	2,439,591	
Transfer to Reading Services for the Blind Cash Fund	<u>250,000</u>	<u>250,000</u>	<u>350,000</u>	<u>350,000</u>	
Cash Funds	250,000	250,000	350,000	350,000	
Commission for the Deaf and Hard of Hearing Cash Fund	<u>910,190</u>	<u>900,534</u>	<u>980,328</u>	<u>980,328</u>	
Cash Funds	910,190	900,534	980,328	980,328	
Colorado Commission for Individuals who are Blind or Visually Impaired	<u>98,089</u>	<u>92,476</u>	<u>0</u>	<u>0</u>	
Cash Funds	98,089	92,476	0	0	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Low Income Telephone Assistance	<u>253,580</u>	<u>725,548</u>	<u>2,143,752</u>	<u>2,143,752</u>	
Cash Funds	253,580	725,548	2,143,752	2,143,752	
Colorado Bureau of Investigation Background Checks					
Pass-through	<u>66,795</u>	<u>38,157</u>	<u>104,377</u>	<u>104,377</u>	
Cash Funds	66,795	38,157	104,377	104,377	
Indirect Cost Assessment	<u>706,846</u>	<u>641,705</u>	<u>689,128</u>	<u>685,388</u>	
Cash Funds	706,846	641,705	658,347	654,607	
Federal Funds	0	0	30,781	30,781	
TOTAL - (7) Public Utilities Commission	12,953,475	13,045,666	15,851,475	15,847,735	(0.0%)
FTE	<u>88.1</u>	<u>89.6</u>	<u>95.0</u>	<u>95.0</u>	<u>0.0%</u>
Cash Funds	12,953,475	13,045,666	15,820,694	15,816,954	(0.0%)
Federal Funds	0	0	30,781	30,781	0.0%

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(8) DIVISION OF REAL ESTATE

The Division of Real Estate licenses real estate brokers, real estate appraisers, and mortgage brokers; and administers enforcement programs to ensure compliance with state and federal regulatory laws.

Personal Services	<u>2,744,215</u>	<u>2,670,742</u>	<u>3,293,470</u>	<u>3,384,429</u>	
FTE	45.4	45.3	46.9	48.9	
Cash Funds	2,744,215	2,670,742	3,293,470	3,384,429	
Operating Expenses	<u>181,370</u>	<u>138,920</u>	<u>219,546</u>	<u>221,446</u>	
Cash Funds	181,370	138,920	219,546	221,446	
Commission Meeting Costs	<u>30,472</u>	<u>29,097</u>	<u>38,836</u>	<u>38,836</u>	
Cash Funds	30,472	29,097	38,836	38,836	
Hearings Pursuant to Complaint	<u>1,808</u>	<u>0</u>	<u>4,000</u>	<u>4,000</u>	
Cash Funds	1,808	0	4,000	4,000	
Mortgage Broker Consumer Protection	<u>305,312</u>	<u>303,770</u>	<u>306,431</u>	<u>306,431</u>	
Cash Funds	305,312	303,770	306,431	306,431	
Indirect Cost Assessment	<u>352,365</u>	<u>331,962</u>	<u>325,015</u>	<u>323,090</u>	
Cash Funds	352,365	331,962	325,015	323,090	
TOTAL - (8) Division of Real Estate	3,615,542	3,474,491	4,187,298	4,278,232	2.2%
FTE	45.4	45.3	46.9	48.9	4.3%
Cash Funds	3,615,542	3,474,491	4,187,298	4,278,232	2.2%

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(9) DIVISION OF PROFESSIONS AND OCCUPATIONS

The Division of Professions and Occupations oversees boards and commissions that promulgate rules to ensure continued competency of regulated professionals; enforces laws; and takes action against individuals failing to follow laws and regulations.

