



JOINT BUDGET COMMITTEE STAFF FY 2022-23 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Regulatory Agencies

The Department of Regulatory Agencies is statutorily-tasked with ensuring that individuals and businesses who provide Colorado with professional services are doing so ethically and responsibly. These duties are carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through boards, commissions, and advisory committees. The Department's FY 2021-22 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations.

FY 2021-22 APPROPRIATION AND FY 2022-23 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION:						
SB 21-205 (Long Bill)	121,515,244	2,867,019	111,118,498	5,639,571	1,890,156	607.7
Other legislation	5,133,288	(10)	5,133,298	0	0	27.8
TOTAL	\$126,648,532	\$2,867,009	\$116,251,796	\$5,639,571	\$1,890,156	635.5
FY 2022-23 REQUESTED APPROPRIATION:						
FY 2021-22 Appropriation	\$126,648,532	\$2,867,009	\$116,251,796	\$5,639,571	\$1,890,156	635.5
R1 Implement primary care and maternal health apms	250,000	0	250,000	0	0	0.0
R2 Actuarial review of insurance coverages	237,924	0	237,924	0	0	0.3
R3 Align state surprise billing law with feds	159,912	0	159,912	0	0	2.0
R4 Increase EDO resources	0	0	(392,392)	392,392	0	5.0
R5 Reduce payments to TUDF	(59,541)	0	(59,541)	0	0	0.0
Non-prioritized decision items	249,374	96,677	142,670	9,209	818	1.0
Centrally appropriated line items	4,950,707	41,936	5,038,479	153,338	(283,046)	0.0
Annualize prior year legislation	1,635,928	0	1,635,928	0	0	11.2
Indirect cost assessment	160,102	0	155,156	0	4,946	0.0
TOTAL	\$134,232,938	\$3,005,622	\$123,419,932	\$6,194,510	\$1,612,874	655.0
INCREASE/(DECREASE)	\$7,584,406	\$138,613	\$7,168,136	\$554,939	(\$277,282)	19.5
Percentage Change	6.0%	4.8%	6.2%	9.8%	(14.7%)	3.1%

R1 IMPLEMENTATION OF PRIMARY CARE AND MATERNAL HEALTH APMS: The Department is requesting an increase of \$250,000 cash funds from the Division of Insurance Cash Fund for FY 2022-23 to support the implementation of statewide, all-payer alternative payment models (APM). The Department indicates that funding is for the implementation of an evidence-informed program as defined in S.B. 21-284 (Evidence-based evaluation for budget).

R2 ACTUARIAL REVIEW OF INSURANCE COVERAGES: The Department is requesting an increase of \$237,924 cash funds from the Division of Insurance Cash Fund and 0.3 FTE for FY 2022-23 to establish a uniform, evidence-based process to evaluate the costs and benefits of new coverages to private health insurance. The Department has specified

that this request will require legislation to establish the timeline and parameters for the review process. The Department indicates that funding is for the implementation of a theory-informed practice as defined in S.B. 21-284 (Evidence-based evaluation for budget).

R3 ALIGN STATE SURPRISE BILLING LAW WITH THE FEDERAL NO SURPRISES ACT: The Department is requesting an increase of \$159,912 cash funds from the Division of Insurance Cash Fund and 2.0 FTE for FY 2022-23 to implement and align state statutory provisions regarding out-of-network billing restrictions with the federal No Surprises Act. The Department has specified that this request will require legislation to change statute to come in line with federal law. The Department indicates that funding is for the implementation of a theory-informed practice as defined in S.B. 21-284 (Evidence-based evaluation for budget).

R4 INCREASE RESOURCES FOR THE EXECUTIVE DIRECTOR’S OFFICE: The Department is requesting a net-zero, \$392,392 cash fund offset that would reduce cash funded indirect line items in every division and increase funding to the Executive Director’s Office to support an increase of 5.0 FTE. The Department indicates that funding is for a theory-informed practice as defined in S.B. 21-284 (Evidence-based evaluation for budget).

R5 REDUCE DISABLED TELEPHONE PAYMENTS: The Department is requesting a decrease of \$59,541 cash funds from the Telephone Users with Disabilities Fund to realign costs with the expected level of service provided by Relay Colorado. The Department indicates that funding is for a theory-informed practice as defined in S.B. 21-284 (Evidence-based evaluation for budget).

