

JOINT BUDGET COMMITTEE



STAFF BUDGET BRIEFING FY 2021-22

DEPARTMENT OF REGULATORY AGENCIES

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
MITCH BURMEISTER, JBC STAFF
NOVEMBER 16, 2020

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

CONTENTS

Department Overview	1
Department Budget: Recent Appropriations	3
Department Budget: Graphic Overview	4
General Factors Driving the Budget.....	6
Legal Services	6
Licenses Issued.....	6
Examinations.....	7
Legislation.....	7
FTE Breakdown.....	8
Summary: FY 2020-21 Appropriation & FY 2021-22 Request.....	9
Informational Issue: 2020 Session Budget Balancing Actions	13
Summary.....	13
Discussion.....	13
Issue 2: Colorado Option Health Insurance	17
Summary.....	17
Discussion.....	17
Issue 3: Prescription Drug Affordability	20
Summary.....	20
Discussion.....	20
Appendix A Numbers Pages (Digital Only).....	1
Appendix B Footnotes and Information Requests	1
Appendix C Department Annual Performance Report	1
Appendix D 2020 Sunset Reviews.....	1

ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2019 and 2020 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: <https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2020-21>

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

DEPARTMENT OF REGULATORY AGENCIES

DEPARTMENT OVERVIEW

This Joint Budget Committee staff budget briefing document includes the following eleven units within the Department of Regulatory Agencies (DORA):

- The **Executive Director's Office** provides administrative and technical support for the Department's divisions and programs, including functions associated with accounting, purchasing, budgeting, communications, legislative services, and human resources. The office also includes the Colorado Office of Policy, Research, and Regulatory Reform.
- The **Division of Banking** regulates state-chartered commercial banks, trust companies, money transmitters, and national banks and interstate banks that maintain public deposit accounts in Colorado.
- The **Division of Civil Rights** enforces Colorado's anti-discrimination laws in the areas of employment, housing, and public accommodations.
- The **Office of Consumer Counsel** represents the public interest and the specific interests of residential, small business, and agricultural consumers in rate and rulemaking cases before the Public Utilities Commission, federal agencies, and the courts.
- The **Division of Financial Services** examines and supervises state-chartered credit unions and state-chartered savings and loan associations, enforces the Savings and Loan Public Deposit Protection Act, and regulates certain financial activities of life care institutions.
- The **Division of Insurance** regulates companies and agents providing health insurance, property and liability insurance (homeowners and automobile), life insurance, and title insurance.
- The **Public Utilities Commission** regulates investor-owned electric, natural gas, telecommunications, private water utilities, and motor vehicle carriers for hire.
- The **Division of Real Estate** licenses real estate agents, appraisers, and mortgage loan originators and registers mortgage companies and homeowners associations.
- The **Division of Professions and Occupations** regulates over 500,000 licensees in over 50 professions, occupations, and businesses to ensure a basic level of competence to protect the public welfare.

- The **Division of Securities** monitors the conduct of broker-dealers and sales representatives, investigates citizen complaints, and investigates indicators of investment fraud.
- The **Division of Conservation**, in conjunction with the Conservation Easement Oversight Commission, certifies conservation easement holders and conservation easement tax credit certificates.

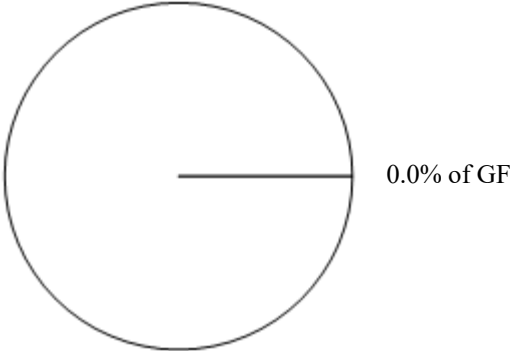
DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 ¹
General Fund	\$2,066,931	\$2,324,519	\$1,940,640	\$2,164,972
Cash Funds	91,205,734	109,697,995	109,836,123	111,876,106
Reappropriated Funds	5,211,298	5,482,149	5,533,354	5,681,189
Federal Funds	1,249,820	1,323,269	1,442,682	1,862,861
TOTAL FUNDS	\$99,733,783	\$118,827,932	\$118,752,799	\$121,585,128
Full Time Equiv. Staff	574.7	591.8	600.8	606.9

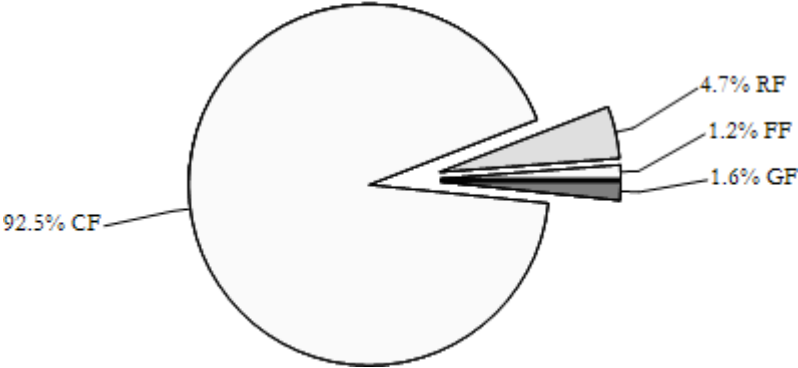
¹Requested appropriation

DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

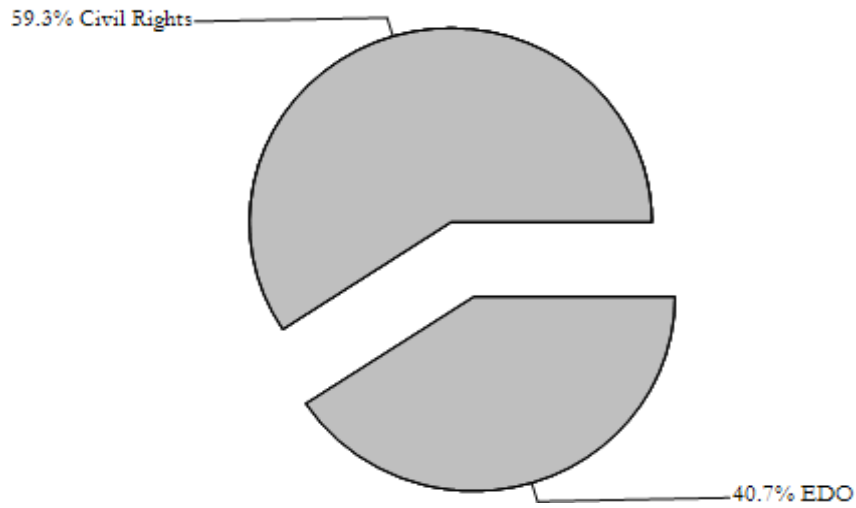


Department Funding Sources

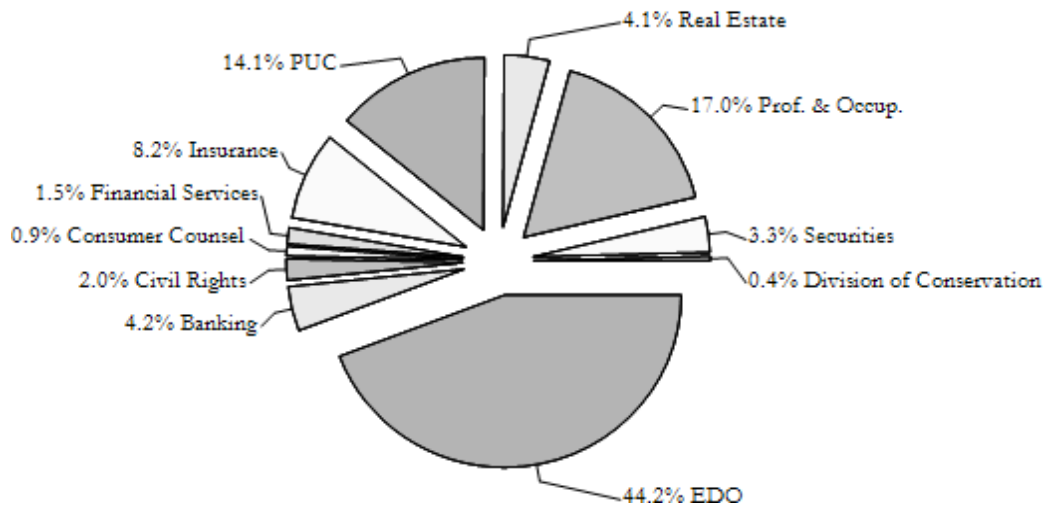


All charts are based on the FY 2020-21 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2020-21 appropriation.

GENERAL FACTORS DRIVING THE BUDGET

The Department's FY 2020-21 budget consists of 1.6 percent General Fund, 92.5 percent cash funds, 4.7 percent reappropriated funds, and 1.2 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

LEGAL SERVICES

The Department requires legal services provided by the Department of Law due to the nature of many of the agency's regulatory decisions. Legal services account for 8.8 percent of the Department's FY 2020-21 total appropriation. The Division of Professions and Occupations and the Public Utilities Commission accounted for 63.4 percent of the Department's total expenditures for legal services across the last six fiscal years, as shown in the following table.

