

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING  
DEPARTMENT OF REGULATORY AGENCIES**

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

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**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
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**TABLE OF CONTENTS**  
**DEPARTMENT OF REGULATORY AGENCIES**

	<b>Numbers Pages</b>	<b>Narrative</b>
Department Divisions		
Executive Director's Office	1	13
Division of Banking	5	21
Civil Rights Division	5	24
Office of Consumer Counsel	6	27
Division of Financial Services	7	28
Division of Insurance	7	30
Public Utilities Commission	8	35
Division of Real Estate	9	39
Division of Registrations	10	41
Division of Securities	11	46
Department Total	12	n/a
Footnotes and Request for Information	n/a	50
Appendix A: How Insurance Companies and Offices Qualify for the 1.0 percent Insurance Premium Tax Credit	n/a	51

FY 2010-11 Joint Budget Committee Staff Figure Setting  
 Department of Regulatory Agencies

NUMBERS PAGES

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	
					DI/Notes	
<b>DEPARTMENT OF REGULATORY AGENCIES</b>						
<b>Barbara Kelley, Executive Director</b>						
<b>(1) EXECUTIVE DIRECTOR'S OFFICE</b>						
The primary functions of the Executive Director's Office is to conducting sunrise and sunset evaluations of department and state divisions, commissions, boards; perform department wide administrative functions including accounting, budgeting, purchasing and facilities planning.						
Personal Services	3,838,346	3,926,915	4,087,116	2,267,953	2,239,716	
FTE - RF/CFE	<u>51.0</u>	<u>50.8</u>	<u>52.3</u>	<u>26.8</u>	<u>27.5</u>	NP #2: OIT
General Fund	56,450	24,914	15,619	8,000	8,000	
Cash Funds	19,000	36,274	25,500	13,000	13,000	
Reappropriated Funds / Cash Funds Exempt	3,762,896	3,865,727	4,045,997	2,246,953	2,218,716	DI #1, NP #2: OIT, NP: PERA
FTE	51.0	50.8	52.3	26.8	27.5	
Health, Life, and Dental	<u>2,210,827</u>	<u>2,440,662</u>	<u>2,922,197</u>	<u>2,639,292</u>	pending	
General Fund	120,081	78,208	92,248	88,709		
Cash Funds	1,804,809	1,865,519	2,243,800	2,337,504		
Reappropriated Funds / Cash Funds Exempt	285,937	460,167	542,780	171,216		NP #2: OIT
Federal Funds	0	36,768	43,369	41,863		
Short-Term Disability	<u>41,774</u>	<u>40,607</u>	<u>50,482</u>	<u>51,324</u>	<u>55,814</u>	
General Fund	1,183	1,074	1,256	1,692	1,730	
Cash Funds	33,542	31,633	43,106	45,086	50,327	
Reappropriated Funds / Cash Funds Exempt	7,049	7,427	5,649	4,035	3,137	NP #2: OIT
Federal Funds	0	473	471	511	620	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	
					DI/Notes	
SB 04-257 Amortization Equalization Disbursement	<u>385,299</u>	<u>525,892</u>	<u>654,717</u>	<u>794,723</u>	<u>863,827</u>	
General Fund	10,620	12,938	16,098	26,205	26,415	
Cash Funds	309,613	421,545	559,080	698,111	779,254	
Reappropriated Funds / Cash Funds Exempt	65,066	91,409	73,465	62,489	48,562	NP #2: OIT
Federal Funds	0	0	6,074	7,918	9,596	
SB 06-235 Supplemental Amortization						
Equalization Distribution	<u>79,954</u>	<u>241,940</u>	<u>408,688</u>	<u>579,485</u>	<u>629,680</u>	
General Fund	1,896	5,850	9,879	19,107	19,067	
Cash Funds	64,503	193,242	349,150	509,039	568,206	
Reappropriated Funds / Cash Funds Exempt	13,555	42,848	45,863	45,565	35,410	NP #2: OIT
Federal Funds	0	0	3,796	5,774	6,997	
Salary Survey and Senior Executive Service	<u>991,715</u>	<u>1,325,901</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	36,244	64,174	0	0	0	
Cash Funds	804,907	1,047,658	0	0	0	
Reappropriated Funds / Cash Funds Exempt	150,564	214,069	0	0	0	
Performance-based Pay Awards	<u>475,057</u>	<u>530,143</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	13,741	21,972	0	0	0	
Cash Funds	393,951	426,446	0	0	0	
Reappropriated Funds / Cash Funds Exempt	67,365	81,725	0	0	0	
Workers' Compensation	<u>75,870</u>	<u>95,252</u>	<u>84,676</u>	<u>88,397</u>	<u>pending</u>	
General Fund	2,922	3,667	2,992	3,104		
Cash Funds	69,020	88,149	71,961	75,157		
Reappropriated Funds / Cash Funds Exempt	2,521	1,671	8,354	8,706		
Federal Funds	1,407	1,765	1,369	1,430		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
Operating Expenses	<u>211,425</u>	<u>206,795</u>	<u>212,018</u>	<u>212,151</u>	<u>210,211</u>	
General Fund	3,689	3,689	3,689	3,689	3,689	
Cash Funds	59,044	95,427	95,427	95,427	95,427	
Reappropriated Funds / Cash Funds Exempt	148,692	107,679	112,902	113,035	111,095	NP: Mail Equipment
Legal Services	6,591,182	7,472,664	7,815,250	7,665,041	<u>pending</u>	
Hours Equivalent	<u>91,506</u>	<u>99,503</u>	<u>103,678</u>	<u>101,685</u>	<u>101,685</u>	BA: CRD Reduction
General Fund	90,140	204,013	209,933	152,809		BA: CRD Reduction
Cash Funds	6,233,719	7,135,164	7,324,753	7,231,668		
Reappropriated Funds / Cash Funds Exempt	131,619	133,487	138,548	138,548		
Federal Funds	135,704	0	142,016	142,016		
Administrative Law Judges	<u>228,903</u>	<u>239,949</u>	<u>324,818</u>	<u>304,779</u>	<u>pending</u>	
General Fund	4,834	11,054	14,964	14,041		
Cash Funds	222,323	228,895	309,854	290,738		
Reappropriated Funds / Cash Funds Exempt	1,746	0	0	0		
Purchase of Services from Computer Center - RF/CFE	5,896	51,060	51,060	1,598,639	<u>pending</u>	NP #2: OIT
MULTI-USE NETWORK PAYMENTS (New Line Item) - RF	n/a	n/a	n/a	131,580	<u>pending</u>	NP #2: OIT
Management and Administration of OIT	<u>n/a</u>	<u>66,500</u>	<u>70,429</u>	<u>273,484</u>	<u>pending</u>	
General Fund	n/a	1,525	1,604	1,882		
Cash Funds	n/a	54,708	57,416	67,412		
Reappropriated Funds / Cash Funds Exempt	n/a	9,661	10,774	203,444		NP #2: OIT
Federal Funds	n/a	606	635	746		
Payment to Risk Management Fund	<u>69,239</u>	<u>83,441</u>	<u>96,376</u>	<u>41,748</u>	<u>pending</u>	
General Fund	2,555	3,148	3,491	1,511		
Cash Funds	55,204	67,971	77,828	33,714		
Reappropriated Funds / Cash Funds Exempt	9,818	10,277	12,936	5,604		
Federal Funds	1,662	2,045	2,121	919		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
Vehicle Lease Payments - CF	157,653	130,536	187,489	241,797	pending	NP: Fleet
Information Technology Asset Maintenance	<u>560,849</u>	<u>544,564</u>	<u>719,323</u>	<u>671,403</u>	<u>671,403</u>	
Cash Funds	273,755	347,547	402,332	480,646	480,646	
Reappropriated Funds / Cash Funds Exempt	287,094	197,017	190,757	190,757	190,757	
Federal Funds	0	0	126,234	0	0	
Leased Space	<u>2,572,233</u>	<u>2,663,908</u>	<u>3,110,357</u>	<u>2,927,222</u>	<u>2,927,222</u>	BA: Leased Space
General Fund	87,472	91,259	102,146	96,132	96,132	
Cash Funds	2,058,877	2,251,493	2,500,098	2,352,894	2,352,894	
Reappropriated Funds / Cash Funds Exempt	399,760	321,156	466,206	438,756	438,756	
Federal Funds	26,124	0	41,907	39,440	39,440	
Capital Complex Leased Space - CF	1,307	1,284	6,325	6,358	pending	
Hardware / Software Maintenance	<u>624,226</u>	<u>696,010</u>	<u>846,235</u>	<u>717,330</u>	<u>717,330</u>	
General Fund	800	800	800	800	800	
Cash Funds	400,918	438,817	586,833	457,928	457,928	
Reappropriated Funds / Cash Funds Exempt	222,508	256,393	258,602	258,602	258,602	
Consumer Outreach / Education Program - CF	0	151,276	200,000	200,000	200,000	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (1) EXECUTIVE DIRECTOR</b>	<b>19,121,755</b>	<b>21,435,299</b>	<b>21,847,556</b>	<b>21,412,706</b>	<b>8,515,203</b>	<b>(2.0%)</b>
<b>FTE</b>	<b><u>51.0</u></b>	<b><u>50.8</u></b>	<b><u>52.3</u></b>	<b><u>26.8</u></b>	<b><u>27.5</u></b>	<b><u>(48.8%)</u></b>
General Fund	432,627	528,285	474,719	417,681	155,833	(12.0%)
Cash Funds	12,962,145	15,013,584	15,040,952	15,136,479	4,997,682	0.6%
Reappropriated Funds / Cash Funds Exempt	5,562,086	5,851,773	5,963,893	5,617,929	3,305,035	(5.8%)
FTE	51.0	50.8	52.3	26.8	27.5	(48.8%)
Federal Funds	164,897	41,657	367,992	240,617	56,653	(34.6%)

