

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2017-18

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 of Regulatory Agencies (DORA) is responsible for consumer protection carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through over 40 boards, commissions, and advisory committees across more than 50 professions, occupations, programs, and institutions. The Department is organized in the following 10 predominantly cash-funded divisions: (1) Executive Director's Office; (2) Banking; (3) Civil Rights; (4) Consumer Counsel; (5) Financial Services; (6) Insurance; (7) Public Utilities Commission; (8) Real Estate; (9) Professions and Occupations; and (10) Securities.

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF REGULATORY AGENCIES: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$99,104,340	\$1,844,627	\$90,930,685	\$5,060,383	\$1,268,645	572.5
Other legislation	93,897	0	93,897	0	0	0.6
CURRENT FY 2017-18 APPROPRIATION	\$99,198,237	\$1,844,627	\$91,024,582	\$5,060,383	\$1,268,645	573.1
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$99,198,237	1,844,627	\$91,024,582	\$5,060,383	\$1,268,645	573.1
S1 Adjust legal services funding split	0	0	161,502	0	(161,502)	0.0
NP Fleet Supplemental	23,320	0	23,320	0	0	0.0
JBC staff initiated change reading services	350,000	0	350,000	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$99,571,557	\$1,844,627	\$91,559,404	\$5,060,383	\$1,107,143	573.1
RECOMMENDED INCREASE/(DECREASE)	\$373,320	\$0	\$534,822	\$0	(\$161,502)	0.0
Percentage Change	0.4%	0.0%	0.6%	0.0%	(12.7%)	0.0%
FY 2017-18 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$350,000)	\$0	(\$350,000)	\$0	\$0	0.0

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 ADJUST LEGAL SERVICES FUNDING SPLIT: The request includes a net zero funding change, with an increase of \$161,502 in cash fund spending authority and a decrease of \$161,502 federal funds. The recommendation is an increase of \$161,502 cash fund spending authority and a decrease of \$161,502 federal funds.

NP FLEET SUPPLEMENTAL: The request includes an increase of \$23,320 cash fund spending authority for a fleet supplemental. The recommendation is an increase of \$23,320 cash fund spending authority.

JBC STAFF INITIATED CHANGE READING SERVICES: The JBC staff initiated change includes an increase of \$350,000 cash fund spending authority from the Telephone Users with Disabilities Fund. This increase would allow expansion of reading services and audio services for the blind.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 ADJUST LEGAL SERVICES FUNDING SPLIT

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
FTE	0.0	0.0
General Fund	0	0
Cash Funds	161,502	161,502
Federal Funds	(161,502)	(161,502)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[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.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests a fund split adjustment that results in a net zero difference in total funds. The request includes an increase of \$161,502 cash fund spending authority and a decrease of \$161,502 federal funds. These funds would be used in the Equal Opportunity Commission within the Civil Rights Division.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the fund split adjustment with an increase of \$161,502 cash fund spending authority and a decrease of \$161,502 federal funds.

STAFF ANALYSIS: The supplemental budget request discusses the need to reduce the burden on federal grants for legal services. The problem arises from the difference in the legal appropriation and the actual legal services needed. The annual appropriation for legal services is billed by the Department of Law in monthly increments. The Equal Opportunity Commission, within the Civil Rights Division, does not have as many legal service needs as projected. This led to actual costs of nearly \$7,000 and appropriated costs of roughly \$170,000.

Contained in the chart below, which was submitted by the Department as part of the supplemental request, is a breakdown of the Division costs. Nine of DORA's ten Divisions have an effective billing rate of \$106.52. The nine Divisions that have this rate are accruing actual hours close to the projected hours. The tenth Division, the Civil Rights Division, has a billing rate of \$2,610.47. This Division has not accrued actual hours close to the projected hours. However, having less actual hours than projected does not reduced the share of the Division's responsibility for legal services.