Personal Services	<u>11,816,640</u>	<u>12,077,085</u>	<u>12,623,160</u>	<u>12,515,093</u>
FTE	183.6	181.4	185.6	185.6
Cash Funds	9,603,281	11,457,671	12,027,378	11,919,311
Reappropriated Funds	2,213,359	619,414	595,782	595,782
Operating Expenses	<u>1,284,616</u>	<u>1,417,936</u>	<u>1,410,425</u>	<u>1,391,098</u>
Cash Funds	1,284,616	1,417,936	1,410,425	1,391,098
Reappropriated Funds	0	0	0	0
Office of Expedited Settlement Program Costs	<u>349,130</u>	<u>350,988</u>	<u>361,397</u>	<u>361,397</u>
FTE	4.9	5.0	5.0	5.0
Cash Funds	349,130	350,988	361,397	361,397
Hearings Pursuant to Complaint	<u>256,617</u>	<u>257,530</u>	<u>307,075</u>	<u>307,075</u>
Cash Funds	256,617	257,530	307,075	307,075
Payments to Department of Health Care Policy and Financing	<u>14,652</u>	<u>14,652</u>	<u>14,652</u>	<u>14,652</u>
Cash Funds	14,652	14,652	14,652	14,652
Indirect Cost Assessment	<u>3,422,037</u>	<u>1,219,303</u>	<u>1,306,299</u>	<u>1,295,983</u>
Cash Funds	3,422,037	1,219,303	1,306,299	1,295,983
Reappropriated Funds	0	0	0	0

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TOTAL - (9) Division of Professions and Occupations	17,143,692	15,337,494	16,023,008	15,885,298	(0.9%)
<i>FTE</i>	<u>188.5</u>	<u>186.4</u>	<u>190.6</u>	<u>190.6</u>	<u>(0.0%)</u>
Cash Funds	14,930,333	14,718,080	15,427,226	15,289,516	(0.9%)
Reappropriated Funds	2,213,359	619,414	595,782	595,782	0.0%

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(10) DIVISION OF SECURITIES

The Division of Securities monitors the conduct of Colorado broker-dealers and sales representatives; and investigates citizen complaints and other indications of investment fraud. The Division is funded by the Division of Securities Cash Fund pursuant to section 11-51-707 (2), C.R.S.

Personal Services	<u>1,804,415</u>	<u>2,084,691</u>	<u>2,136,379</u>	<u>2,136,379</u>	
FTE	21.3	23.1	24.0	24.0	
Cash Funds	1,804,415	2,084,691	2,136,379	2,136,379	
Operating Expenses	<u>52,921</u>	<u>72,322</u>	<u>58,999</u>	<u>58,999</u>	
Cash Funds	52,921	72,322	58,999	58,999	
Hearings Pursuant to Complaint	<u>19,371</u>	<u>17,100</u>	<u>19,594</u>	<u>19,594</u>	
Cash Funds	19,371	17,100	19,594	19,594	
Board Meeting Costs	<u>4,182</u>	<u>2,071</u>	<u>4,500</u>	<u>4,500</u>	
Cash Funds	4,182	2,071	4,500	4,500	
Securities Fraud Prosecution	<u>493,081</u>	<u>720,637</u>	<u>718,835</u>	<u>718,835</u>	
Cash Funds	493,081	720,637	718,835	718,835	
Indirect Cost Assessment	<u>160,809</u>	<u>165,028</u>	<u>166,319</u>	<u>165,376</u>	
Cash Funds	160,809	165,028	166,319	165,376	
TOTAL - (10) Division of Securities	2,534,779	3,061,849	3,104,626	3,103,683	(0.0%)
FTE	<u>21.3</u>	<u>23.1</u>	<u>24.0</u>	<u>24.0</u>	0.0%
Cash Funds	2,534,779	3,061,849	3,104,626	3,103,683	(0.0%)

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TOTAL - Department of Regulatory Agencies	71,754,031	71,420,054	78,558,839	81,166,414	3.3%
<i>FTE</i>	<u>530.8</u>	<u>535.3</u>	<u>557.9</u>	<u>562.8</u>	<u>0.9%</u>
General Fund	1,457,882	1,591,934	1,714,111	1,777,317	3.7%
Cash Funds	62,686,356	64,502,649	71,265,174	73,661,623	3.4%
Reappropriated Funds	6,677,942	4,150,271	4,265,351	4,368,294	2.4%
Federal Funds	931,851	1,175,200	1,314,203	1,359,180	3.4%

Appendix B:

Recent Legislation Affecting Department Budget

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$826,773 total funds, of which \$24,058 is General Fund, \$749,724 is cash funds, \$47,038 is reappropriated funds, and \$5,953 is federal funds.