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
<b>(2) DIVISION OF BANKING</b>						
The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies; conduct examinations of institutions and ensure institutions comply with the Public Deposit Protection Act. The Division is funded by the Division of Banking Cash Fund, pursuant to Section 11-102-403, C.R.S.						
Personal Services - CF	2,741,481	2,704,691	3,307,385	3,296,342	3,296,342	NP:PERA
FTE - CF	36.2	35.6	44.0	44.0	44.0	
Operating Expenses - CF	284,470	279,611	418,989	387,876	380,741	NP: Mail Equipment
Board Meetings - CF	23,500	22,488	23,500	23,500	23,500	
Indirect Cost Assessments - CF	453,080	470,557	513,677	507,177	pending	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (2) BANKING - CF</b>	<b>3,502,531</b>	<b>3,477,347</b>	<b>4,263,551</b>	<b>4,214,895</b>	<b>3,700,583</b>	<b>(1.1%)</b>
<b>FTE - CF</b>	<b>36.2</b>	<b>35.6</b>	<b>44.0</b>	<b>44.0</b>	<b>44.0</b>	<b>0.0%</b>

**(3) CIVIL RIGHTS DIVISION**

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

Personal Services	1,615,800	1,876,760	1,730,639	1,590,988	1,590,869	
FTE	24.7	26.4	32.4	31.4	31.4	
General Fund	952,863	786,625	1,105,771	962,807	962,806	BA: CRD Reduction
FTE	15.5	14.5	19.4	18.4	18.4	
Reappropriated Funds / Cash Funds Exempt	311,532	418,653	272,752	280,361	280,361	
FTE	2.0	2.0	2.0	2.0	2.0	
Federal Funds	351,405	671,482	352,116	347,820	347,702	
FTE	7.2	9.9	11.0	11.0	11.0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
Operating Expenses	<u>139,588</u>	<u>103,178</u>	<u>105,185</u>	<u>102,036</u>	<u>99,656</u>	
General Fund	56,845	61,378	64,065	60,916	58,536	BA: 5.0% Reduction, NP: Mail Equipment
Federal Funds	82,743	41,800	41,120	41,120	41,120	
Hearings Pursuant to Complaint	<u>3,057</u>	<u>17,000</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	
General Fund	3,057	17,000	17,000	17,000	17,000	
Federal Funds	0	0	1,000	1,000	1,000	
Commission Meetings Costs	<u>12,367</u>	<u>5,174</u>	<u>12,374</u>	<u>12,374</u>	<u>12,374</u>	
General Fund	5,167	5,174	5,174	5,174	5,174	
Federal Funds	7,200	0	7,200	7,200	7,200	
Indirect Cost Assessment - FF	56,025	35,738	55,415	54,437	pending	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (3) CIVIL RIGHTS</b>	<b>1,826,837</b>	<b>2,037,850</b>	<b>1,921,613</b>	<b>1,777,835</b>	<b>1,720,899</b>	<b>(7.5%)</b>
<b>FTE</b>	<b>24.7</b>	<b>26.4</b>	<b>32.4</b>	<b>31.4</b>	<b>31.4</b>	<b>(3.1%)</b>
General Fund	1,017,932	870,177	1,192,010	1,045,897	1,043,516	(12.3%)
FTE	15.5	14.5	19.4	18.4	18.4	(5.2%)
Reappropriated Funds / Cash Funds Exempt	311,532	418,653	272,752	280,361	280,361	2.8%
FTE	2.0	2.0	2.0	2.0	2.0	0.0%
Federal Funds	497,373	749,020	456,851	451,577	397,022	(1.2%)
FTE	7.2	9.9	11.0	11.0	11.0	0.0%