EXPENDITURES FOR LEGAL SERVICES BY DIVISION						
DIVISION	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Division of Professions and Occupations	\$4,186,650	\$3,400,985	\$3,847,912	\$4,057,885	\$4,020,934	\$4,333,577
Public Utilities Commission	2,296,644	1,920,501	1,881,930	2,278,486	2,248,745	2,540,998
Division of Securities	780,483	618,076	865,152	953,279	639,376	551,855
Division of Insurance	980,635	966,702	904,976	853,346	1,034,794	1,279,855
Division of Real Estate	898,837	716,746	796,395	849,348	947,150	838,825
Office of Consumer Counsel	560,856	541,419	566,408	723,817	699,344	721,382
Civil Rights Division	135,268	103,159	78,314	192,434	222,866	172,192
Executive Director's Office	56,967	178,786	61,346	132,919	144,226	141,567
Division of Banking	143,290	44,217	38,814	56,330	54,793	74,826
Division of Financial Services	9,878	8,408	6,387	5,529	9,115	6,704
Division of Conservation	n/a	n/a	n/a	n/a	n/a	966
Grand Total	\$10,049,506	\$8,499,000	\$9,047,634	\$10,103,374	\$10,021,343	\$10,662,747

LICENSES ISSUED

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

NUMBER OF LICENSES REGULATED BY THE DIVISIONS OF INSURANCE, REAL ESTATE, PROFESSIONS AND OCCUPATIONS, AND SECURITIES					
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Div. of Insurance Producer Licenses					
New Licenses	37,198	57,429	38,698	30,513	43,626
Active Licenses	157,913	164,429	162,352	192,865	201,802
Div. of Real Estate					
Broker & Salesperson	35,276	37,581	38,894	39,627	48,282
Mortgage Loan Originators	9,538	14,597	16,334	15,013	17,026
Appraisers	2,637	2,704	2,913	2,836	2,888
Div. of Professions and Occupations					
New Licenses	42,096	45,843	46,802	47,921	49,045
Active Licenses	396,319	394,724	413,553	426,304	461,553

Div. of Securities					
Sales Representative License Renewals	195,108	201,148	205,267	214,195	203,162
Investment Advisor License Renewals	12,803	14,167	13,850	14,919	14,919

EXAMINATIONS

Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. Since this time, the number of examinations has remained relatively consistent from year to year, as shown in the following table. Securities examinations are carried out to both protect consumers and to benefit firms. Examinations look for high risk or fraudulent activity by firms that could compromise client privacy and security. They also serve to ensure firm compliance should complaints arise as well as assist firms in streamlining their processes by identifying ways to reduce regulatory burden.

EXAMINATIONS CONDUCTED BY THE DIVISIONS OF BANKING, FINANCIAL SERVICES, AND SECURITIES						
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Banking Examinations	146	161	153	161	152	132
Credit Union Examinations	34	35	38	40	39	37
Securities Examination	174	138	143	130	135	110
Total	354	334	334	331	326	279

LEGISLATION

The General Assembly has passed an average of 9.7 bills per session (not including annual appropriation bills or supplemental bills) that have a fiscal impact on the Department over the last 11 legislative sessions. The 2020 legislative session included nine bills decreasing appropriations to the Department for FY2020-21 by \$930,505 total funds, including \$34,191 General Fund.

FISCAL IMPACT OF LEGISLATION							
(DOES NOT INCLUDE LONG BILL OR SUPPLEMENTAL BILL APPROPRIATIONS)							
SESSION YEAR	NUMBER OF BILLS	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
2010	14	\$240,392	\$0	(\$352,941)	\$593,333	\$0	6.4
2011	12	133,102	(24,058)	204,696	(47,038)	(498)	6.8
2012	5	378,246	0	378,246	0	0	2.0
2013	16	334,518	0	334,518	0	0	12.8
2014	10	802,770	0	802,770	0	0	7.0
2015	6	480,817	0	480,817	0	0	1.9
2016	9	1,355,311	0	1,115,311	240,000	0	2.7
2017	5	93,897	0	93,897	0	0	0.6
2018	7	456,148	10,000	446,148	0	0	1.8
2019	14	3,742,270	231,000	3,511,270	0	0	18.9
2020	9	(930,505)	(34,191)	(832,417)	(63,897)	0	1.0
Session Averages	9.7	\$644,270	\$16,614	\$562,029	\$65,673	(\$45)	5.6

FTE BREAKDOWN

The 2020 legislative session allocated a small number of FTE compared to prior years and especially compared to the 2019 session. The following tables list each bill that added FTE to the Department from the 2020 session, and the appropriated FTE associated with each division in each of the last four fiscal years.

FTE ADDED BY 2020 LEGISLATION	
	FTE
HB 20-1379 Suspend PERA for FY 20-21	0.0
HB 20-1158 Infertility Diagnosis Treatment Preserve	0.1
HB 20-1209 Sunset Nurse Advisory Task Force	0.2
HB 20-1286 Sunset Regulation of Fantasy Sports	(0.2)
HB 20-1293 Emergency Telephone Service Charges	0.9
HB 20-1332 Prohibit Housing Discrimination	0.1
SB 20-030 Consumer Protections for Utility Customers	0.2
SB 20-118 Hazardous Materials Transportation Permits	(0.5)
HB 20-1061 Human Immunodeficiency Prevention	0.2
TOTAL	1.0

FTE BY DIVISION				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Executive Directors Office	30.0	30.0	32.0	31.5
Division of Banking	40.0	40.0	40.0	40.0
Division of Civil Rights	27.2	27.2	27.2	27.3
Office of Consumer Counsel	7.0	7.0	7.0	7.0
Division of Financial Services	15.6	15.6	15.6	15.6
Division of Insurance	85.7	85.3	91.2	98.5
Public Utilities Commission	91.3	91.3	98.8	104.8
Division of Real Estate	52.9	48.9	48.9	48.9
Division of Professions and Occupations	199.9	201.9	203.8	205.5
Division of Securities	24.0	24.0	24.0	24.0
Division of Conservation	N/A	4.0	3.8	3.8
Total	573.0	575.0	592.0	606.9

SUMMARY: FY 2020-21 APPROPRIATION & FY 2021-22 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION:						
HB 20-1360 (Long Bill)	\$119,683,304	\$1,974,831	\$110,668,540	\$5,597,251	\$1,442,682	599.8
Other legislation	(930,505)	(34,191)	(832,417)	(63,897)	0	1.0
TOTAL	\$118,752,799	\$1,940,640	\$109,836,123	\$5,533,354	\$1,442,682	600.8
FY 2021-22 REQUESTED APPROPRIATION:						
FY 2020-21 Appropriation	\$118,752,799	\$1,940,640	\$109,836,123	\$5,533,354	\$1,442,682	600.8
R1 Colorado Option health insurance	864,026	0	864,026	0	0	3.4
R2 Prescription drug affordability	371,370	0	371,370	0	0	2.8
Non-prioritized request items	(145,906)	(7,871)	(138,035)	0	0	0.0
Annualize prior year legislation	1,130,083	132,367	932,371	64,805	540	(0.1)
Centrally appropriated line items	704,926	99,836	99,180	83,030	422,880	0.0
Indirect cost assessment	(92,170)	0	(88,929)	0	(3,241)	0.0
TOTAL	\$121,585,128	\$2,164,972	\$111,876,106	\$5,681,189	\$1,862,861	606.9
INCREASE/(DECREASE)	\$2,832,329	\$224,332	\$2,039,983	\$147,835	\$420,179	6.1
Percentage Change	2.4%	11.6%	1.9%	2.7%	29.1%	1.0%

R1 COLORADO OPTION HEALTH INSURANCE: The request includes an increase of \$864,026 cash funds spending authority for FY 2021-22 as well as \$598,036 cash funds spending authority for FY 2022-23 along with 3.4 FTE split between the Legal Services line item in the Executive Director's Office and the Personal Services line item in the Division of Insurance. This will be funded through the Division of Insurance Cash Fund. This request will create a quality, affordable insurance product (Colorado Option) for the individual and small group markets with the goal of improving access to health care for all Coloradans.

R2 PRESCRIPTION DRUG AFFORDABILITY: The request includes an increase of \$371,370 cash funds spending authority and 2.8 FTE for FY 2021-22 and \$162,481 ongoing cash funds spending authority for subsequent years along with 1.5 FTE in FY 2022-23 funded by the Division of Insurance Cash Fund. The request will fund the development of a program that creates transparency and accountability, and aims to reduce the costs of prescription drugs.

NON-PRIORITIZED REQUEST ITEMS: The request includes a decrease of \$145,906 total funds, including a decrease of \$7,871 General Fund, for items requested by other departments that impact the agencies covered in this briefing document. The following table itemizes each requested non-prioritized decision item.