S.B. 11-088: Continues the regulation of direct-entry midwives in the Division of Registrations until September 1, 2016, and implements changes recommended in the 2010 sunset review. Broadens the scope of practice for direct-entry midwives to include limited prescriptive authority to obtain and administer vitamin K, immune globulin and antihemorrhagic drugs, and authorizes the administration of intravenous fluids. Expands the mandatory disclosures for direct-entry midwives to address the new authorities, informed consent, and emergency procedures. Clarifies the distinction between serious and less serious violations, and requires the director of the division to establish a fine schedule and the circumstances under which fines may be imposed. Appropriates \$5,859 cash funds to the Department of Regulatory Agencies and reappropriates \$4,109 to the Department of Law for the provision of legal services.

S.B. 11-091: Continues the State Board of Veterinary Medicine and its functions until September 1, 2022. Creates an exemption to the veterinarian-client-patient relationship (VCPR) for the purpose of dispensing prescription drugs and modifies the definition of the VCPR to allow for emergency coverage by another veterinarian. Allows veterinarians to establish professional service corporations under statutory guidelines, and directs the Board to develop a uniform system and schedule of fines for violations. Modifies the grounds for discipline, and imposes a two-year waiting period for a veterinarian whose license was revoked to reapply for licensure. Exempts the practice of animal physical therapy by a licensed physical therapist from the licensing requirements of the Colorado Veterinary Practice Act. Requires all veterinary clinics to have a Colorado-licensed veterinarian designated as responsible for all veterinary medical decisions and care provided to a patient present in the facility. Subjects a corporate veterinary practice that fails to do so to a fine. Allows an unlicensed person to assist in a surgical procedure if the person is under the immediate supervision of a licensed veterinarian. Appropriates \$12,075 cash funds to the Department of Regulatory Agencies and reappropriates \$4,402 to the Department of Law for the provision of legal services.

S.B. 11-094: Implements the recommendations of the 2010 sunset review of the Colorado State Board of Optometric Examiners and continues the functions of the board until September 1,

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2022. Appropriates \$5,452 cash funds to the Department of Regulatory Agencies and reappropriates \$4,410 to the Department of Law for the provision of legal services.

S.B. 11-128: Requires all insurance carriers selling individual health benefit plans in Colorado to provide at least one child-only health benefit plan for children up to age 19, without regard to preexisting conditions, during two specified month-long enrollment periods per year. Specifies when the first enrollment must occur and time periods of subsequent enrollment. Requires insurance carriers to give notice of the open enrollment opportunities, instructions for enrolling, a link to the public programs administered by the Department of Health Care Policy and Financing on their website. Requires the Commissioner of Insurance to collect information about the number of applicants for a child-only plan, the number enrolled, the number of applicants denied enrollment, and the reasons for the denials in conjunction with the annual Health Cost Report Survey. Provides an informational only appropriation of \$5,455 federal funds to the Division of Insurance, and reappropriates \$2,935 to the Department of Law for the provision of legal services.

S.B. 11-169: Implements the recommendations in the 2010 sunset review of the regulation of physical therapists, and continues the regulatory program until 2018. Creates the State Physical Therapy Board, a new certification program for assistants to physical therapists, and establishes requirements for physical therapists to demonstrate continued competency. Appropriates \$101,814 cash funds and 1.4 FTE to the Division of Registrations, and \$62,566 to the Executive Director's Office. Reappropriates \$23,680 to the Governor's Office of Information Technology for the provision of information technology services, and \$38,886 to the Department of Law for the provision of legal services.