NON-PRIORITIZED DECISION ITEMS: The request includes a net increase of \$249,374 total funds including \$96,677 General Fund for decision items requested by other departments that impact the agencies covered in this briefing document.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DPA Paid family leave	\$106,338	\$3,165	\$96,147	\$6,208	\$818	0.0
CO equity office placeholder	91,635	91,635	0	0	0	1.0
DPA Paid Family Medical Leave Act Funding	36,163	1,216	32,162	2,785	0	0.0
OIT Budget package	15,529	566	14,963	0	0	0.0
DPA CSEAP resources	2,813	95	2,502	216	0	0.0
Fleet vehicle request	(3,104)	0	(3,104)	0	0	0.0
TOTAL	\$249,374	\$96,677	\$142,670	\$9,209	\$818	1.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a net increase of \$4.9 million total funds, including \$41,936 General Fund, for adjustments to centrally appropriated line items. The following table itemizes each requested change.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$1,553,423	\$46,237	\$1,404,553	\$90,682	\$11,951	0.0
Health, life, and dental	1,151,566	(16,992)	1,300,383	29,359	(161,184)	0.0
Payments to OIT	718,822	(28,884)	747,706	0	0	0.0
Legal services	639,881	17,305	589,058	36,424	(2,906)	0.0
AED	241,726	(4,431)	302,950	4,437	(61,230)	0.0
SAED	241,726	(4,431)	302,950	4,437	(61,230)	0.0
Payment to risk management and property funds	154,906	5,202	131,456	12,193	6,055	0.0
Administrative Law Judge services	105,533	4,768	100,765	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Leased space	82,882	28,745	68,537	(25,930)	11,530	0.0
CORE adjustment	58,079	403	49,175	3,238	5,263	0.0
PERA Direct Distribution	24,843	(4,968)	63,889	(3,299)	(30,779)	0.0
Short-term disability	8,269	(123)	10,152	176	(1,936)	0.0
Workers' compensation	(30,949)	(895)	(33,095)	1,621	1,420	0.0
TOTAL	\$4,950,707	\$41,936	\$5,038,479	\$153,338	(\$283,046)	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$1.6 million total funds to reflect the FY 2022-23 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB21-1012 PDMP	\$1,137,685	\$0	\$1,137,685	\$0	\$0	3.7
SB21-246 Promote beneficial electrification	375,261	0	375,261	0	0	4.6
HB21-1232 Health benefit plan	284,670	0	284,670	0	0	0.0
SB21-264 Reduce ghg emissions	179,657	0	179,657	0	0	1.9
SB21-103 Sunset office of consumer counsel	96,622	0	96,622	0	0	0.8
HB21-1195 Regulate radon pros	55,652	0	55,652	0	0	0.6
HB21-1013 Divide domestic stock ins	10,252	0	10,252	0	0	0.1
SB21-021 Audiology & speech-language	7,671	0	7,671	0	0	0.1
SB21-126 Timely credentialing	2,821	0	2,821	0	0	0.1
SB21-261 PUC encourage renewables	1,431	0	1,431	0	0	0.0
SB21-175 Rx drug affordability	(301,012)	0	(301,012)	0	0	0.0
SB21-108 PUC gas utility inspection	(139,047)	0	(139,047)	0	0	(0.7)
HB21-1276 Prevent subst use disorder	(25,400)	0	(25,400)	0	0	0.0
HB21-1201 Transparency telecoms cor	(18,600)	0	(18,600)	0	0	0.0
HB21-1068 Ins coverage mental health	(13,000)	0	(13,000)	0	0	0.0
HB21-1233 Cons ease tax credit	(12,400)	0	(12,400)	0	0	0.0
HB21-1269 PUC community choice energy	(6,335)	0	(6,335)	0	0	0.0
TOTAL	\$1,635,928	\$0	\$1,635,928	\$0	\$0	11.2

INDIRECT COST ASSESSMENT: The request includes a net increase to indirect costs of \$160,102 across the Department.

**SUMMARY OF ISSUES PRESENTED TO THE
JOINT BUDGET COMMITTEE**

R4 INCREASE RESOURCES FOR THE EXECUTIVE DIRECTOR'S OFFICE: This issue brief outlines the Department's request for additional resources in the Executive Director's Office to be better equipped to carry out its statutory responsibilities.

R1 IMPLEMENTATION OF PRIMARY CARE AND MATERNAL HEALTH APMS: This issue brief describes what an alternative payment model is, the difference between an alternative payment model and the standard fee-for-service payment model, a discussion on the positives and negatives of alternative payment models, and a brief summary of the Department's request.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2021.