NON-PRIORITIZED REQUEST ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
NP2 Annual fleet vehicle request	\$44,516	\$0	\$44,516	0.0
NP1 DPA Center for Organizational Effectiveness	9,299	0	9,299	0.0
NP3 OIT Budget request package	(199,721)	(7,871)	(191,850)	0.0
TOTAL	(\$145,906)	(\$7,871)	(\$138,035)	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$1,130,083 total funds, including an increase of \$132,367 General Fund and a decrease of 0.1 FTE, for adjustments related to prior year legislation. The primary reason for the large increase in total funds is HB 20-1379, which suspended distribution of PERA contributions for FY 2020-21. The following table itemizes each annualization.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize HB 20-1379 Suspend DD to PERA	\$1,040,006	\$43,832	\$932,277	\$63,897	\$0	0.0
FY20-21 GF HLD reduction	74,526	74,526	0	0	0	0.0
SB18-200 PERA unfunded liability	14,431	509	12,474	908	540	0.0
Annualize HB 20-1332 Prohibit Discrimination Housing	13,500	13,500	0	0	0	0.0
Annualize HB 20-1158 Insurance Coverage Infertility	4,165	0	4,165	0	0	0.1
Annualize SB 20-030 Consumer Protections Utility	(16,545)	0	(16,545)	0	0	(0.2)
TOTAL	\$1,130,083	\$132,367	\$932,371	\$64,805	\$540	(0.1)

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$704,926 total funds, including \$99,836 General Fund, for adjustments to centrally appropriated line items for the following: leased space; state contributions for health, life, and dental benefits; payments to the Governor's Office of Information Technology (OIT); payment to risk management and property funds; short-term disability; the Department of Law Fraud Prosecution Adjustment; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; legal services; administrative law judges; CORE operations; and workers' compensation. The following table itemizes each requested centrally appropriated line item change.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Leased space adjustment	\$909,813	\$0	\$767,401	\$59,649	\$82,763	0.0
Health, life, and dental adjustment	214,129	89,577	(58,330)	8,636	174,246	0.0
Payments to OIT adjustment	162,581	6,407	156,174	0	0	0.0
Payment to risk management / property funds adjustment	70,900	2,970	57,913	5,547	4,470	0.0
Short-term disability adjustment	65,291	2,301	56,437	4,109	2,444	0.0
Department of Law Fraud Prosecution Adjustment	24,188	0	24,188	0	0	0.0
PERA Direct Distribution	1,356	(7,134)	(32,135)	1,647	38,978	0.0
Legal services adjustment	(593,740)	0	(593,740)	0	0	0.0
ALJ adjustment	(69,650)	(5,561)	(64,089)	0	0	0.0
AED adjustment	(25,777)	6,245	(88,993)	1,465	55,506	0.0
SAED adjustment	(25,777)	6,245	(88,993)	1,465	55,506	0.0
CORE adjustment	(19,988)	(1,611)	(22,256)	(2,139)	6,018	0.0
Workers' compensation adjustment	(8,400)	397	(14,397)	2,651	2,949	0.0

TOTAL	\$704,926	\$99,836	\$99,180	\$83,030	\$422,880	0.0
--------------	------------------	-----------------	-----------------	-----------------	------------------	------------

INDIRECT COST ASSESSMENTS: The request includes a net decrease of \$92,170 total funds in the Department's indirect cost assessment.

BUDGET REQUESTS IMPACTING FY 2020-21 – COVID-19 STIMULUS PACKAGE

The Governor’s 2020 budget request includes items that will be formally submitted for consideration during the supplemental budget cycle that starts in January. These items reflect the Governor’s FY 2020-21 COVID-19 Stimulus Package.

During the annual supplemental budget cycle, the Joint Budget Committee (JBC) does not have the same opportunity to discuss issues of interest directly with state agency staff as it does with budget requests submitted in November. Many of the proposed FY 2020-21 stimulus requests include substantial investments of General Fund. Committee members are encouraged to raise questions related to these proposals during this JBC staff briefing so that staff can include these items on the agency’s budget hearing agenda. Beyond investigating the details or concerns with proposed changes, no action is required to be taken by the JBC at this time.

FY 2020-21 COVID-19 STIMULUS PROPOSAL -- TO BE ACTED ON IN JANUARY 2021						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	119,683,304	1,974,831	110,668,540	5,597,251	1,442,682	599.8
Other legislation	(930,505)	(34,191)	(832,417)	(63,897)	0	1.0
TOTAL	118,752,799	1,940,640	109,836,123	5,533,354	1,442,682	600.8
FY 2020-21 PROPOSED COVID-19 STIMULUS						
FY 2020-21 Appropriation	118,752,799	1,940,640	109,836,123	5,533,354	1,442,682	600.8
S1 Statewide Broadband federal	24,300,000	24,300,000	0	0	0	0.0
S2 Statewide Broadband board	25,000,000	25,000,000	0	0	0	0.0
TOTAL	\$168,052,799	\$51,240,640	\$109,836,123	\$5,533,354	\$1,442,682	600.8
Increase/(Decrease)	\$49,300,000	\$49,300,000	\$0	\$0	\$0	0.0
Percentage Change	41.5%	2,540.4%	0.0%	0.0%	0.0%	0.0%

¹The General Fund amounts listed for the COVID-19 Stimulus Package above are reflected as General Fund appropriations, even if the proposal involves the *transfer* of General Fund to another fund. Details about the proposed funding mechanism are described below. The proposed Stimulus Package also includes budget requests for FY 2021-22, which do not appear in this table. Current request items are included in the Summary: FY 2020-21 Appropriation & FY 2021-22 Request table above.

FY 2020-21 COVID-19 STIMULUS PROPOSAL DESCRIPTIONS

S1 EXPAND STATEWIDE BROADBAND ACCESS: The request includes \$24.3 million General Fund to award two federal broadband grants to eligible unfunded applications for last-mile broadband investment. Last-mile broadband refers to the local network infrastructure closest to the end users. The Public Utilities Commission would administer these grants.

S2 EXPAND STATEWIDE BROADBAND ACCESS: The request includes \$25.0 million General Fund to award one-time funds to 15 applications deemed eligible by the Broadband Deployment Board for last-mile broadband investments across Colorado. This funding will go toward improving broadband infrastructure in unserved areas of the state. The Public Utilities Commission would administer these grants.

INFORMATIONAL ISSUE: 2020 SESSION BUDGET BALANCING ACTIONS

In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly took actions that reduced the FY 2020-21 General Fund appropriations to the Department of Regulatory Agencies by \$383,879. The General Assembly's actions made an additional \$2.9 million available for balancing purposes by transferring cash funds to the General Fund. These adjustments contributed to the net decrease in the Department's General Fund and total funds budgets for FY 2020-21.

SUMMARY

FY 2019-20 Budget

- No actions.

FY 2020-21 Budget

- For FY 2020-21, the General Assembly's actions included \$383,879 in General Fund reduction in the Department of Regulatory Agencies.

The FY 2020-21 balancing actions also included \$2.9 million in cash funds transfers from the Division of Insurance Cash Fund, the Division of Banking Cash Fund, the Prescription Drug Monitoring Fund, and the Highway-Rail Crossing Signalization Fund, making those revenues available for budget balancing outside of the Department.

All four of these cash fund transfers are one-time actions for budget balancing purposes.

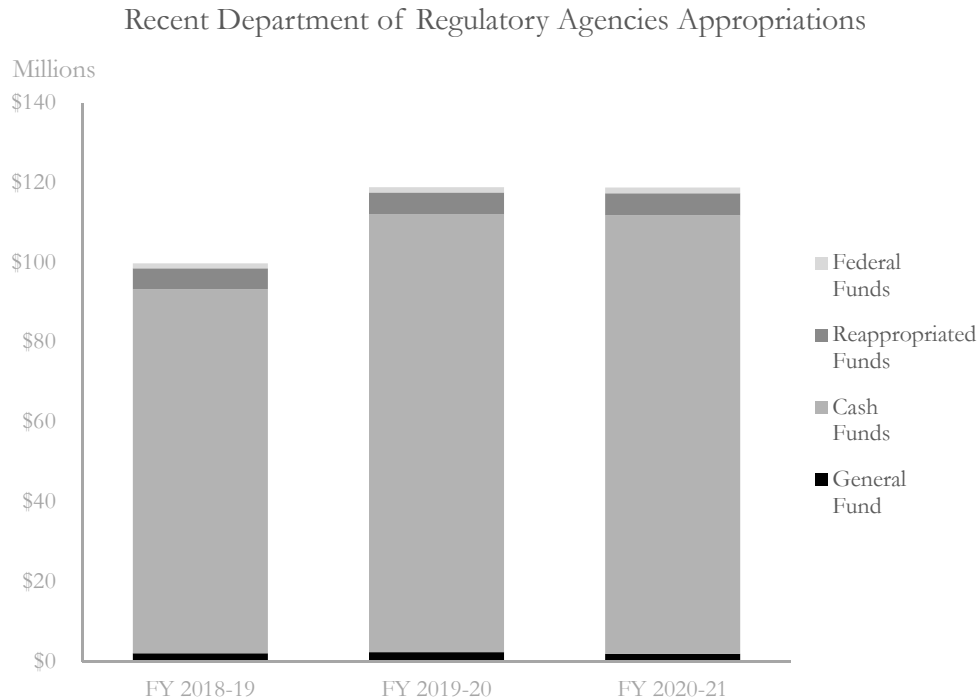
DISCUSSION

Confronting the budget challenges of the 2020 legislative session, the Joint Budget Committee (Committee) and the General Assembly took several budget balancing actions in the Department of Regulatory Agencies for FY 2020-21. The most significant actions included cash fund transfers to the General Fund.

FY 2018-19 to FY 2019-20: Appropriations to the Department increased by \$19.1 million total funds from FY 2018-19 to FY 2019-20, primarily driven by an increase in cash funds, but including an increase of \$257,588 in General Fund spending. Cash funding of the Broadband Deployment Board Grants accounts for the majority of the increase in total funding for FY 2019-20.

