

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2010-11

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
FY 2010-11 SUPPLEMENTAL RECOMMENDATIONS
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

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Prioritized Supplementals

**Supplemental Request, Department Priority #1
 Bank Examination Travel Costs**

	Request	Recommendation
Total - Cash Funds	\$0	\$0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made.</i>	

Department Request: The Department requests \$73,845 cash funds from the Division of Banking Cash Fund be transferred from the Division of Banking personal services line item to the Division of Banking operating expenses line item for increased travel expenses related to banking examinations. This request has a net zero impact.

Staff Recommendation: Staff recommends the Committee approve the Department's request.

Staff Analysis: As the health of the national and state banking industry continues to decline, the number of state regulated banking institutions with a subpar rating continues to increase. Both the Colorado Division of Banking and the Federal Deposit Insurance Corporation made the administrative decision, effective July 2010, to have banking examiners be on-site for the full bank examination. Prior to July 2010, banking examiners spent an average of one week at the banking institution and one week in the Division office completing the examination. This decision has resulted in increased travel expenses (hotel, per diem, and mileage) for banking examiners who now spend on average two full weeks at the banking institution for the entire duration of the examination.

Staff believes it is important for the Division to have adequate resources to fully perform examinations, because examinations have the ability to identify and prevent possible bank failures. The funds are available in the personal services line item due to vacancy savings resulting from examiner turnover in FY 2010-11.

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Non-Prioritized Supplementals

**JBC Staff Initiated Supplemental
 House Bill 10-1141 Correction**

	Request	Recommendation
Total	\$0	\$0
FTE	0.0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
This supplemental is the result of a technical error in calculating the original appropriation was made.	

Department Request: The Department has not requested this supplemental.

Staff Recommendation: Staff recommends that the Committee increase the appropriation to the Division of Real Estate, personal services line item by \$15,782 cash funds from the Mortgage Company and Loan Originator Licensing Cash Fund and decrease the appropriation to the Division of Registrations personal services line item by \$15,782 cash funds from the Mortgage Company and Loan Originator Licensing Cash Funds.

Staff Analysis: A technical error was made in the appropriation clause of H.B. 10-1141 Mortgage Company Registration (Carroll T./Tochtrop) which as passed, appropriated money to the Division of Registrations. The appropriation should have been to the Division of Real Estate. This supplemental has a net zero impact, and makes a technical correction.

Statewide One Percent Across the Board General Fund Personal Services Reduction

	Request	Recommendation
Total	<u>(\$12,945)</u>	<u>\$0</u>
General Fund	(9,535)	0
Reappropriated Funds	(3,410)	0

Department Request: The Department requests a 1.0 percent reduction to the General Fund portion of it's personal services appropriations for FY 2010-11. The following table details the request:

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One Percent Across the Board General Fund Personal Services Reduction						
Division, Line Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
(1) Executive Director's Office						
Personal Services	(80)	(80)	0	0	0	0.0
(3) Civil Rights Division						
Personal Services	(12,431)	(9,455)	0	(2,976)	0	0.0
(9) Division of Registrations						
Personal Services	(434)		0	(434)	0	0.0
Total	(\$12,945)	(\$9,535)	\$0	(\$3,410)	\$0	0.0

Staff Recommendation: The staff does not recommended this request for two reasons:

- ▶ The Civil Rights Division (Division) has an agreement with the federal Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development regarding the number of cases the Division will investigate in order to receive federal funds. The General Fund reductions taken in the Division prior to this supplemental have reduced the Division's General Fund appropriation to a point where the Division's ability to investigate a sufficient number of cases per the agreement with the federal government is in jeopardy. Staff believes that if the General Assembly wants to reduce the General Fund appropriation to the Division, the General Assembly needs to make a specific cut and not a general reduction.
- ▶ The General Fund appropriation to the Executive Director's Office is for the costs of statutorily required sunset reviews of programs in other state departments. If the General Assembly wants to reduce the General Fund in this line, the General Assembly should consider eliminating one of the sunset reviews and not take a general reduction to this line item.