S.B. 11-187: Continues the State Boards of Psychologist Examiners, Social Work Examiners, Marriage and Family Therapist Examiners, Licensed Professional Counselor Examiners, and the State Grievance Board and implements recommendations from the 2010 sunset review. Creates the State Board of Addiction Counselor Examiners and eliminates the regulatory authority of the director of the Division of Registrations over addiction counselors. Establishes a new sunset date of September 1, 2020, for these oversight boards. Appropriates \$261,540 cash funds and 3.4 FTE to the Division of Registrations, and \$271,088 to the Executive Director's Office. Reappropriates \$176,088 to the Department of Law for the provision of legal services

S.B. 11-192: Continues the Prescription Drug Monitoring Program (PDMP), and clarifies that only prescriptions that have been dispensed are to be tracked, repeals the prescription controlled substance abuse monitoring advisory committee, and makes changes to the administration of the program. Expands access to the PDMP to law enforcement officials and regulatory boards in the Department of Regulatory Agencies. Requires physicians and pharmacies to disclose to the patient that their information will be entered into the PDMP database. Appropriates \$50,326 cash funds and 1.0 FTE to the Division of Registrations.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1033: Eliminates the requirement for property and casualty insurance companies to file an annual schedule of their aggregate Colorado claims data with the Division of Insurance in the

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Department of Regulatory Agencies. Reduces the appropriation to the Division of Insurance by \$5,333 cash funds.

H.B. 11-1100: Requires the Division of Registrations in the Department of Regulatory Agencies to accept an applicant's education, training, or service completed while a member of the armed services towards the qualifications to receive a professional license or certification. Appropriates \$94,388 cash funds to the Department of Regulatory Agencies, and reappropriates \$34,484 along with 0.4 FTE to the Department of Law for the provision of legal services.

H.B. 11-1195: Creates a voluntary license for private investigators in Colorado. Establishes licensure requirements and grounds for discipline. Appropriates \$82,533 cash funds and 1.0 FTE to the Department of Regulatory Agencies, and reappropriates \$7,337 to the Department of Law for the provision of legal services. Appropriates \$19,750 cash funds to the Department of Public Safety for background checks.

H.B. 11-1300: Authorizes the use of an expedited process for resolving disputed claims over conservation easement tax credits with certain provisions. Modifies the aggregate cap for claims for conservation easements that was a part of H.B. 10-1197. Appropriates \$12,112 cash funds from the Conservation Easement Holder Certification Fund to the Department of Regulatory Agencies and reappropriates \$2,352 to the Department of Law for the provision of legal services. For additional information on H.B. 11-1300, see the "Recent Legislation" section at the end of the Department of Revenue.

2012 Session Bills

H.B. 12-1052: Requires the Department of Regulatory Agencies to request health care workforce data from certain health care professionals when receiving their initial or renewal license applications beginning on or before July 1, 2013. Appropriates \$36,475 cash funds from the Division of Registrations Cash Fund and reappropriates \$35,520 to the Governor's Office of Information Technology for the provision of programming services for FY 2012-13.

H.B. 12-1055: Renames the Division of Registrations in the Department of Regulatory Agencies as the Division of Professions and Occupations and renames the Division of Registrations Cash Fund as the Division of Professions and Occupations Cash Fund, effective August 8, 2012.

H.B. 12-1110: Redefines appraisal management company (AMC), establishes a licensure program for AMCs in the Division of Real Estate in the Department of Regulatory Agencies, and modifies the composition of the Board of Real Estate Appraisers to include a representative of an AMC. While the bill appropriates \$265,104 cash funds and 2.0 FTE from the Division of Real Estate Cash Fund, reappropriates \$62,839 and 0.5 FTE to the Department of Law for the provision of 830 hours of legal services, and appropriates \$23,700 from the CBI Identification Unit Cash Fund to the Department of Public Safety for fingerprint-based criminal history checks for FY 2012-13, the effective date of the bill is July 1, 2013 (FY 2013-14), effectively nullifying the appropriation for FY 2012-13.