**(4) OFFICE OF CONSUMER COUNSEL**

The Office of Consumer Council represents the interests of the consumer, mainly residential, agricultural and small businesses at electric, gas, telecommunications utility rate and service proceedings before the Public Utility Commission (PUC). This Division is funded entirely from the PUC Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

Personal Services - CF	688,296	735,450	805,028	790,393	790,393
FTE - CF	6.9	7.0	7.0	7.0	7.0
Operating Expenses - CF	47,506	49,511	56,322	56,365	55,750

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction
Indirect Cost Assessments - CF	82,378	85,556	80,803	79,769	pending
					<i>Request vs. Appropriation</i>
<b>TOTAL - (4) CONSUMER COUNSEL - CF</b>	<b>818,180</b>	<b>870,517</b>	<b>942,153</b>	<b>926,527</b>	<b>846,143</b>
<b>FTE - CF</b>	<b>6.9</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
					<i>(1.7%)</i>
					<i>0.0%</i>

#### (5) DIVISION OF FINANCIAL SERVICES

The Division of Financial Services regulates state-chartered credit unions, life care institutions, and savings and loan associations; conduct examinations of institutions to ensure continued compliance with regulatory standards. This Division is funded entirely from the Division of Financial Services Cash Fund pursuant to Section 11-40-106 (2), C.R.S.

Personal Services - CF	836,900	920,380	1,151,520	1,128,221	1,128,221	NP: PERA
FTE - CF	11.2	12.3	15.0	15.0	15.0	
Operating Expenses - CF	86,988	96,416	173,224	162,846	160,663	NP: Mail Equipment
Indirect Cost Assessments - CF	152,988	158,890	173,150	170,934	pending	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (5) FINANCIAL SERVICES - CF</b>	<b>1,076,876</b>	<b>1,175,686</b>	<b>1,497,894</b>	<b>1,462,001</b>	<b>1,288,884</b>	<i>(2.4%)</i>
<b>FTE - CF</b>	<b>11.2</b>	<b>12.3</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<i>0.0%</i>

#### (6) DIVISION OF INSURANCE

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

Personal Services - CF	5,262,277	5,771,342	6,082,584	6,057,612	6,058,774	NP: PERA
FTE - CF	76.1	82.3	84.7	84.7	84.7	
Operating Expenses - CF	284,179	264,606	400,249	400,503	393,376	NP: Mail Equipment
Senior Health Counseling Program - FF	574,951	682,747	509,000	509,000	507,838	NP: PERA
FTE - FF	2.0	2.0	2.0	2.0	2.0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
Insurance Fraud Prosecution - CF	766,261	819,342	872,262	872,262	pending	
Transfer to CAPCO Administration	n/a	91,930	81,312	81,312	79,593	
Indirect Cost Assessments	<u>924,096</u>	<u>981,122</u>	<u>984,872</u>	<u>972,063</u>	pending	
Cash Funds	924,096	981,122	975,410	962,601		
Federal Funds	0	0	9,462	9,462		
						<i>Request vs. Appropriation</i>
<b>TOTAL - (6) INSURANCE</b>	<b>7,811,764</b>	<b>8,611,089</b>	<b>8,930,279</b>	<b>8,892,752</b>	<b>7,039,581</b>	<b>-0.4%</b>
<b>FTE</b>	<b><u>78.1</u></b>	<b><u>84.3</u></b>	<b><u>86.7</u></b>	<b><u>86.7</u></b>	<b><u>86.7</u></b>	<b><u>0.0%</u></b>
Cash Funds	7,236,813	7,928,342	8,411,817	8,374,290	6,531,743	-0.4%
FTE	76.1	82.3	84.7	84.7	84.7	0.0%
Federal Funds	574,951	682,747	518,462	518,462	507,838	0.0%
FTE	2.0	2.0	2.0	2.0	2.0	0.0%

**(7) PUBLIC UTILITIES COMMISSION**

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

Personal Services - Cash Funds	7,762,956	7,984,503	8,684,350	8,645,456	8,644,394	NP: PERA
FTE - Cash Funds	88.8	87.3	100.5	100.5	100.5	
Operating Expenses - CF	378,013	411,439	459,991	449,886	440,050	NP: Mail Equipment
Expert Testimony - CF	23,500	9,850	25,000	25,000	25,000	
Highway Crossing Payments - RF/CFE	59,765	0	0	0	0	
Disabled Telephone Users Payment - CF	1,844,739	1,736,679	2,439,591	2,439,591	2,439,591	
Transfer to Reading Services for the Blind Cash Fund - CF	200,000	250,000	250,000	250,000	pending	
Commission for the Deaf and						

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
Hard of Hearing Cash Fund - CF	641,318	643,139	661,343	661,343	pending	
Commission for the Blind or Visually Impaired Cash Fund - CF	23,448	51,589	112,067	112,067	pending	
Low Income Telephone Assistance - CF	2,135,674	2,030,531	2,143,752	2,143,752	2,143,752	
Colorado Bureau of Investigation Background Checks Pass-through - CF	112,427	26,860	67,128	67,128	67,128	
Indirect Cost Assessments - CF	1,100,797	1,186,784	1,164,720	1,149,873	pending	
						<i>Request vs. Appropriation</i>
<b>TOTAL - (7) PUBLIC UTILITIES COMM.</b>	<b>14,282,637</b>	<b>14,331,374</b>	<b>16,007,942</b>	<b>15,944,096</b>	<b>13,759,915</b>	<b>(0.4%)</b>
<b>FTE</b>	<b>88.8</b>	<b>87.3</b>	<b>100.5</b>	<b>100.5</b>	<b>100.5</b>	<b>0.0%</b>
Cash Funds	14,222,872	14,331,374	16,007,942	15,944,096	13,759,915	(0.4%)
FTE	88.8	87.3	100.5	100.5	100.5	0.0%
Reappropriated Funds/Cash Funds Exempt	59,765	0	0	0	0	n/a