Division/Program	Dollars Charged YTD	Hours Billed YTD	Effective Rate
DORA - Office of Consumer Counsel	\$243,936	2,290.0	\$ 106.52
DORA - Division of Banking	\$20,293	190.5	\$ 106.52
DORA - Division of Financial Services	\$3,643	34.2	\$ 106.52
DORA - Division of Insurance	\$291,609	2,737.5	\$ 106.52
DORA - Division of Professions and Occupations	\$1,289,793	12,108.2	\$ 106.52
DORA - Division of Real Estate	\$257,092	2,413.5	\$ 106.52
DORA - Division of Securities	\$405,711	3,808.7	\$ 106.52
DORA - Executive Director	\$32,131	301.6	\$ 106.52
DORA - Public Utilities Commission	\$698,797	6,560.1	\$ 106.52
	\$3,307,149	30,444.4	\$ 106.52
Federal Grants (EEOC Grant in CCRD)	\$56,125	21.5	\$ 2,610.47

If unchanged, the result would leave the Commission paying for legal services from federal grants at an hourly legal rate of approximately \$2,600. As this would not be considered reasonable expenses for the grants, the cost of the appropriation would need to be divided across cash funds in the Department. If the request/recommendation were approved, the grant and the Department as a whole would pay the hourly rate of \$106.52.

STAFF-INITIATED SUPPLEMENTAL REQUESTS

STAFF-INITIATED: CHANGE READING SERVICES

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$350,000
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	350,000
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[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.]

Explanation: JBC staff believes this request falls within the supplemental criteria of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department did not request an increase for the line item *Transfer Reading Services for the Blind Cash Fund*. However, the Department is aware of staff's recommendation.

STAFF RECOMMENDATION: Staff recommends that the Committee increase the line item for *Transfer Reading Services for the Blind Cash Fund* by \$350,000 cash fund spending authority in FY 2017-18. The funding split for this increase would be \$290,000 to the Audio Information Network (AIN) program and \$60,000 to the National Federation of the Blind of Colorado (NFBCO). This annualizes to \$150,000 cash fund spending authority for FY 2018-19 and beyond, which is divided with \$90,000 appropriated to AIN and \$60,000 appropriated to the NFBCO. Staff also recommends approval in the corresponding line item in the Department of Education's budget for an increase of \$350,000 reappropriated funds in FY 2017-18 and \$150,000 in FY 2018-19 and beyond.

STAFF ANALYSIS: The supplemental budget request is for cash fund spending authority to increase services for two programs for the visually impaired. These programs are The National Federation of the Blind of Colorado and the Audio Information Network. AIN provides resources for blind, visually impaired and print-disabled individuals. This is done by providing free access to recorded programming, which is available 24 hours a day, 7 days a week. The programs can be accessed online, through television, through telephones, and downloaded. The programs include recorded content from over 100 newspapers and magazine articles. NFBCO is a nonprofit in Colorado that provides advocacy and support to blind and visually impaired individuals. NFBCO provides community based forums for these individuals to interact and work on issues important to the community.

The AIN program would use the funding to upgrade technology, which would enhance the ability of the program to perform its core functions and allow it to realize efficiencies in its operations. The program would also use the funding to accommodate growth to better execute its core functions. The NFBCO program would use the funding to increase the number of individuals it is able to serve throughout the state.

The budgetary line item for the program is contained in the Public Utilities Commission, within the Department of Regulatory Agencies. The funds are then reappropriated to the Department of Education. Once in the Department of Education, the funds are transferred to the two programs discussed above. The funding for this line item is from the Telephone Users with Disabilities Fund. This funding receives its revenue from a \$0.05 charge on phone line service. The fund has the ability to sustain this request for FY 2017-18, FY 2018-19, and beyond without raising the charge on phone lines service.

The services described above can be found at the following locations:

Audio Information Network

<http://www.aincolorado.org>

Broadcast Guides

<http://www.aincolorado.org/boulder-metro-denver-northern-colorado-area-broadcast-guide>

Streaming info

Metro Denver, Boulder, Northern and Eastern Colorado <http://www.aincolorado.org/stream/denver>

Colorado Springs, Pueblo, Canon City, Southern and Southeastern Colorado [http://](http://www.aincolorado.org/stream/springs)

www.aincolorado.org/stream/springs

Grand Junction and Western Slope <http://www.aincolorado.org/stream/junction>

Telephone IOD information

<http://www.aincolorado.org/listen/telephone-iod>

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and the JBC will act on the bulk of 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
Fleet Supplemental	\$23,320	\$0	\$23,320	\$0	\$0	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	\$23.320	\$0	\$0	\$0	\$0	0.0

STAFF RECOMMENDATION: Regardless of what the common policy analyst recommends on January 18th, JBC Staff recommends including an increase of \$23,320 cash fund spending authority in the Supplemental Bill for the Department of Regulatory Agencies. In consultations with the JBC common policy staff, no concerns were raised with this recommendation and any deviation it may be from the common policy recommendation.