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H.B. 12-1196: Supplemental appropriation to the Department of Regulatory Agencies for FY 2011-12.

H.B. 12-1215: Conforms state law to the federal Non-admitted and Reinsurance Reform Act of 2010 that allows the Division of Insurance in the Department of Regulatory Agencies to collect all possible premium taxes on multi-state insurance policies, enables the Division to collect premium taxes on surplus lines insurance more than once annually, and gives the Commissioner of Insurance the authority to enter into multi-state compacts to manage, collect, and distribute premium taxes.

H.B. 12-1266: Continues the licensing of surety bail bond agents as property and casualty insurance providers and strikes all references to bail bond agents in Title 12 of the Colorado Revised Statutes and reestablishes regulatory oversight of the profession in the Division of Insurance in the Department of Regulatory Agencies in a new article in Title 10 of the Colorado Revised Statutes. Decreases the FY 2012-13 Long Bill appropriation for the Division of Insurance by 0.1 FTE and \$3,930 from the Division of Insurance Cash Fund.

H.B. 12-1300: Implements the recommendations from the Department of Regulatory Agencies 2011 Sunset Review and extends the functions of professional review committees under the Colorado Professional Review Act until September 1, 2019. Appropriates \$9,175 cash funds from the Division of Registrations Cash Fund to the Division of Registrations in the Department of Regulatory Agencies and reappropriates \$2,271 to the Department of Law for the provision of 30 hours of legal services for FY 2012-13.

H.B. 12-1303: Enacts the Speech-Language Pathology Practice Act and requires that the Division of Registrations in the Department of Regulatory Agencies create a certification program for speech-language pathologists. Appropriates 1.1 FTE and \$111,148 cash funds from the Division of Registrations Cash Fund, reappropriates \$16,656 and 0.1 FTE to the Department of Law for the provision of 220 hours of legal services, and reappropriates \$1,184 to the Governor's Office of Information Technology for the provision of technical assistance for FY 2012-13.

H.B. 12-1311: Continues the Colorado State Board of Pharmacy in the Department of Regulatory Agencies, continues the regulation of the practice of pharmacy through September 21, 2021, recodifies and relocates statutes regulating the practice of pharmacy and statutes pertaining to the licensing of addiction programs by the Department of Human Services. Appropriates 1.0 FTE and \$225,108 cash funds from the Division of Registrations Cash Fund and reappropriates \$23,092 to the Department of Law for the provision of 305 hours of legal services for FY 2012-13.

H.B. 12-1327: Repeals the requirement that a towing carrier maintain a \$50,000 surety bond to pay civil penalties assessed by the Public Utilities Commission in the Department of Regulatory Agencies and provides for the immediate revocation of the towing carrier's operating authority, a five-year prohibition on reapplying for a new authority, and a five-year disqualification from the same for principals connected to the towing carrier for failure to pay a fine or civil penalty. Requires towing carriers to purchase and display tow truck license plates created in the bill,

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beginning January 1, 2013. Appropriates \$11,840 from the License Plate Cash Fund and \$12,210 from the Colorado State Titling and Registration Account in the Highway Users Tax Fund to the Department of Revenue and reappropriates \$12,210 to the Governor's Office of Information Technology for provision of programming for FY 2012-13.

H.B. 12-1332: Adds anesthesiologist assistants to the Medical Practices Act, Article 36 of Title 12 of the Colorado Revised Statutes, effective July 1, 2013, requires that they be licensed by the Colorado Medical Board in the Department of Regulatory Agencies to practice in Colorado.

H.B. 12-1335: General appropriations act for FY 2012-13.

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes

There were no Long Bill footnotes for FY 2011-12 for the Department of Regulatory Agencies.

Requests for Information

5. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2011 information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2010-11. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2011-12.