**(8) DIVISION OF REAL ESTATE**

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

Personal Services - CF	2,665,935	2,796,953	3,206,821	3,199,112	3,198,723	NP: PERA
FTE - CF	38.8	42.7	50.1	50.1	50.1	
Operating Expenses - CF	206,190	222,615	216,259	211,220	205,910	NP: Mail Equipment
Commission Meeting Costs - CF	20,425	28,136	38,836	38,836	38,836	
Hearings Pursuant to Complaint - CF	3,997	133	4,000	4,000	4,000	
Payments from Real Estate Recovery - CF	49,601	0	0	0	0	
Mortgage Broker Consumer Protection - CF	131,178	295,724	311,339	311,339	pending	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	DI/Notes
Indirect Cost Assessment - CF	476,822	568,336	566,777	559,375	pending	<i>Request vs. Appropriation</i>
<b>TOTAL - (8) REAL ESTATE - Cash Funds</b>	<b>3,554,148</b>	<b>3,911,897</b>	<b>4,344,032</b>	<b>4,323,882</b>	<b>3,447,469</b>	<b>(0.5%)</b>
<b>FTE - Cash Funds</b>	<b>38.8</b>	<b>42.7</b>	<b>50.1</b>	<b>50.1</b>	<b>50.1</b>	<b>0.0%</b>

**(9) DIVISION OF REGISTRATIONS**

The Division of Registrations oversees boards and commissions that promulgate rules to ensure continued competency of regulated professionals, enforce laws, and take action against individuals failing to follow the laws and rules.

Personal Services	10,676,444	11,096,987	11,807,121	11,700,938	11,704,121	
FTE	<u>162.2</u>	<u>164.8</u>	<u>179.4</u>	<u>181.5</u>	<u>181.8</u>	
Cash Funds	7,820,654	8,917,418	9,590,360	9,473,520	9,476,703	NP: PERA
FTE	142.3	144.9	159.4	161.5	161.8	
Reappropriated Funds / Cash Funds Exempt	2,855,790	2,179,569	2,216,761	2,227,418	2,227,418	NP:PERA
FTE	19.9	19.9	20.0	20.0	20.0	
Operating Expenses - CF	1,283,198	1,359,354	1,387,294	1,360,953	1,309,155	NP: Mail Equipment
Office of Expedited Settlement Program Costs - CF	n/a	n/a	371,853	366,625	355,008	NP: PERA
FTE - CF	n/a	n/a	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
<i>Personal Services</i>	n/a	n/a	309,243	309,243	302,854	<i>Informational only</i>
<i>Operating Expenses</i>	n/a	n/a	62,610	57,382	52,154	<i>Informational only</i>
Hearings Pursuant to Complaint - CF	215,123	269,704	307,075	307,075	307,075	
CBI/FBI Background Checks - CF	n/a	0	7,563	7,563	0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	
Payments to Department of Health Care Policy and Financing - CF	14,652	14,652	14,652	14,652	14,652	
Indirect Cost Assessment	<u>3,756,951</u>	<u>4,095,901</u>	<u>4,391,211</u>	<u>4,363,658</u>	<u>pending</u>	
Cash Funds	3,756,951	4,095,901	4,384,837	4,357,284		
Federal Funds	0	0	6,374	6,374		
					<i>Request vs. Appropriation</i>	
<b>TOTAL - (9) REGISTRATIONS</b>	<b>15,946,368</b>	<b>16,836,598</b>	<b>18,286,769</b>	<b>18,121,464</b>	<b>13,690,011</b>	<b>(0.9%)</b>
<b>FTE</b>	<b><u>162.2</u></b>	<b><u>164.8</u></b>	<b><u>184.4</u></b>	<b><u>186.5</u></b>	<b><u>186.8</u></b>	<b><u>1.1%</u></b>
Cash Funds	13,090,578	14,657,029	16,063,634	15,887,672	11,462,593	(1.1%)
FTE	142.3	144.9	164.4	166.5	166.8	1.3%
Reappropriated Funds / Cash Funds Exempt	2,855,790	2,179,569	2,216,761	2,227,418	2,227,418	0.5%
FTE	19.9	19.9	20.0	20.0	20.0	0.0%
Federal Funds	0	0	6,374	6,374	0	0.0%

**(10) DIVISION OF SECURITIES**

This Division monitors the conduct of broker-dealers and sales representatives; investigates citizen complaints and other indications of investment fraud. Funding for this Division is from the Division of Securities Cash Fund pursuant to Section 11-51-707 (2), C.R.S.

Personal Services - CF	1,575,044	1,660,142	1,903,823	1,958,141	1,956,533	DI #2, NP: PERA
FTE - CF	19.8	19.7	22.0	23.0	23.0	DI #2
Operating Expenses - CF	47,248	47,769	61,063	56,835	55,420	DI #2, NP: Mail Equipment
Hearings Pursuant to Complaint - CF	19,438	19,134	19,594	19,594	19,594	
Board Meeting Costs - CF	2,448	1,416	4,500	4,500	4,500	
Securities Fraud Prosecution - CF	441,794	454,785	501,028	501,028	pending	
Indirect Cost Assessment - CF	235,467	244,417	253,953	250,704	pending	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recomm. With PERA Reduction	
					DI/Notes	
					<i>Request vs. Appropriation</i>	
<b>TOTAL - (10) SECURITIES - CF</b>	<b>2,321,439</b>	<b>2,427,663</b>	<b>2,743,961</b>	<b>2,790,802</b>	<b>2,036,047</b>	<b>1.7%</b>
<b>FTE - CF</b>	<b>19.8</b>	<b>19.7</b>	<b>22.0</b>	<b>23.0</b>	<b>23.0</b>	<b>4.5%</b>
					<i>Request vs. Appropriation</i>	
<b>DEPARTMENT OF REGULATORY AGENCIES</b>						
<b>TOTALS</b>	<b>70,262,535</b>	<b>75,115,320</b>	<b>80,785,750</b>	<b>79,866,960</b>	<b>56,044,735</b>	<b>(1.1%)</b>
<b>FTE</b>	<b><u>517.7</u></b>	<b><u>530.9</u></b>	<b><u>594.4</u></b>	<b><u>571.0</u></b>	<b><u>572.0</u></b>	<b><u>(3.9%)</u></b>
General Fund	1,450,559	1,398,462	1,666,729	1,463,578	1,199,349	(12.2%)
FTE	15.5	14.5	19.4	18.4	18.4	(5.2%)
Cash Funds	58,845,347	63,793,439	69,315,936	69,060,644	48,071,059	(0.4%)
FTE	420.1	431.8	487.7	490.8	491.1	0.6%
Reappropriated Funds / Cash Funds Exempt	8,729,408	8,449,995	8,453,406	8,125,708	5,812,814	(3.9%)
FTE	72.9	72.7	74.3	48.8	49.5	(34.3%)
Federal Funds	1,237,221	1,473,424	1,349,679	1,217,030	961,513	(9.8%)
FTE	9.2	11.9	13.0	13.0	13.0	0.0%

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**(1) EXECUTIVE DIRECTOR'S OFFICE**

The Executive Director's Office performs operations that are common to all divisions including accounting, budgeting, data processing, human resources, and purchasing. The Office of Policy Research and Regulatory Reform (OPRRR) conducts sunrise and sunset evaluations of divisions, commissions, and boards located throughout state government.