STAFF ANALYSIS: The supplemental budget request represents a significant percentage of the Department's budget. While the common policy analyst typically recommends a statewide decision, there are circumstances where an individual Department may need to vary from the statewide request. In the circumstance of the Department of Regulatory Agencies, the Department would not have enough funds to pay for the lease payments without approval of the supplemental.

JBC Staff Supplemental Recommendations - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2016-17 Actual	FY 2017-18 Appropriation	FY 2017-18 Requested Change	FY 2017-18 Rec'd Change	FY 2017-18 Total w/Rec'd Change
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DEPARTMENT OF REGULATORY AGENCIES
Marguerite Salazar, Executive Director

S1 Adjust legal services funding split

(1) EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES

Legal Services	<u>9,228,663</u>	<u>10,112,352</u>	<u>0</u>	<u>0</u>	<u>10,112,352</u>
General Fund	78,314	192,434	0	0	192,434
Cash Funds	8,907,974	9,655,150	161,502	161,502	9,816,652
Reappropriated Funds	61,346	96,393	0	0	96,393
Federal Funds	181,029	168,375	(161,502)	(161,502)	6,873

Total for S1 Adjust legal services funding split	9,228,663	10,112,352	0	0	10,112,352
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	78,314	192,434	0	0	192,434
Cash Funds	8,907,974	9,655,150	161,502	161,502	9,816,652
Reappropriated Funds	61,346	96,393	0	0	96,393
Federal Funds	181,029	168,375	(161,502)	(161,502)	6,873

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	FY 2016-17 Actual	FY 2017-18 Appropriation	FY 2017-18 Requested Change	FY 2017-18 Rec'd Change	FY 2017-18 Total w/Rec'd Change
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Staff initiated change reading services

(7) PUBLIC UTILITIES COMMISSION

Transfer to Reading Services for the Blind Cash Fund	<u>360,000</u>	<u>360,000</u>	<u>0</u>	<u>350,000</u>	<u>710,000</u>
General Fund	0	0	0	0	NaN
Cash Funds	360,000	360,000	0	350,000	710,000
Reappropriated Funds	0	0	0	0	NaN
Federal Funds	0	0	0	0	NaN

Total for Staff initiated change reading services	360,000	360,000	0	350,000	710,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	NaN
Cash Funds	360,000	360,000	0	350,000	710,000
Reappropriated Funds	0	0	0	0	NaN
Federal Funds	0	0	0	0	NaN

JBC Staff Supplemental Recommendations - FY 2017-18
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	FY 2016-17 Actual	FY 2017-18 Appropriation	FY 2017-18 Requested Change	FY 2017-18 Rec'd Change	FY 2017-18 Total w/Rec'd Change
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NP Annual Fleet Supplemental

(1) EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES

Vehicle Lease Payments	<u>192,375</u>	<u>173,575</u>	<u>23,320</u>	<u>23,320</u>	<u>196,895</u>
Cash Funds	192,375	173,575	23,320	23,320	196,895
Total for NP Annual Fleet Supplemental	192,375	173,575	23,320	23,320	196,895
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	192,375	173,575	23,320	23,320	196,895

Totals Excluding Pending Items					
REGULATORY AGENCIES					
TOTALS for ALL Departmental line items	74,326,970	99,198,237	23,320	373,320	99,571,557
<i>FTE</i>	<u>588.2</u>	<u>573.1</u>	<u>0.0</u>	<u>0.0</u>	<u>573.1</u>
General Fund	1,380,540	1,844,627	0	0	1,844,627
Cash Funds	67,349,745	91,024,582	184,822	534,822	91,559,404
Reappropriated Funds	4,212,767	5,060,383	0	0	5,060,383
Federal Funds	1,383,918	1,268,645	(161,502)	(161,502)	1,107,143