Response: Although no permanent FTE have been added using federal grants, several temporary federal grants involving temporary FTE have been continued since the date of the last RFI request for this information. All of these grants are one-time in nature and none have associated cash funded FTE. These grants and funding amounts are listed as follows:

Appendix D: Indirect Cost Assessment Methodology

Description of Indirect Cost Assessment Methodology

The Department of Regulatory Agencies indirect cost assessment methodology is calculated based on four steps or components:

1. The *Indirect Cost Assessment Percentage by Division FTE*;
2. The *Federal Funded Share of Indirects*;
3. The *Indirect Cost Recovery Pool* (indirect costs to recover); and
4. The *Indirect Cost Assessment Base* (indirect cost assessments by division and fund source).

1. The *Indirect Cost Assessment Percentage by Division FTE* is the proportion of indirect cost assessments paid by each division based on FTE. Proportions are defined separately for statewide indirects and departmental indirects because the Civil Rights Division is General Funded and therefore not included for payment of statewide indirects, and federal funded FTE in the Divisions of Civil Rights and Insurance are calculated for the federal fund share of indirect cost assessments based on the federal fund indirect collectible rate. **Table 1** summarizes the department’s *Indirect Cost Assessment Percentage by Division FTE* for statewide and departmental indirects.

Table 1: Department of Regulatory Agencies Indirect Cost Assessment Percentage by Division FTE				
Division	Statewide		Departmental	
	FTE	Percentage	FTE	Percentage
Banking	40.0	8.04%	40.0	7.72%
Civil Rights	0.0	0.00%	20.4	3.94%
OCC	7.0	1.41%	7.0	1.35%
Financial Services	13.0	2.61%	13.0	2.51%
Insurance	83.0	16.69%	83.0	16.03%
Professions and Occup.	188.5	37.90%	188.5	36.40%
PUC	95.0	19.10%	95.0	18.35%
Real Estate	46.9	9.43%	46.9	9.06%
Securities	24.0	4.83%	24.0	4.63%
FTE assessed indirects	497.4	100.00%	517.8	100.00%
FTE not assessed indirects				
Civil Rights – GF	20.4		0.0	
Civil Rights – FF	6.6		6.6	
Insurance – FF	2.0		2.0	
Executive Director's Office	29.5		29.5	
Department Total FTE	555.9		555.9	

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2. The *Federal Funded Share of Indirects* is the calculation of the federal funded share based on the Department's, federally-allowed, indirect collectible rate of 15.6 percent. The statewide share is calculated as the proportion of the statewide indirect total relative to the sum of statewide indirects and the Executive Director's Office (EDO) personal services. **Table 2** summarizes the department's *Federal Funded Share of Indirects* for statewide and departmental indirects.

Table 2: Department of Regulatory Agencies – Federal Funded Share of Indirects				
Indirect Collectible Rate*	15.6%			
Statewide Indirects Total	\$ 304,520			
EDO Personal Services**	2,210,623			
Statewide Indirects plus EDO Personal Services	\$ 2,515,143			
Statewide Indirects Share Percentage**	12.1%			
Division	Personal Services	Indirects Collectible	Statewide Share	Departmental Share
Civil Rights	\$ 355,512	\$ 55,460	\$ 6,715	\$ 48,745
Insurance	361,440	56,385	6,827	49,558
Public Utilities Commission	197,316	30,781	3,727	27,054
Total		\$ 142,626	\$ 17,268	\$ 125,357
*Indirect Collectible Rate is calculated at 15.6 percent on base personal services.				
**The statewide indirects share percentage is calculated using only base personal services.				