**Personal Services**

*Description:* This line funds the Executive Director, accounting, budget, purchasing, human resources, and OPRRR staff.

**Decision Item #1 - Contract Security Officer**

*Request:* The Department requests \$66,955 reappropriated funds for a contract security officer who will be located at 1560 Broadway, Denver Colorado.

*Staff Analysis:* Across all divisions there are forty seven boards, which meet anywhere from once a month to once a quarter. An indication there is a security problem would be an excessive number of lawsuits or police reports regarding violence or threats at board meetings and in Department offices. There have been no lawsuits filed against the Department regarding public safety, and there have been no police reports filed as a result of violence, possible violence or disturbances in the Department's building.

In the past the Department cited numerous anecdotal incidences of requesting a large burley man be present at a meeting to act as a deterrent against possible violence. These instances are not backed up by calls to the police, or any reports or documentation of problems. This could be for two reasons, one there was never a problem, or two because the large burley man was an effective deterrent. If these anecdotal instances had been backed up with calls to the Denver Police, or even written reports of problems, staff would be inclined to see security as a problem. With no lawsuits, or police records of violence or threats staff does not see a need for this funding.

*Recommendation:* **Staff recommends that the Committee deny this decision item** because of the lack of documentation or evidence of security problems.

*Request:* The Department requests an appropriation of \$2,267,953, of which \$8,000 is General Fund and 26.8 FTE. This request includes decision item #1 for a contract security officer, the employer Public Employees Retirement Association (PERA) contribution reduction, and the non-prioritized Office of Information Technology (OIT) decision item.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Staff Summary Executive Director's Office	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Executive Director, Deputy, and Support*	3.8	4.0	3.3	4.0
Legislative Liaison & Public Information	2.0	2.0	2.0	2.0
OPRRR Staff	6.5	6.5	6.5	6.5
Planning and Budgeting	1.8	2.0	2.0	2.0
Accounting and Purchasing	6.8	7.0	7.0	7.0
Information Technology*	24.0	24.8	0.0	0.0
Human Resources	5.9	6.0	6.0	6.0
<b>TOTAL</b>	<b>50.8</b>	<b>52.3</b>	<b>26.8</b>	<b>27.5</b>

\*The original request included a reduction of 25.5 FTE for the OIT consolidation. This number is incorrect because of technical errors in S.B. 09-155 (Cadmen/Kerr A., Centralize IT Management in OIT), and would have resulted in a (0.7 FTE) in the Information Technology staff line. For the purpose of showing the Department's actual request, staff removed the 0.7 FTE from the Executive Director line. S.B. 08-155 (Cadmen/Kerr A.) reduce the Department's appropriation by 0.7 FTE to many, and the actual requested reduction should only be 24.8 FTE not 25.5 FTE.

**Recommendation: Staff recommends \$2,239,716 and 27.5 FTE, calculated in accordance with Committee policy.** Staff's recommendation includes the reduction of 24.8 FTE for the OIT consolidation, which is 0.7 FTE less than the request because of a technical error in S.B. 09-155 (Cadmen/Kerr A.). The dollar amount of the non-prioritized OIT decision item does not change with the reduction in the number of FTE being transferred to OIT. General Fund and cash fund dollars are from other departments that pay for sunset reviews by OPRRR. The following table outlines the staff recommendation.

<b>Executive Director's Office - Personal Services</b>					
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>Total</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$15,619	\$25,500	\$4,045,997	\$4,087,116	52.3
FY 2009-10 Supplementals	0	0	(47,795)	(47,795)	0.0
<b>Subtotal FY 2009-10 Subtotal</b>	<b>15,619</b>	<b>25,500</b>	<b>3,998,202</b>	<b>4,039,321</b>	<b>52.3</b>
Restore FY 2009-10 Personal Services Reduction	453	659	118,600	119,712	
Sunset Fund Split Adjustment	(8,072)	(13,159)	21,231	0	
NP - OIT	0	0	(1,870,248)	(1,870,248)	(24.8)
PERA 2.5% Reduction	0	0	(49,069)	(49,069)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$8,000</b>	<b>\$13,000</b>	<b>\$2,218,716</b>	<b>\$2,239,716</b>	<b>27.5</b>

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**Health, Life, and Dental**

This line funds the Department's share of the state's group health, life and dental insurance plans for state employees. Health, life, dental is appropriated to the Executive Director's Office and distributed as needed to the divisions. The Department requests an appropriation of \$2,639,292, of which \$88,709 is General Fund. **Staff's recommendation is pending the approval of a Committee policy for this line.**

**Short-term Disability**

This line item funds the Department's share of the state's short-term disability program which is administered by the Department of Personnel and Administration (DPA). The Department requests an appropriation of \$51,324, of which \$1,692 is General Fund. The JBC approved a short-term disability rate of 0.155 percent of FY 2008-09 base salaries. **Staff recommends an appropriation of \$55,814**, of which \$1,730 is General Fund, \$50,327 is cash funds, \$3,137 is reappropriated funds, and \$620 is federal funds. Staff's recommendation is calculated in accordance with the Committee policy for this line.

**S.B. 04-257 Amortization Equalization Disbursement**

This line funds the costs associated with S.B. 04-257, which requires additional state contribution for employees in PERA. The rate for CY 2010 is 2.2 percent of FY 2008-09 base salaries, and 2.6 percent of FY 2008-09 base salaries for CY 2011. The Department requests an appropriation of \$794,723 for this purpose. **Staff recommends an appropriation of \$863,827**, which was calculated in accordance with the Committee policy for this line. Of the total appropriation \$26,415 is General Fund, \$779,254 is cash funds, \$48,562 is reappropriated funds, and \$9,596 is federal funds.

**S.B. 06-235 Supplemental Amortization Equalization Disbursement**

Senate Bill 06-235 created a mechanism to increase the state's effective PERA rate beginning on January 1, 2008. The Department requests an appropriation of \$579,485 for this purpose. The Committee approved rates for CY 2010 and CY 2011 are 1.5 percent and 2.0 percent of FY 2008-09 base salaries, respectively. **Staff recommends an appropriation of \$629,680**, which was calculated in accordance with Committee policy for this line. Of the total appropriation \$19,067 is General Fund, \$568,206 is cash funds, \$35,410 is reappropriated funds, and \$6,997 is federal funds.