FY 2019-20 to FY 2020-21: Facing revenue challenges for FY 2020-21, the General Assembly took a variety of actions to both reduce the Department's General Fund appropriations and to make other revenues available for balancing purposes. While the Department's *total* budget decreased by \$75,133 from FY 2019-20 to FY 2020-21, the General Fund appropriation decreased by \$383,879.

The following graph shows the Department’s annual appropriations for FY 2018-19 through FY 2020-21. A table with appropriations detail by major fund source follows the graph.



DEPARTMENT OF REGULATORY AGENCIES APPROPRIATIONS FY 2019-20 THROUGH FY 2020-21						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 Final	\$99,733,783	\$2,066,931	\$91,205,734	\$5,211,298	\$1,249,820	574.7
FY 2019-20 Adjusted	118,827,932	2,324,519	109,697,995	5,482,149	1,323,269	591.8
FY 2020-21	118,752,799	1,940,640	109,836,123	5,533,354	1,442,682	600.8
Change from FY 2019-20 to FY 2020-21	(\$75,133)	(\$383,879)	\$138,128	\$51,205	\$119,413	9.0
Percent change FY 2019-20 to FY 2020-21	(0.1%)	(16.5%)	0.1%	0.9%	9.0%	1.5%

SUMMARY OF 2020 SESSION BUDGET BALANCING APPROPRIATION CHANGES

The following table summarizes the budget balancing actions that impacted appropriations to the Department of Regulatory Agencies for both FY 2019-20 and FY 2020-21, including actions taken through the Long Bill and other legislation. Please note:

- Unless otherwise indicated, JBC Staff assumes that the FY 2020-21 adjustments are ongoing for FY 2021-22. Staff has noted where the Committee (or the General Assembly) specifically designated actions as one-time in nature. For this department, the only actions taken other than the common policy adjustments were transfers of cash funds to the General Fund to make additional resources available for budget balancing purposes. Staff has also noted whether the Department’s budget request proposes to continue the reduction in FY 2021-22 or restore the funding.

- The table only reflects balancing actions that specifically changed appropriations. The cash fund reductions in the table below that do not have an associated GF reduction were part of actions to make additional resources available for budget balancing purposes outside of the Department of Regulatory Agencies.
- Actions to increase available revenues (such as transfers from cash funds to the General Fund) are not included in this table and are discussed in a separate section.

2020 SESSION BUDGET BALANCING APPROPRIATION CHANGES - DEPARTMENT OF REGULATORY AGENCIES ^a						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION BALANCING ITEMS:						
None	0	0	0	0	0	0.0
TOTAL	0	0	0	0	0	0.0
FY 2020-21 APPROPRIATION BALANCING ITEMS:						
Appropriation Reductions						
PERA direct distribution (HB 20-1379) ^b	(1,040,006)	(43,832)	(932,277)	(63,897)	0	0.0
HLD decrease/personal services base reduction	(74,526)	(74,526)	0	0	0	0.0
Subtotal - Appropriation Reductions	(1,114,532)	(118,358)	(932,277)	(63,897)	0	0.0
Fund Source Adjustments						
None	0	0	0	0	0	0.0
Subtotal - Fund Source Adjustments	0	0	0	0	0	0.0
TOTAL	(\$1,114,532)	(\$118,358)	(\$932,277)	(\$63,897)	\$0	0.0
BALANCING ITEMS AS PERCENTAGE OF TOTAL APPROPRIATION:						
FY 2019-20 Appropriation	118,827,932	2,324,519	109,697,995	5,482,149	1,323,269	591.8
FY 2020-21 Appropriation	118,752,799	1,940,640	109,836,123	5,533,354	1,442,682	600.8
FY 2020-21 Actions as Percentage of FY 2019-20 Appropriation	(0.9%)	(5.1%)	(0.8%)	(1.2%)	0.0%	0.0%

^a Unless otherwise indicated, actions were reflected in the Long Bill (H.B. 20-1360).

^b House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments.

FY 2019-20 APPROPRIATION – MID-YEAR ADJUSTMENTS NONE

FY 2020-21 APPROPRIATION – APPROPRIATION REDUCTIONS

PERA DIRECT DISTRIBUTION (HB20-1379): House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments. For this department, this resulted in a reduction of \$1,040,006 total funds, including \$43,832 General Fund, \$932,277 cash funds, and \$63,897 reappropriated funds. The Department’s FY 2021-22 request proposes to restore this funding.

HLD DECREASE/PERSONAL SERVICES BASE REDUCTION: The appropriation reduced appropriations for health, life, and dental insurance by \$74,526 General Fund in lieu of a 5.0 percent personal services base reduction. The Department’s FY 2021-22 request proposes to restore this funding.

FY 2020-21 APPROPRIATION – FUND SOURCE ADJUSTMENTS

NONE

ACTIONS TO INCREASE AVAILABLE REVENUES

The General Assembly made a number of transfers totaling \$2.9 million from Department of Regulatory Agencies cash funds to the General Fund to increase available General Fund. The following changes were made via H.B. 20-1406. All of these changes are assumed to be one-time.

STATUTORY TRANSFERS TO THE GENERAL FUND			
SOURCE FUND	NET GF REVENUE IMPACT	OTHER FUNDS REVENUE IMPACT	TOTAL FUNDS
Division of Insurance Cash Fund	\$1,224,100	(\$1,224,100)	0
Highway-rail Crossing Signalization	1,007,176	(1,007,176)	0
Division of Banking Cash Fund	370,795	(370,795)	0
Prescription Drug Monitoring Fund	267,521	(267,521)	0
TOTAL	\$2,869,592	(\$2,869,592)	0

A further action that the General Assembly took to increase available revenues was in regards to SB 20-215 (Health Insurance Affordability Enterprise). In the efforts to balance the budget, the General Assembly eliminated previously scheduled statutory diversions from the General Fund of \$15.0 million in FY 2019-20 and \$40.0 million in FY 2020-21, making this money available to be used for budget balancing purposes.

ISSUE 2: COLORADO OPTION HEALTH INSURANCE

The primary goal of the The Department of Regulatory Agencies' Division of Insurance (DOI) in this request is to reduce premiums and increase competition on Colorado's individual health insurance marketplace. The DOI is requesting \$864,026 cash funds in FY 2021-22 and \$598,036 cash funds in FY 2022-23 to implement a novel health insurance option for the individual and small group markets.

SUMMARY

- The Colorado Option would be a new, more affordable health insurance product available to Coloradans, and one of the first such programs in the country.
- The Division of Insurance is anticipated to offer health insurance plans on the individual market with premium rates anywhere from 7 to 20 percent lower than current offerings.
- The impact of COVID-19 on the demand for publicly-provided health insurance is not yet fully understood and should be approached with caution when justifying the need for public health insurance programs.

DISCUSSION

BACKGROUND (HB19-1004)

During the 2019 legislative session the General Assembly passed HB 19-1004: Proposal for Affordable Health Care Options. The bill required the Division of Insurance (DOI) within the Department of Regulatory Agencies (DORA) and the Department of Health Care Policy and Financing (HCPF) to develop and submit a proposal for a public option for health insurance coverage. The proposal was required to consider the following:

- Leveraging of Colorado's existing health care infrastructure
- Affordability for consumers across different income levels
- Statutory changes necessary to implement the proposed plan
- Administrative and financial burdens to the State

House Bill 19-1004 also required the DOI and HCPF to participate in a stakeholder engagement process in the development of the final report. In accordance with legislation, 20 public stakeholder meetings were held and over 260 public comment letters were received.

OVERVIEW OF COLORADO OPTION

The DOI envisions this plan to be a public-private partnership, where private insurers would provide State approved insurance plans along with their more traditional plans on the open individual market. In concert with an approved 1332 federal waiver, the proposal would lead to a Colorado insurance product that is funded with no burden on the General Fund.

The DOI indicates that the main goals of the Colorado Option are to reduce premiums, provide consumer access to high value services, and provide Coloradans with choice in their coverage. By doing this, the hope is that coverage will be more affordable for both insured, subsidized Coloradans as well as uninsured, unsubsidized Coloradans.

In light of the loss of employer-sponsored health insurance for some Coloradans, the addition of an affordable and accessible insurance option helping to increase competition could be beneficial to newcomers to the individual market. Key to this, as mentioned previously, is reducing premiums. According to an April 2020 analysis by Wakely, the estimated average reduction in premiums will be 11.9 percent statewide, with reductions varying from 7.1 percent in Colorado Springs to 19.8 percent in Fort Collins, depending on the rating area. Further, reductions in rating areas 5 and 9 – ‘Grand Junction’ and ‘West’, respectively – are projected to be 18.8 percent and 15.5 percent.

FEDERAL 1332 WAIVER

A federal 1332 waiver is not required for the implementation of this plan, but could be utilized to allow for federal funding to enter the state market. The actuarial analysis estimates this amount to be around \$41.5 million in 2022. Funds from a 1332 waiver could also go toward alleviating potential cost-shifting issues. If approved, a 1332 waiver would allow the DOI to fund additional reductions in premiums and deductibles in the forms of a premium wrap, a cost-sharing wrap, or both. The estimated costs of these additional benefits, according to the Wakely report, is \$40.9 million. This extra \$600,000 would have to be used for the purposes set forth in the 1332 waiver, or the Division could roll over unused funds to the following year.