3. The *Indirect Cost Recovery Pool* (indirect costs to recover) are indirect costs to be recovered by the Department and is comprised of statewide indirects and departmental indirects from the EDO excluding Sunset Office appropriations. The Sunset Office is excluded from overhead costs as it is a cash-funded, *program* office located within the EDO. The Department calculates the departmental indirect costs to recover using same budget year appropriations for the EDO that include personal services and the EDO share of common policy line items and operating expenses. The Indirect Cost Recovery Pool is reduced by the federal funded share calculated in Table 2, and then is further reduced by a Civil Rights Division General Fund offset because the Division is funded using statewide indirect cost recoveries, and avoids having this funding source pay for departmental indirects. The Civil Rights Division offset is calculated as the product of the departmental percentage from Table 1 – 3.94 percent – and the departmental indirects total after the federal share – \$3,289,305. **Table 3a** summarizes the *Indirect Cost Recovery Pool*, including the federal fund share and the Civil Rights Division General Fund offset. **Table 3b**, *Departmental Indirect Costs to Recover*, outlines which line items are included in the departmental *Indirect Cost Recovery Pool*.

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Table 3a: Department of Regulatory Agencies – Indirect Cost Recovery Pool					
	Indirect Costs	Federal Share	Indirects After Federal Share	Civil Rights GF Offset*	Cash Fund Indirects Remaining
Statewide	\$ 304,520	\$ 17,268	\$ 287,252	\$ -	\$ 287,252
Departmental	3,414,662	125,357	3,289,305	(129,590)	3,159,714
Total	\$ 3,719,182	\$ 142,626	\$ 3,576,556	\$ (129,590)	\$ 3,446,966

*Civil Rights GF Offset equals the product of the departmental percentage and departmental indirects after the federal share. This offset is included in the calculation because the Division is funded by this amount of statewide indirect cost recoveries, and avoids having this funding source pay for departmental indirects.

Table 3b: Department of Regulatory Agencies Departmental Indirect Costs to Recover	
Executive Director's Office	
Personal Services	\$ 2,210,623
Health, Life and Dental	161,670
Short-term Disability	3,432
AED	62,041
SAED	53,316
Workers' Compensation	2,382
Operating Expenses	111,228
Legal Services	44,670
Risk Management	4,391
IT Asset Management	190,757
Leased Space	356,190
Hardware/Software Maintenance	258,602
EDO Subtotal	3,459,302
Sunset Office (non-DORA overhead)	(44,640)
Total Departmental Indirect Costs to Recover	\$ 3,414,662

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4. The *Indirect Cost Assessment Base* is the calculation of indirect assessments by division and fund source and is based on the federal shares calculated in Table 2 and the product of the percentages by division FTE calculated in Table 1 and the cash fund indirects remaining in Table 3a. **Table 4** summarizes the department’s *Indirect Cost Assessment Base*.

Table 4: Department of Regulatory Agencies – Indirect Cost Assessment Base							
Indirect Assessments by Division and Fund Source							
Division	Statewide		Departmental		Subtotal by Fund		Total
	CF	FF	CF	FF	CF	FF	
Banking	\$ 23,100	\$ 0	\$ 244,088	\$ 0	\$ 267,188	\$ 0	\$ 267,188
Civil Rights	-	6,715	124,485	48,745	124,485	55,460	179,945
OCC	4,043		42,715		46,758	-	46,758
Financial Services	7,508		79,328		86,836	-	86,836
Insurance	47,933	6,827	506,482	49,558	554,415	56,385	610,799
Professions and Occupations	108,860		1,150,263		1,259,123	-	1,259,123
PUC	54,863	3,727	579,708	27,054	634,571	30,781	665,353
Real Estate	27,085		286,193		313,278	-	313,278
Securities	13,860		146,453		160,313	-	160,313
Total	\$ 287,252	\$ 17,268	\$ 3,159,714	\$ 125,357	\$3,446,966	\$ 142,626	\$3,589,592

FY 2013-14 Indirect Cost Assessment Request

For FY 2013-14 the Department's budget request included adjustments based on the statewide indirect cost plan, but does not include adjustments for departmental indirects, therefore a table showing the FY 2013-14 indirect cost assessment adjustments based on the November 1 request is not included.

Appendix E: Change Requests' Relationship to Performance Measures

The Department of Regulatory Agencies did not submit any change requests.

Change Requests' Relationship to Performance Measures			
R	Change Request Description	Goals / Objectives	Performance Measures