**Salary Survey and Senior Executive Services**

DPA's total compensation report pursuant to Section 24-50-104 (4) (c), C.R.S., recommends salary adjustments that are funded by this line. In accordance with Committee policy, **staff recommends that no salary survey be funded for FY 2009-10.**

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**Performance-Based Pay Awards**

Employee performance-based pay is appropriated and funded by this line pursuant to Section 24-50-104 (1) (c) (I), C.R.S. The Department did not request funding for performance-based pay awards. In accordance with Committee policy, **staff recommends that no performance-based pay awards be funded for FY 2009-10.**

**Workers' Compensation**

This line item is used to pay the Department's share of the state's workers' compensation program run by the DPA. The Department requests an appropriation of \$88,397 for this purpose. **The staff recommendation for this line item is pending the approval of a Committee policy**, and staff requests permission to adjust the line and apply a funding split once Committee policy is established.

**Operating Expenses**

The Department requests an appropriation of \$212,151. **Staff recommends an appropriation of \$210,211 for this line**, of which \$3,689 is General Fund. Staff's recommendation was calculated in accordance with Committee policy and is outlined in the following table. Staff requests permission to adjust the line and apply a funding split once the Committee policy on mail equipment has been established.

<b>Executive Director's Office - Operating Expenses</b>				
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>Total Funds</b>
FY 2009-10 Appropriation	\$3,689	\$95,427	\$112,902	\$212,018
FY 2009-10 Supplementals	0	0	(1,789)	(1,789)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>3,689</b>	<b>95,427</b>	<b>111,113</b>	<b>210,229</b>
Annualize FY 2009-10 Supplementals	0	0	1,789	1,789
Annualize FY 2009-10 NP Mail Equipment	0	0	(1,807)	(1,807)
NP - Mail Equipment				<u>pending</u>
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$3,689</b>	<b>\$95,427</b>	<b>\$111,095</b>	<b>\$210,211</b>

**Legal Services**

This line item is used to pay the Department of Law for the provision of legal services to all divisions. The Department requests an appropriation of 101,685 hours. This request includes the budget amendment to reduce of 758 hours for the Civil Rights Division.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**Budget Amendment - Civil Rights Division General Fund Reduction**

The Department requests the reduction of 758 legal service hours provided to the Civil Rights Division (CRD) to help fill the FY 2010-11 General Fund shortfall. This budget amendment is not in addition to the FY 2009-10 reduction of 758 hours, but reflects a continued reduction in FY 2010-11. **Staff recommends that the Committee approve this budget amendment in part, and annualize the FY 2009-10 reduction to the FY 2010-11 request.**

**Staff recommends 101,685 hours of services, and the dollar amount is pending the Committee policy of the hourly rate for FY 2010-11 legal services.** Staff's recommendation includes the continued reduction of 758 hours paid with General Fund dollars for CRD. Staff requests permission to adjust the line and apply a funding split once Committee policy is established. The following table summarizes staff's calculation of the FY 2010-11 legal services recommendation:

Executive Director's Office - Legal Services						
	GF	CF	RF	FF	Hours*	Total
FY 2009-10 Appropriation	\$209,933	\$7,194,494	\$138,548	\$142,016	101,950	\$7,684,991
FY 2009-10 Supplemental	(57,124)	0	0	0	(758)	(57,124)
S.B. 09-26	0	21,779	0	0	290	21,779
S.B. 09-138	0	3,755	0	0	50	3,755
S.B. 09-167	0	4,882	0	0	65	4,882
S.B. 09-239	0	33,795	0	0	450	33,795
H.B. 09-1086	0	30,000	0	0	399	30,000
H.B. 09-1136	0	7,510	0	0	100	7,510
H.B. 09-1202	0	24,783	0	0	330	24,783
<b>Subtotal FY 2009-10 Appropriation</b>	<b>152,809</b>	<b>7,320,998</b>	<b>138,548</b>	<b>142,016</b>	<b>102,877</b>	<b>7,754,371</b>
Annualize S.B. 09-26	0	(7,510)	0	0	(100)	(7,510)
Annualize S.B. 09-138	0	(3,755)	0	0	(50)	(3,755)
Annualize S.B. 09-167	0	(4,882)	0	0	(65)	(4,882)
Annualize S.B. 09-239	0	(22,530)	0	0	(300)	(22,530)
Annualize H.B. 09-1053	0	(4,882)	0	0	(65)	(4,882)
Annualize H.B. 09-1086	0	(30,000)	0	0	(399)	(30,000)
Annualize H.B. 09-1136	0	(3,755)	0	0	(50)	(3,755)

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Executive Director's Office - Legal Services						
	GF	CF	RF	FF	Hours*	Total
Annualize H.B. 09-1202	0	(12,016)	0	0	(160)	(12,016)
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$152,809</b>	<b>\$7,231,668</b>	<b>\$138,548</b>	<b>\$142,016</b>	<b>101,685</b>	<b>\$7,665,041</b>

\*Legal service hours appropriated in special bills were calculated at \$75.10 per hour. The supplemental, budget amendment and recommended total hours are calculated at \$75.38 per hour.

**Administrative Law Judge (ALJ) Services**

This line item is used to purchase administrative law services from DPA. The Department has requested an appropriation of \$304,779, of which \$14,041 is General Fund for this purpose. **Staff recommendation is pending the approval of a common policy by the Committee**, and staff requests permission to adjust the line and apply a funding split once Committee policy for this line item is established.

**Purchase of Services from Computer Center**

This line item is used to reimburse DPA for the Department's share of the state's computer system. The Department requests \$1,598,639 for this purpose. This request includes an increase of \$1,546,452 reappropriated funds for the non-prioritized OIT decision item. **Staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line and apply a funding split once Committee policy for this line item is established.

**Multiuse Network Payments (NEW LINE ITEM)**

This line item is being added as a part of the non-prioritized OIT decision item and will be used to reimburse DPA for the Department's share of the statewide multi-use network. The Department is requesting an appropriation of \$131,580 reappropriated funds. **The staff recommendation is pending the approval of Committee common policies**. Staff requests permission to adjust the line once Committee policy for this line item is established.

**Management and Administration of OIT**

*Description:* This line was added to account for the 26.5 FTE that were/will be transferred to OIT as a result of S.B. 08-155 and the FY 2010-11 non-prioritized OIT decision item.