COST SHIFTING

One argument against the implementation of a public option is that of cost shifting. Cost shifting in healthcare is when a hospital charges one population more to compensate for another. This can be thought of as when a facility charges private insurance carriers more because of uncompensated care they are providing for the uninsured population, or to make up for low Medicare and Medicaid reimbursement rates.

The concern is that by setting hospital reimbursement rates for public option plans at a level below plans currently on the individual market, facilities will shift costs to either other plans on the individual market, to the small and large group markets, or find other ways to recoup those dollars. In terms of hospitals being able to recuperate those dollars in other areas of the private insurance market, the legislature passed H.B. 19-1233 two years ago, which requires the Commissioner of Insurance to set affordability standards under Section 10-16-107 (3.5), C.R.S. This, along with the statutory authority already granted to the Commissioner in Section 10-16-107, C.R.S., to monitor and approve rate increases, will allow the DOI to disapprove plans seen as not meeting affordability standards and may be used as a tool to regulate cost shifting in the private insurance market.

COVID-19

Another aspect driving the desire for an easily accessible, affordable health care option on the individual and small group market is the impact that the COVID-19 health crisis has had on both public health and employer-sponsored insurance. As of January 2019, an estimated 204,000 individuals received health insurance coverage in Colorado's individual market and another 375,000 Coloradans were estimated to be uninsured. Because of the pandemic, there are early estimates that the uninsured rate has increased. The primary factor driving this is job loss. Kaiser Family Foundation estimated that 299,000 Coloradans may be uninsured due to job loss. Further, Families USA estimated that the uninsured rate for nonelderly adults in Colorado has increased from 11 percent in 2018 to 13 percent as a result of the pandemic.

On the other hand, staff has concerns with the importance placed on COVID-19 as a driver for instituting a Colorado Option, as the literature is mixed on the impact of job losses on the uptake of public option health insurance. A more recent study from Health Affairs, a leading public health journal, states that for at least the first three months of the pandemic, state-level Medicaid enrollment growth was not correlated with job losses in states that had expanded Medicaid – Colorado being one of them. This could reflect differences in household size, income, and policies across states. Further causes of this could be maintenance of coverage to furloughed employees, switching to coverage of a different household member, or high levels of unionization within a state. An additional potential cause that Health Affairs noted was that many of those who are Medicaid eligible might not enroll until they have an immediate need for health services. The study also notes, however, that given more time, a clearer relationship between Medicaid enrollment and job loss could emerge.

DEPARTMENT REQUEST

The Department is requesting \$864,026 cash funds in FY 2021-22 along with \$598,036 cash funds in FY 2022-23 to create a quality, affordable insurance product for the individual and small group markets. This funding will support 3.4 FTE and consulting costs to enable the Division of Insurance to implement and ensure compliance with the Colorado Option. The request for appropriation would be supported solely by the Division of Insurance Cash Fund. The Department and Division believe that the creation of the Colorado Option will reduce premiums, provide consumer access to high value services, and provide Coloradans with choice in their coverage. The DOI has indicated that this would require new legislation.

ISSUE 3: PRESCRIPTION DRUG AFFORDABILITY

From 1960 to 2017, retail prescription drug spending per capita increased in the United States from \$90 to \$1,025. This increase has created a situation where 15 percent of the health insurance premiums that Coloradans have paid in recent years have been due to prescription drug costs. The Department of Regulatory Agencies' Division of Insurance is requesting \$371,370 cash funds in FY 2021-22 and \$162,481 cash funds in subsequent years to develop a program that creates transparency and accountability, and aims to reduce the costs of prescription drugs.

SUMMARY

- Rising prescription drug costs are creating financial strain on consumers. Over half a million Coloradans chose not to fill a prescription in 2017 because it cost too much. Prescription drug costs are expected to continue increasing.
- There is no existing program in Colorado to look at prescription drug costs holistically. Neither is there a way to implement strategies to control those costs or ensure that all Coloradans can afford their needed medications. Awareness of costs and transparency around the reasons for those costs is essential in developing a program and strategies such as these.
- Several different programs addressing this issue in states around the country are in the early stages of implementation and should be monitored carefully to determine which, if any, would be appropriate to apply to Colorado.

DISCUSSION

CONTINUED RISE OF PRESCRIPTION DRUG COSTS

In Colorado in 2017, 570,000 people chose not to fill a prescription because it cost too much. At the time, that number represented 10.2 percent of the population. The latest CHAS (Colorado Health Action Survey) puts this number at 10.8 percent, or roughly 622,000 Coloradans who skipped their prescription medications. From 1960 to 2017, according to the 2017 CHAS, prescription drug spending in the United States increased by 1,039 percent per capita. That equals an increase from \$90 to \$1,025 inflation-adjusted dollars per year. Further, prescription drug costs have comprised 15 percent of the premiums that Coloradans have paid in recent years. According to annual filings to the DOI, insurance companies expect prescription drug costs to increase by 7 percent to 9 percent in each of the next two years, driven mainly by price increases as opposed to increased utilization.

AWARENESS OF PRESCRIPTION DRUG COSTS

Currently in Colorado, there is no requirement for entities in the prescription drug supply chain to provide actionable prescription drug data to the Department. Because of this lack of data and means of attaining it, there is no data driven path for the Department to analyze prescription drug costs and implement strategies to combat increasing costs. The Department indicates that lowering prescription drug costs must begin with increased awareness and transparency.

The Department would like to require supply chain entities such as pharmacies, drug wholesalers, insurance companies, pharmacy benefit managers (PBMs), and pharmaceutical companies to submit data describing the costs of prescription drugs, which would then allow the Department to formulate strategies to reduce those costs.

Publicly available data published through the Department could be the first step in raising awareness of prescription drug costs. This would benefit purchasers of prescription drugs by allowing these consumers, businesses, and policymakers to more fully understand how rising costs impact their overall healthcare costs, and allow them to plan for these expenses. It would also give the state of Colorado tools with which the Department and stakeholders could use to better address rising costs.

While the Department has not been specific on the structure that it would use to require supply chain entities to provide data, its request cites HB 20-1160 (Colorado Prescription Drug Price Transparency Act of 2020) as a framework that it might use to implement the transparency elements of this proposal.

POTENTIAL PATHS TO REDUCING PRESCRIPTION DRUG COSTS

Some of the possible tools to address rising costs, as mentioned earlier, are in place in other states around the country. Maryland, Maine, and New Hampshire have passed legislation to review the affordability of drugs. Pennsylvania has recently introduced legislation to consider reference pricing for drugs. New Mexico passed a bill to explore volume purchasing, and California has enacted legislation to allow the state to develop generic drugs. The data gathered from this proposal would enable Colorado to study these potential solutions as well as other concepts to combat increasing prescription drug costs.

DEPARTMENT REQUEST

The Department is requesting \$371,370 in FY 2021-22 along with \$162,481 in subsequent years to develop a program that will make prescription drugs more affordable and accessible to Colorado consumers. This funding would support 2.8 FTE and IT costs that will enable the Department to collect and analyze prescription drug data as well as develop and implement a program to lower the costs of prescription drugs. The request for appropriation would be supported solely by the Division of Insurance Cash Fund. The Department believes that funding a study into the prescription drug supply chain will enable the Department to enact data driven policy decisions that will reduce prescription drug costs and provide relief to those who rely on prescription medication. DOI has indicated that this proposal would require a bill that could also impact existing statutes.

APPENDIX A
NUMBERS PAGES
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. ***Appendix A is only available in the online version of this document.***

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

DEPARTMENT OF REGULATORY AGENCIES

Patty Salazar, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES

The Executive Director's Office provides administrative and technical support for the Department's divisions and programs, including functions associated with accounting, purchasing, budgeting, communications, legislative services, human resources, as well as the Colorado Office of Policy, Research, and Regulatory Reform.

	<u>2,453,385</u>	<u>3,769,254</u>	<u>2,672,635</u>	<u>2,673,543</u>
FTE	29.6	28.5	29.5	29.5
General Fund	19,750	10,500	12,500	12,500
Cash Funds	26,024	0	10,500	10,500
Reappropriated Funds	2,407,611	3,758,754	2,649,635	2,650,543
Federal Funds	0	0	0	0
Health, Life, and Dental	<u>4,959,137</u>	<u>5,377,336</u>	<u>5,910,283</u>	<u>6,198,938</u>
General Fund	192,986	212,959	106,935	271,038
Cash Funds	4,430,048	4,817,641	5,393,502	5,335,172
Reappropriated Funds	272,833	346,736	367,921	376,557
Federal Funds	63,270	0	41,925	216,171
Short-term Disability	<u>65,030</u>	<u>58,549</u>	<u>70,554</u>	<u>135,845</u>
General Fund	2,285	2,479	2,244	4,545
Cash Funds	57,860	51,313	63,244	119,681
Reappropriated Funds	3,929	4,757	4,336	8,445
Federal Funds	956	0	730	3,174

*This line item includes a decision item.