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Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Annual Fleet Vehicle Replacement	(\$36,137)	\$0	(\$36,137)	\$0	\$0	0.0
Printing of Statewide Warrants and Mainframe Documents	2,133	46	2,008	76	3	0.0
Department's Total Statewide Supplemental Requests	(\$34,004)	\$46	(\$34,129)	\$76	\$3	0.0

Staff Recommendation: The staff recommendation for these requests is pending Committee approval of common policy supplementals. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee approves common policy supplementals.** If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

	FY 2009-10	FY 2010-11	Fiscal Year 2010-11 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF REGULATORY AGENCIES					
Executive Director - Barbara Kelley					
Supplemental #1 - Bank Examination Travel Costs					
<i>(2) Division of Banking</i>					
Personal Services - CF	2,959,494	3,313,571	(73,845)	(73,845)	3,239,726
Operating Expenses - CF	415,450	390,313	73,845	73,845	464,158
Total for Supplemental #1 - CF	3,374,944	3,703,884	0	0	3,703,884
JBC Staff Initiated Supplemental - House Bill 10-1141 Correction					
<i>(7) Division of Real Estate</i>					
Personal Services - CF	2,692,133	3,311,110	0	15,782	3,326,892
<i>(8) Division of Registrations</i>					
Personal Services	<u>10,919,756</u>	<u>11,853,388</u>	<u>0</u>	<u>(15,782)</u>	<u>11,837,606</u>
Cash Funds	9,307,088	9,640,029	0	(15,782)	9,624,247
Reappropriated Funds	1,612,668	2,213,359	0	0	2,213,359
Total for JBC Staff Initiated Supplemental	<u>13,611,889</u>	<u>15,164,498</u>	<u>0</u>	<u>0</u>	<u>15,164,498</u>
Cash Funds	11,999,221	12,951,139	0	0	12,951,139
Reappropriated Funds	1,612,668	2,213,359	0	0	2,213,359

	FY 2009-10	FY 2010-11	Fiscal Year 2010-11 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals Excluding Pending Items					
DEPARTMENT OF REGULATORY AGENCIES					
Totals for ALL Departmental line items	73,996,242	77,770,070	0	0	77,770,070
FTE	<u>531.9</u>	<u>578.4</u>	<u>0.0</u>	<u>0.0</u>	<u>578.4</u>
General Fund	1,457,250	1,510,435	0	0	1,510,435
Cash Funds	63,505,442	68,203,204	0	0	68,203,204
Reappropriated Funds	7,751,200	6,825,033	0	0	6,825,033
Federal Funds	1,282,350	1,231,398	0	0	1,231,398
Statewide One Percent Across the Board General Fund Personal Services Reduction (see narrative for more detail)					
Total - Various Line Items	N.A.	15,690,717	(12,945)	0	15,690,717
FTE		<u>243.3</u>	<u>0.0</u>	<u>0.0</u>	<u>243.3</u>
General Fund		953,538	(9,535)	0	953,538
Cash Funds		9,653,029	0		9,653,029
Reappropriated Funds		4,736,448	(3,410)	0	4,736,448
Federal Funds		347,702	0	0	347,702
Statewide Common Policy Supplementals (see narrative for more detail)					
	N.A.	N.A.	<u>(34,004)</u>	<u>Pending</u>	N.A.
General Fund			46		
Cash Funds			(34,129)		
Reappropriated Funds			76		
Federal Funds			3		

	FY 2009-10	FY 2010-11	Fiscal Year 2010-11 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals Including Pending Items					
DEPARTMENT OF REGULATORY AGENCIES					
Totals for ALL Departmental line items	73,996,242	77,770,070	(46,949)	0	77,770,070
FTE	<u>531.9</u>	<u>578.4</u>	<u>0.0</u>	<u>0.0</u>	<u>578.4</u>
General Fund	1,457,250	1,510,435	(9,489)	0	1,510,435
Cash Funds	63,505,442	68,203,204	(34,129)	0	68,203,204
Reappropriated Funds	7,751,200	6,825,033	(3,334)	0	6,825,033
Federal Funds	1,282,350	1,231,398	3	0	1,231,398

Key: N.A. = Not Applicable or Not Available