*Request:* The Department requests an appropriation of \$273,484, of which \$1,882 is General Fund. This request includes an increase of \$190,794 reappropriated funds for the non-prioritized OIT decision item.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

*Recommendation:* **Staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line and apply a fund split once a Committee policy is approved for this line.

**Payment to Risk Management and Property Funds**

This line item is used to reimburse DPA for the Department's share of the state's liability and property insurance. The Department requests \$41,748 for this purpose. **Staff recommendation is pending the approval of a Committee policy.** Once a Committee policy is established, staff requests permission to adjust the line and apply a funding.

**Vehicle Lease Payments**

Funding for annual payments to DPA for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles is provided by this line item. The Department requests \$241,797 cash funds for this purpose. This request includes an increase of \$54,308 cash funds for a DPA common policy increase. **Staff recommends a continuation number of vehicles and the dollar amount is pending the approval of a Committee policy.** Once a Committee policy is established, staff requests permission to adjust the line and apply a fund split.

**Information Technology Asset Maintenance**

This line item pays for replacement of the Department's IT assets on a schedule determined by OIT. The Department requests an appropriation of \$671,403. **Staff recommends the Department's request for \$671,403, of which \$480,646 is cash funds.**

**Leased Space**

*Request:* The Department requests an appropriation of \$2,927,222 which reflects a reduction of \$183,135 total funds from the FY 2009-10 appropriation.

**Leased Space Budget Amendment:**

The Department requests the reduction of this line item by \$183,135 total funds. This line was reduced by \$70,345 total funds in FY 2009-10 because of lower than projected leased space operating expenses. This budget amendment is not in addition to the supplemental, but reflects an annualization of the supplemental to the requested FY 2010-11 reduction. **Staff recommends that the Committee approve this budget amendment in part, and reduced the leased space line item by a total of \$112,790, of which \$3,704 is General Fund.**

*Recommendation:* **Staff recommends an appropriation of \$2,927,222**, which is outlined in the following table. Staff's recommendation includes the FY 2010-11 leased space budget amendment.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Executive Director's Office - Leased Space					
	GF	CF	RF	FF	Total
FY 2009-10 Appropriation	\$102,146	\$2,500,098	\$466,206	\$41,907	\$3,110,357
FY 2009-10 Supplemental	(2,310)	(56,543)	(10,544)	(948)	(70,345)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>99,836</b>	<b>2,443,555</b>	<b>455,662</b>	<b>40,959</b>	<b>3,040,012</b>
Leased Space Budget Amendment	(3,704)	(90,661)	(16,906)	(1,519)	(112,790)
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$96,132</b>	<b>\$2,352,894</b>	<b>\$438,756</b>	<b>\$39,440</b>	<b>\$2,927,222</b>

**Capitol Complex Leased Space**

Capitol complex space is maintained by DPA, and the Department requests an appropriated for 169 square feet in the Grand Junction Facility for the Division of Registrations Electrical Board. **Staff recommends funding for 169 square feet of space, and the cash fund dollar amount is pending the approval of a Committee policy for this line.**

**Hardware/Software Maintenance**

This line item pays for the licensing and maintenance agreements for hardware and software, as well as the costs of required equipment upgrades. The Department requests \$717,330 for this purpose. **Staff recommends \$717,330 total funds, which is outlined in the following table.**

Executive Director's Office - Hardware/Software Maintenance				
	GF	CF	RF	Total Funds
FY 2009-10 Appropriation	\$800	\$412,913	\$258,602	\$672,315
S.B. 09-26	0	11,920	0	11,920
H.B. 09-1085	0	162,000	0	162,000
H.B. 09-1136	0	29,000	0	29,000
H.B. 09-1202	0	11,920	0	11,920
<b>Subtotal FY 2009-10 Appropriation</b>	<b>800</b>	<b>627,753</b>	<b>258,602</b>	<b>887,155</b>
Annualize S.B. 09-26	0	(11,920)	0	(11,920)
Annualize H.B. 09-1085	0	(162,000)	0	(162,000)
Annualize H.B. 09-1086	0	31,000	0	31,000
Annualize H.B. 09-1136	0	(17,000)	0	(17,000)
Annualize H.B. 09-1202	0	(11,920)	0	(11,920)

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

<b>Executive Director's Office - Hardware/Software Maintenance</b>				
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>Total Funds</b>
Annualize FY 2009-10 DI #2	0	155	0	155
Annualize FY 2009-10 DI #3	0	310	0	310
Annualize FY 2009-10 DI #5	0	310	0	310
Annualize FY 2009-10 DI #6	0	930	0	930
Annualize FY 2009-10 DI #7	0	310	0	310
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$800</b>	<b>\$457,928</b>	<b>\$258,602</b>	<b>\$717,330</b>

**Consumer Outreach / Education Program**

*Description:* This line item was added to the FY 2009-10 Long Bill as a result of H.B. 08-1216 (Ferrandino/Romer), which established the Consumer Outreach and Education Program (Program) within the Department. The Program works to inform consumers of their rights regarding regulated professions and occupations, decrease regulatory violations by licensees, and increase public awareness of consumer protection information available from the Department.

*Request:* The Department requests a continuation appropriation of \$200,000 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$200,000 cash funds.**

**(2) DIVISION OF BANKING**

This Division regulates state-chartered banks and debt management companies and is completely cash funded by the Division of Banking Cash Fund pursuant to Section 11-102-403, C.R.S.

**Personal Services**

*Description:* Division staff conduct examinations and enforce compliance with the Public Deposit Protection Act and the Uniform Consumer Credit Code. Staff also enforces regulatory guideline for trust departments, electronic funds transfers, and electronic data processing.

*Request:* The Department has requested an appropriation of \$3,296,342 cash funds and 44.0 FTE.

<b>Staff Summary Banking Division</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Commissioner and Assistant	1.0	2.0	2.0	2.0

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Staff Summary Banking Division	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Examiners	29.1	36.5	36.5	36.5
Administration	5.5	5.5	5.5	5.5
<b>TOTAL</b>	<b>35.6</b>	<b>44.0</b>	<b>44.0</b>	<b>44.0</b>

*Recommendation:* Staff recommends an appropriation of \$3,296,342 cash funds and 44.0 FTE. The following table outlines staff's recommendation.