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>1,957,010</u>	<u>1,885,256</u>	<u>2,085,319</u>	<u>2,059,542</u>	
General Fund	67,869	73,558	66,334	72,579	
Cash Funds	1,744,009	1,670,554	1,869,238	1,780,245	
Reappropriated Funds	116,736	141,144	128,164	129,629	
Federal Funds	28,396	0	21,583	77,089	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>1,957,010</u>	<u>1,885,307</u>	<u>2,085,319</u>	<u>2,059,542</u>	
General Fund	67,869	73,558	66,334	72,579	
Cash Funds	1,744,009	1,670,605	1,869,238	1,780,245	
Reappropriated Funds	116,736	141,144	128,164	129,629	
Federal Funds	28,396	0	21,583	77,089	
PERA Direct Distribution	<u>0</u>	<u>1,058,437</u>	<u>0</u>	<u>1,041,362</u>	
General Fund	0	37,914	0	36,698	
Cash Funds	0	947,774	0	900,142	
Reappropriated Funds	0	72,749	0	65,544	
Federal Funds	0	0	0	38,978	
Salary Survey	<u>1,472,248</u>	<u>1,167,294</u>	<u>0</u>	<u>0</u>	
General Fund	44,121	47,933	0	0	
Cash Funds	1,333,773	1,027,399	0	0	
Reappropriated Funds	75,896	91,962	0	0	
Federal Funds	18,458	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Workers' Compensation	<u>191,794</u>	<u>210,927</u>	<u>202,905</u>	<u>194,505</u>	
General Fund	7,461	7,031	6,664	7,061	
Cash Funds	172,067	196,792	186,518	172,121	
Reappropriated Funds	9,914	7,104	6,733	9,384	
Federal Funds	2,352	0	2,990	5,939	
Operating Expenses	<u>114,454</u>	<u>108,480</u>	<u>210,379</u>	<u>210,379</u>	
General Fund	3,689	3,689	3,689	3,689	
Cash Funds	0	0	95,427	95,427	
Reappropriated Funds	110,765	104,791	111,263	111,263	
Federal Funds	0	0	0	0	
Legal Services	<u>10,021,244</u>	<u>10,633,006</u>	<u>10,678,899</u>	<u>10,317,413</u>	*
General Fund	192,434	142,451	163,625	163,625	
Cash Funds	9,702,084	10,396,045	10,377,731	10,016,245	
Reappropriated Funds	96,393	94,510	60,115	60,115	
Federal Funds	30,333	0	77,428	77,428	
Administrative Law Judge Services	<u>391,195</u>	<u>353,655</u>	<u>488,137</u>	<u>418,487</u>	
General Fund	17,675	15,979	22,055	16,494	
Cash Funds	373,520	337,676	466,082	401,993	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>173,883</u>	<u>169,829</u>	<u>149,391</u>	<u>220,291</u>	
General Fund	6,742	5,661	5,028	7,998	
Cash Funds	156,054	158,448	137,026	194,939	
Reappropriated Funds	8,960	5,720	5,081	10,628	
Federal Funds	2,127	0	2,256	6,726	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Vehicle Lease Payments	<u>165,377</u>	<u>196,843</u>	<u>238,619</u>	<u>283,135</u>	*
General Fund	0	0	0	0	
Cash Funds	165,377	196,843	238,619	283,135	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,299</u>	*
Cash Funds	0	0	0	9,299	
Information Technology Asset Maintenance	<u>648,793</u>	<u>664,530</u>	<u>671,403</u>	<u>671,403</u>	
General Fund	0	0	0	0	
Cash Funds	476,712	478,453	480,646	480,646	
Reappropriated Funds	172,081	186,077	190,757	190,757	
Federal Funds	0	0	0	0	
Hardware/Software Maintenance	<u>582,322</u>	<u>503,333</u>	<u>590,939</u>	<u>590,939</u>	
General Fund	800	0	800	800	
Cash Funds	323,959	257,722	331,537	331,537	
Reappropriated Funds	257,563	245,611	258,602	258,602	
Federal Funds	0	0	0	0	
Leased Space	<u>3,051,151</u>	<u>3,136,794</u>	<u>3,436,519</u>	<u>4,346,332</u>	
General Fund	95,361	130,866	138,335	138,335	
Cash Funds	2,578,797	2,718,051	2,826,058	3,593,459	
Reappropriated Funds	347,713	287,877	399,439	459,088	
Federal Funds	29,280	0	72,687	155,450	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Payments to OIT	<u>3,541,266</u>	<u>3,482,875</u>	<u>3,503,452</u>	<u>3,466,312</u>	*
General Fund	139,324	144,022	181,776	180,312	
Cash Funds	3,401,942	3,338,853	3,321,676	3,286,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
CORE Operations	<u>271,885</u>	<u>275,226</u>	<u>361,907</u>	<u>341,919</u>	
General Fund	10,542	10,803	14,024	12,413	
Cash Funds	244,008	250,068	324,826	302,570	
Reappropriated Funds	14,010	14,355	18,635	16,496	
Federal Funds	3,325	0	4,422	10,440	
Consumer Outreach/Education Program	<u>173,760</u>	<u>232,840</u>	<u>205,000</u>	<u>205,000</u>	
General Fund	0	0	0	0	
Cash Funds	173,760	232,840	205,000	205,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Broadband Deployment Board	<u>0</u>	<u>151,041</u>	<u>202,504</u>	<u>202,504</u>	
FTE	0.0	1.3	2.0	2.0	
General Fund	0	0	0	0	
Cash Funds	0	151,041	202,504	202,504	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Broadband Deployment Board Grants	<u>295,607</u>	<u>0</u>	<u>18,737,756</u>	<u>18,737,756</u>	
FTE	1.6	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	295,607	0	18,737,756	18,737,756	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (1) Executive Director's Office and Administrative Services	32,486,551	35,320,812	52,501,920	54,384,446	3.6%
FTE	<u>31.2</u>	<u>29.8</u>	<u>31.5</u>	<u>31.5</u>	0.0%
General Fund	868,908	919,403	790,343	1,000,666	26.6%
Cash Funds	27,399,610	28,898,118	47,137,128	48,238,616	2.3%
Reappropriated Funds	4,011,140	5,503,291	4,328,845	4,476,680	3.4%
Federal Funds	206,893	0	245,604	668,484	172.2%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(2) DIVISION OF BANKING

The Division of Banking regulates state-chartered commercial banks, trust companies, money transmitters, and national banks and interstate banks that maintain Public Deposit accounts in Colorado.

Personal Services	<u>3,237,601</u>	<u>3,518,769</u>	<u>4,061,412</u>	<u>4,062,486</u>	
FTE	36.0	34.8	40.0	40.0	
General Fund	0	0	0	0	
Cash Funds	3,237,601	3,518,769	4,061,412	4,062,486	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>466,133</u>	<u>359,873</u>	<u>490,733</u>	<u>490,733</u>	
General Fund	0	0	0	0	
Cash Funds	466,133	359,873	490,733	490,733	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Board Meeting Costs	<u>13,928</u>	<u>16,346</u>	<u>23,500</u>	<u>23,500</u>	
General Fund	0	0	0	0	
Cash Funds	13,928	16,346	23,500	23,500	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>356,997</u>	<u>374,131</u>	<u>357,993</u>	<u>351,419</u>	
General Fund	0	0	0	0	
Cash Funds	356,997	374,131	357,993	351,419	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - (2) Division of Banking	4,074,659	4,269,119	4,933,638	4,928,138	(0.1%)
<i>FTE</i>	<u>36.0</u>	<u>34.8</u>	<u>40.0</u>	<u>40.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	4,074,659	4,269,119	4,933,638	4,928,138	(0.1%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(3) CIVIL RIGHTS DIVISION

The Division of Civil Rights enforces Colorado's anti-discrimination laws in the areas of employment, housing, and public accommodations.

Personal Services	<u>1,557,803</u>	<u>1,650,030</u>	<u>2,116,736</u>	<u>2,131,285</u>	
FTE	25.8	30.0	27.3	27.3	
General Fund	998,064	1,085,206	1,065,743	1,079,752	
Cash Funds	0	0	0	0	
Reappropriated Funds	559,739	564,824	611,058	611,058	
Federal Funds	0	0	439,935	440,475	
Operating Expenses	<u>62,284</u>	<u>62,380</u>	<u>105,556</u>	<u>105,556</u>	
General Fund	62,284	62,380	62,380	62,380	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	43,176	43,176	
Hearings Pursuant to Complaint	<u>3,956</u>	<u>1,896</u>	<u>18,000</u>	<u>18,000</u>	
General Fund	3,956	1,896	17,000	17,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	1,000	1,000	
Commission Meeting Costs	<u>3,143</u>	<u>3,641</u>	<u>12,374</u>	<u>12,374</u>	
General Fund	3,143	3,641	5,174	5,174	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	7,200	7,200	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>14,201</u>	<u>0</u>	<u>94,374</u>	<u>92,601</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	14,201	0	94,374	92,601	
TOTAL - (3) Civil Rights Division	1,641,387	1,717,947	2,347,040	2,359,816	0.5%
<i>FTE</i>	<u>25.8</u>	<u>30.0</u>	<u>27.3</u>	<u>27.3</u>	0.0%
General Fund	1,067,447	1,153,123	1,150,297	1,164,306	1.2%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	559,739	564,824	611,058	611,058	0.0%
Federal Funds	14,201	0	585,685	584,452	(0.2%)

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(4) OFFICE OF CONSUMER COUNSEL

The Office of Consumer Counsel represents the public interest and the specific interests of residential, small business, and agricultural consumers in rate and rulemaking cases before the Public Utilities Commission, federal agencies, and the courts.

Personal Services	<u>743,257</u>	<u>841,691</u>	<u>916,612</u>	<u>916,854</u>	
FTE	6.8	6.5	7.0	7.0	
General Fund	0	0	0	0	
Cash Funds	743,257	841,691	916,612	916,854	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>30,165</u>	<u>25,852</u>	<u>55,814</u>	<u>55,814</u>	
General Fund	0	0	0	0	
Cash Funds	30,165	25,852	55,814	55,814	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>62,475</u>	<u>65,473</u>	<u>62,649</u>	<u>61,499</u>	
General Fund	0	0	0	0	
Cash Funds	62,475	65,473	62,649	61,499	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (4) Office of Consumer Counsel	835,897	933,016	1,035,075	1,034,167	(0.1%)
FTE	<u>6.8</u>	<u>6.5</u>	<u>7.0</u>	<u>7.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	835,897	933,016	1,035,075	1,034,167	(0.1%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	------------------------------	------------------------------	-------------------------------------	-------------------------------	--------------------------------------

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(5) DIVISION OF FINANCIAL SERVICES

stitutions.

Personal Services	<u>1,001,183</u>	<u>1,130,630</u>	<u>1,496,848</u>	<u>1,497,244</u>	
FTE	12.4	12.9	15.6	15.6	
General Fund	0	0	0	0	
Cash Funds	1,001,183	1,130,630	1,496,848	1,497,244	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>131,936</u>	<u>109,643</u>	<u>145,961</u>	<u>145,961</u>	
General Fund	0	0	0	0	
Cash Funds	131,936	109,643	145,961	145,961	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>139,229</u>	<u>145,911</u>	<u>139,617</u>	<u>137,053</u>	
General Fund	0	0	0	0	
Cash Funds	139,229	145,911	139,617	137,053	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

TOTAL - (5) Division of Financial Services	1,272,348	1,386,184	1,782,426	1,780,258	(0.1%)
FTE	<u>12.4</u>	<u>12.9</u>	<u>15.6</u>	<u>15.6</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	1,272,348	1,386,184	1,782,426	1,780,258	(0.1%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(6) DIVISION OF INSURANCE

The Division of Insurance regulates companies and agents providing health insurance, property and liability insurance (homeowners and automobile), life insurance, and title insurance.

Personal Services	<u>5,947,900</u>	<u>7,480,610</u>	<u>6,990,219</u>	<u>7,998,546</u> *
FTE	76.4	79.1	86.3	92.5
General Fund	67,500	279,000	0	0
Cash Funds	5,880,400	7,201,610	6,990,219	7,998,546
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Operating Expenses	<u>273,064</u>	<u>314,455</u>	<u>299,455</u>	<u>299,455</u>
General Fund	0	0	0	0
Cash Funds	273,064	314,455	299,455	299,455
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Out-of-State Travel Expenses	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
General Fund	0	0	0	0
Cash Funds	0	0	50,000	50,000
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Senior Health Counseling Program	<u>1,085,212</u>	<u>1,156,323</u>	<u>533,253</u>	<u>533,253</u>
FTE	3.7	4.1	2.0	2.0
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	1,085,212	1,156,323	533,253	533,253

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Transfer to CAPCO Administration	<u>85,291</u>	<u>85,291</u>	<u>85,291</u>	<u>85,291</u>	
General Fund	0	0	0	0	
Cash Funds	85,291	85,291	85,291	85,291	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Colorado Reinsurance Program	<u>0</u>	<u>8,000</u>	<u>1,015,122</u>	<u>1,015,122</u>	
FTE	0.0	0.0	4.0	4.0	
General Fund	0	0	0	0	
Cash Funds	0	0	1,015,122	1,015,122	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	8,000	0	0	
Indirect Cost Assessment	<u>742,555</u>	<u>778,193</u>	<u>807,258</u>	<u>792,419</u>	
General Fund	0	0	0	0	
Cash Funds	742,555	778,193	769,685	755,552	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	37,573	36,867	
TOTAL - (6) Division of Insurance	8,134,022	9,822,872	9,780,598	10,774,086	10.2%
FTE	<u>80.1</u>	<u>83.2</u>	<u>92.3</u>	<u>98.5</u>	6.7%
General Fund	67,500	279,000	0	0	0.0%
Cash Funds	6,981,310	8,379,549	9,209,772	10,203,966	10.8%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	1,085,212	1,164,323	570,826	570,120	(0.1%)

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(7) PUBLIC UTILITIES COMMISSION

The Public Utilities Commission regulates investor-owned electric, natural gas, telecommunications, private water utilities, and motor vehicle carriers for hire.

Personal Services	<u>8,215,683</u>	<u>7,458,979</u>	<u>11,271,198</u>	<u>11,264,528</u>	
FTE	84.5	71.1	104.9	104.8	
General Fund	0	0	0	0	
Cash Funds	8,215,683	7,458,979	11,271,198	11,264,528	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>399,507</u>	<u>470,350</u>	<u>643,605</u>	<u>637,540</u>	
General Fund	0	0	0	0	
Cash Funds	399,507	470,350	643,605	637,540	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Expert Testimony	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	25,000	25,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Disabled Telephone Users Fund Payments	<u>882,555</u>	<u>875,499</u>	<u>837,350</u>	<u>837,350</u>	
General Fund	0	0	0	0	
Cash Funds	882,555	875,499	837,350	837,350	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Transfer to Reading Services for the Blind Cash Fund	<u>510,000</u>	<u>510,000</u>	<u>510,000</u>	<u>510,000</u>	
General Fund	0	0	0	0	
Cash Funds	510,000	510,000	510,000	510,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Commission for the Deaf and Hard of Hearing Cash Fund	<u>1,983,652</u>	<u>2,199,359</u>	<u>1,992,589</u>	<u>1,992,589</u>	
General Fund	0	0	0	0	
Cash Funds	1,983,652	2,199,359	1,992,589	1,992,589	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Colorado Talking Book Library	<u>0</u>	<u>250,000</u>	<u>200,000</u>	<u>200,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	250,000	200,000	200,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Colorado Bureau of Investigation Background Checks					
Pass-through	<u>38,157</u>	<u>5,293</u>	<u>104,377</u>	<u>104,377</u>	
General Fund	0	0	0	0	
Cash Funds	38,157	5,293	104,377	104,377	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Highway-Rail Crossing Signalization Fund	<u>0</u>	<u>0</u>	<u>244,800</u>	<u>244,800</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	244,800	244,800	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>814,847</u>	<u>853,955</u>	<u>974,034</u>	<u>956,132</u>	
General Fund	0	0	0	0	
Cash Funds	814,847	853,955	933,467	916,327	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	40,567	39,805	
TOTAL - (7) Public Utilities Commission	12,844,401	12,623,435	16,802,953	16,772,316	(0.2%)
<i>FTE</i>	<u>84.5</u>	<u>71.1</u>	<u>104.9</u>	<u>104.8</u>	<u>(0.1%)</u>
General Fund	0	0	0	0	0.0%
Cash Funds	12,844,401	12,623,435	16,762,386	16,732,511	(0.2%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	40,567	39,805	(1.9%)

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(8) DIVISION OF REAL ESTATE

The Division of Real Estate licenses real estate agents, appraisers, and mortgage loan originators and registers mortgage companies and homeowners associations.

Personal Services	<u>3,755,426</u>	<u>3,648,948</u>	<u>4,014,729</u>	<u>4,015,791</u>	
FTE	53.6	48.9	48.9	48.9	
General Fund	0	0	0	0	
Cash Funds	3,755,426	3,648,948	4,014,729	4,015,791	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>127,297</u>	<u>108,266</u>	<u>198,627</u>	<u>198,627</u>	
General Fund	0	0	0	0	
Cash Funds	127,297	108,266	198,627	198,627	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Commission Meeting Costs	<u>28,268</u>	<u>15,033</u>	<u>36,332</u>	<u>36,332</u>	
General Fund	0	0	0	0	
Cash Funds	28,268	15,033	36,332	36,332	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Hearings Pursuant to Complaint	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>4,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	4,000	4,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Mortgage Broker Consumer Protection	<u>188,239</u>	<u>200,979</u>	<u>215,767</u>	<u>235,198</u>	
General Fund	0	0	0	0	
Cash Funds	188,239	200,979	215,767	235,198	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>438,506</u>	<u>457,376</u>	<u>437,647</u>	<u>429,611</u>	
General Fund	0	0	0	0	
Cash Funds	438,506	457,376	437,647	429,611	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (8) Division of Real Estate	4,537,736	4,430,602	4,907,102	4,919,559	0.3%
<i>FTE</i>	<u>53.6</u>	<u>48.9</u>	<u>48.9</u>	<u>48.9</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	4,537,736	4,430,602	4,907,102	4,919,559	0.3%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(9) DIVISION OF PROFESSIONS AND OCCUPATIONS

The Division of Professions and Occupations regulates licensees in over 30 professions and occupations to ensure a basic level of competence among licensees and to protect the public welfare.

Personal Services	<u>14,515,560</u>	<u>14,913,113</u>	<u>15,988,655</u>	<u>15,992,884</u>	
FTE	196.3	188.6	200.5	200.5	
General Fund	0	0	0	0	
Cash Funds	14,191,146	14,604,507	15,395,204	15,399,433	
Reappropriated Funds	324,414	308,606	593,451	593,451	
Federal Funds	0	0	0	0	
Operating Expenses	<u>1,471,229</u>	<u>1,098,849</u>	<u>1,610,460</u>	<u>1,610,460</u>	
General Fund	0	0	0	0	
Cash Funds	1,471,229	1,098,849	1,610,460	1,610,460	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Office of Expedited Settlement Program Costs	<u>371,620</u>	<u>302,115</u>	<u>459,600</u>	<u>459,600</u>	
FTE	5.4	4.3	5.0	5.0	
General Fund	0	0	0	0	
Cash Funds	371,620	302,115	459,600	459,600	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Hearings Pursuant to Complaint	<u>247,357</u>	<u>226,271</u>	<u>307,075</u>	<u>307,075</u>	
General Fund	0	0	0	0	
Cash Funds	247,357	226,271	307,075	307,075	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
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>	
General Fund	0	0	0	0	
Cash Funds	14,652	14,652	14,652	14,652	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>1,786,772</u>	<u>1,891,234</u>	<u>1,839,190</u>	<u>1,804,427</u>	
General Fund	0	0	0	0	
Cash Funds	1,786,772	1,891,234	1,839,190	1,804,427	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (9) Division of Professions and Occupations	18,407,190	18,446,234	20,219,632	20,189,098	(0.2%)
<i>FTE</i>	<u>201.7</u>	<u>192.9</u>	<u>205.5</u>	<u>205.5</u>	(0.0%)
General Fund	0	0	0	0	0.0%
Cash Funds	18,082,776	18,137,628	19,626,181	19,595,647	(0.2%)
Reappropriated Funds	324,414	308,606	593,451	593,451	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(10) DIVISION OF SECURITIES

The Division of Securities monitors the conduct of broker-dealers and sales representatives, investigates citizen complaints, and investigates indicators of investment fraud.

Personal Services	<u>2,151,755</u>	<u>2,325,130</u>	<u>2,417,629</u>	<u>2,418,270</u>	
FTE	24.8	25.3	24.0	24.0	
General Fund	0	0	0	0	
Cash Funds	2,151,755	2,325,130	2,417,629	2,418,270	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Operating Expenses	<u>63,847</u>	<u>59,478</u>	<u>99,064</u>	<u>99,064</u>	
General Fund	0	0	0	0	
Cash Funds	63,847	59,478	99,064	99,064	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Hearings Pursuant to Complaint	<u>9,778</u>	<u>16,353</u>	<u>19,594</u>	<u>19,594</u>	
General Fund	0	0	0	0	
Cash Funds	9,778	16,353	19,594	19,594	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Board Meeting Costs	<u>715</u>	<u>604</u>	<u>4,500</u>	<u>4,500</u>	
General Fund	0	0	0	0	
Cash Funds	715	604	4,500	4,500	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Securities Fraud Prosecution	<u>951,881</u>	<u>1,128,468</u>	<u>1,187,413</u>	<u>1,192,170</u>	
General Fund	0	0	0	0	
Cash Funds	951,881	1,128,468	1,187,413	1,192,170	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Indirect Cost Assessment	<u>214,198</u>	<u>224,479</u>	<u>214,796</u>	<u>210,851</u>	
General Fund	0	0	0	0	
Cash Funds	214,198	224,479	214,796	210,851	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (10) Division of Securities	3,392,174	3,754,512	3,942,996	3,944,449	0.0%
<i>FTE</i>	<u>24.8</u>	<u>25.3</u>	<u>24.0</u>	<u>24.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	3,392,174	3,754,512	3,942,996	3,944,449	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(11) DIVISION OF CONSERVATION

The Division of Conservation, in conjunction with the Conservation Easement Oversight Commission, certifies conservation easement holders and conservation easement tax credit certificates.

Conservation Easement Program Costs	<u>139,943</u>	<u>465,410</u>	<u>464,786</u>	
FTE	1.2	3.8	3.8	
General Fund	0	0	0	
Cash Funds	139,943	465,410	464,786	
Reappropriated Funds	0	0	0	
Federal Funds	0	0	0	
Indirect Cost Assessment	<u>35,074</u>	<u>34,009</u>	<u>34,009</u>	
General Fund	0	0	0	
Cash Funds	35,074	34,009	34,009	
Reappropriated Funds	0	0	0	
Federal Funds	0	0	0	

TOTAL - (11) Division of Conservation	175,017	499,419	498,795	(0.1%)
FTE	<u>1.2</u>	<u>3.8</u>	<u>3.8</u>	<u>0.0%</u>
General Fund	0	0	0	0.0%
Cash Funds	175,017	499,419	498,795	(0.1%)
Reappropriated Funds	0	0	0	0.0%
Federal Funds	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
TOTAL - Department of Regulatory Agencies	87,626,365	92,879,750	118,752,799	121,585,128	2.4%
<i>FTE</i>	<u>556.9</u>	<u>536.6</u>	<u>600.8</u>	<u>606.9</u>	<u>1.0%</u>
General Fund	2,003,855	2,351,526	1,940,640	2,164,972	11.6%
Cash Funds	79,420,911	82,987,180	109,836,123	111,876,106	1.9%
Reappropriated Funds	4,895,293	6,376,721	5,533,354	5,681,189	2.7%
Federal Funds	1,306,306	1,164,323	1,442,682	1,862,861	29.1%

APPENDIX B FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2020 Long Bill (H.B. 20-1360) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB20-1360>. The Long Bill footnotes relevant to this document are listed below.

- 113 Department of Regulatory Agencies, Executive Director's Office and Administrative Services, Health, Life, and Dental -- The General Fund appropriation includes a decrease of \$74,526 that is equal to 5.0 percent of the General Fund portion of estimated base salary for the Department. The reduction in this General Fund appropriation is in lieu of a 5.0 percent personal services base reduction and provides the Department with increased flexibility to absorb the reduction and engage in more considered targeted reductions across all department divisions and programs. This reduction is not intended to reduce the Health, Life, and Dental benefit provided to state employees. It is the General Assembly's intent that Health, Life, and Dental costs for employees, as approved in budget actions, be fully paid within personal services appropriations augmented by Department allocations from central benefits appropriations.

COMMENT: This footnote explains assumptions used in determining the amount of the FY 2020-21 appropriation for Health, Life, and Dental. The footnote describes the adjustment made as a statewide compensation balancing action. This item is addressed in the Statewide Compensation briefing document.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as Appendix L of the annual Appropriations Report. The requests for information relevant to this document are listed below.

- 1 Department of Regulatory Agencies, Public Utilities Commission--The Department is requested to provide the following information to the Joint Budget Committee every year beginning by November 1st 2020: The number of pipeline incidents that have occurred under the jurisdiction of Gas Pipeline Safety Unit for the previous three fiscal years, the classification of pipelines in which those incidents have occurred, the degree of severity of incidents that have occurred, the status of hiring and number of FTE included within the Gas Pipeline Safety Unit.

COMMENT: This report is due on November 1st of every year beginning in 2020. The Department has submitted this report as part of its budget request.

APPENDIX C

DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(a)(I), C.R.S., by November 1 of each year, the Office of State Planning and Budgeting is required to publish an **Annual Performance Report** for the *previous fiscal year* for the Department of Regulatory Agencies. This report is to include a summary of the department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the department's FY 2021-22 budget request, the FY 2019-20 Annual Performance Report and the FY 2020-21 Performance Plan can be found at the following link:

<https://operations.colorado.gov/performance-management/departments-performance-plans>

APPENDIX D

2020 SUNSET REVIEWS

A sunset review is a periodic assessment of state boards, programs, and functions to determine whether they should be continued by the General Assembly. Sunset reviews focus on creating the least restrictive form of regulation consistent with protecting the public. In formulating recommendations, sunset reviews consider the public's right to consistent, high quality professional or occupational services and the ability of businesses to exist and thrive in a competitive market, free from unnecessary regulation. The reviews are conducted by the Department's Office of Policy, Research and Regulatory Reform (COPRRR).

The following table summarizes the sunset reviews conducted by COPRRR in 2020. Note, the recommendation column only includes the COPRRRs continuation/repeal recommendation and not the policy-oriented recommendations put forth by the Office for each item reviewed.

2020 SUNSET REVIEWS	
REGULATORY PROGRAM	COPRRR RECOMMENDATION
State Board of Pharmacy	Continue Parts 1, 2 and 3 of the Act for nine years, until 2030.
Workers' Compensation Classification Appeals Board	Continue the Board for 11 years, until 2032.
Surgical Assistant and Surgical Technologist Registration	Continue the surgical assistants and surgical technologists registration program for seven years, until 2028.
Colorado Electronic Prescription Drug Monitoring Program	Continue the Colorado Electronic Prescription Drug Monitoring Program for seven years, until 2028.
Office of Consumer Council and the Utility Consumers' Board	Continue the Office of Consumer Council and Utility Consumers Board for seven years, until 2028.
Michael Skolnik Medical Transparency Act of 2010	Continue the Healthcare Professions Profile Program for seven years, until 2028.
Laura Hershey Disability Support Act	Continue the Disability Funding Committee for five years, until 2026.
Direct-entry Midwives	Continue the regulation of direct-entry midwives for seven years, until 2028.
Application of Interim Therapeutic Restoration and Silver Diamine Fluoride	Continue the regulation of the application of ITR and SDF by dental hygienists and combine future sunset reviews of both ITR and SDF with the sunset review of the Dental Practice Act.
Athletic Trainer Practice Act	Sunset the licensing of athletic trainers. Require athletic trainers to pass the national certification examination and allow them to work under a limited exemption to the Medical Practice Act.