Division of Banking - Personal Services		
	CF	FTE
FY 2009-10 Appropriation	\$3,362,638	44.5
FY 2009-10 Supplementals	(32,961)	0.0
H.B. 09-1053	(55,253)	(0.5)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>3,274,424</b>	<b>44.0</b>
Annualize H.B. 09-1053	0	0.0
Restore FY 2009-10 Personal Services Reduction	82,221	0.0
PERA 2.5% Reduction	(60,303)	0.0
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$3,296,342</b>	<b>44.0</b>

**Operating Expenses**

*Description:* A portion of this line item funds the reimbursement for travel of staff examiners. Travel reimbursements includes meal and hotel per diem, and mileage reimbursement. The remainder of this line is used for general operating expenses incurred by the Division.

*Request:* The Department requests \$387,876 cash funds for this purpose.

*Recommendation:* Staff recommends an appropriation of \$380,741 cash funds, and is outlined in the following table. Staff requests permission to adjust the line once a Committee policy on mail equipment has been decided.

Division of Banking - Operating Expenses	
	CF
FY 2009-10 Appropriation	\$419,464

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

<b>Division of Banking - Operating Expenses</b>	
FY 2009-10 Supplemental	(3,422)
H.B. 09-1053	(475)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>415,567</b>
Annualize H.B. 09-1053	0
Annualize FY 2009-10 DI #6	(31,368)
Annualize FY 2009-10 NP Mail Equipment	(3,458)
NP - Mail Equipment	<u>pending</u>
<b>Total</b>	<b>\$380,741</b>

**Board Meeting Costs**

*Description:* The eight-member Governor-appointed Colorado State Banking Board (Board) is the policy and rulemaking authority for this Division. The Board conducts monthly hearings on applications for commercial and industrial banks, trust companies, and the licensure of money transmitters. Board members receive reimbursements for expenses incurred during the performance of official duties pursuant to Section 11-102-103 (6), C.R.S.

*Request:* The Department requests a continuation appropriation of \$23,500.

*Recommendation:* **Staff recommends an appropriation of \$23,500 cash funds.**

**Indirect Cost Assessment**

*Description:* This line item funds a portion of the Executive Director's Office costs and for the Department's share of statewide indirect costs. Statewide indirect costs are overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs in the Executive Director's Office and statewide, that would otherwise have been supported General Fund. This description applies to all Indirect Cost Assessment lines in each division.

*Request:* The Department is requesting an appropriation of \$507,177 cash funds for this purpose.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line once Committee common policies are established.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**(3) CIVIL RIGHTS DIVISION**

This Division is the administrative arm of the Colorado Civil Rights Commission, and enforces the laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, sex, national origin, ancestry, physical or mental disability, religion, color, or marital status.

**Personal Services**

*Description:* Division staff investigate and adjudicate charges of discriminatory practices, supervise complaint hearings, provide technical assistance with fair housing laws, general public information, and community intervention and education.

*Request:* The Department requests an appropriation of \$1,590,988 total funds and 31.4 FTE.

<b>Staff Summary Civil Rights Division</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Director's Office/Administration	3.9	4.0	4.0	4.0
Outreach/Education	1.2	1.5	1.5	1.5
Intake/Employment/Public Accommodation	5.6	7.0	7.0	7.0
Investigations/Enforcement/Compliance	14.4	18.4	17.4	17.4
Mediation/State Personnel Board/Internships	1.3	1.5	1.5	1.5
<b>TOTAL</b>	<b>26.4</b>	<b>32.4</b>	<b>31.4</b>	<b>31.4</b>

**Budget Amendment - Civil Rights Division Reduction**

The Department requests to reduce the Civil Rights Division Personal Services line item by \$129,945 General Fund and 1.0 FTE. This line was reduced by \$129,945 General Fund and 1.0 FTE in FY 2009-10 to help with the General Fund shortfall. This decision item is not in addition to the supplemental, but reflects a continued reduction for FY 2010-11. **Staff recommends that the Committee approve this budget amendment in part, and annualize the FY 2009-10 supplemental to the FY 2010-11 request.**

*Recommendation:* **Staff recommends \$1,590,869 and 31.4 FTE, which reflects staff's recommendation on the budget amendment.** The following table summarizes staff's recommendation, which was calculated in accordance with Committee policy.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Civil Rights Division - Personal Services					
	GF	RF	FF	Total	FTE
FY 2009-10 Appropriation	\$1,105,771	\$272,752	\$352,116	\$1,730,639	32.4
FY 2009-10 Supplemental	(145,559)	0	(7,172)	(152,731)	(1.0)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>960,212</b>	<b>272,752</b>	<b>344,944</b>	<b>1,577,908</b>	<b>31.4</b>
Restore FY 2009-10 Personal Services Reduction	29,909	7,609	13,691	51,209	
PERA 2.5% Reduction	(27,315)	0	(10,933)	(38,248)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$962,806</b>	<b>\$280,361</b>	<b>\$347,702</b>	<b>\$1,590,869</b>	<b>31.4</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$102,036 of which \$60,916 is General Fund and \$41,120 is federal funds. This request includes a 5.0 percent General Fund reduction.

**Budget Amendment - 5.0 Percent Reduction to Civil Rights Division General Fund Operating Expenses**

The Department has requested a reduction of \$3,203 General Fund to help with the FY 2010-11 General Fund shortfall. The Department states that this reduction will not impact the Division's ability to investigate claims, or the jeopardize the Division's federal funding. Based on the staff's recommendation (see below) to appropriated \$61,617 General Fund for this line item (excluding the pending non-prioritized mail equipment decision item), **staff recommends the Committee approve the reduction of \$3,081 General Fund to the Operating Expenses line item in the Civil Rights Division.**

*Recommendation:* **Staff recommends an appropriation of \$99,656**, of which, \$58,536 is General Fund. The following table outlines staff's recommendation, and staff requests permission to adjust the line and apply a funding split once Committee policy on mail equipment has been decided.

Civil Rights Division - Operating Expenses			
	GF	FF	Total
FY 2009-10 Appropriation	\$64,065	\$41,120	\$105,185
FY 2009-10 Supplementals	(728)	0	(728)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>63,337</b>	<b>41,120</b>	<b>104,457</b>
Annualize FY 2009-10 NP Mail Equipment	(1,720)	0	(1,720)
5% General Fund Reduction	(3,081)	0	(3,081)

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Civil Rights Division - Operating Expenses			
NP Mail Equipment	0		<u>pending</u>
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$58,536</b>	<b>\$41,120</b>	<b>\$99,656</b>

**Hearings Pursuant to Complaint**

*Description:* This line item pays for expenses associated with division hearings and mediations to resolve complaints received by the division. Also included in this line is funding for a portion of the expert witnesses, court reporters, transcripts and depositions expenses incurred in the Office of the Attorney General in the Department of Law. This description applies to all lines in the following divisions titled Hearing Pursuant to Complaint.

*Request:* The Department requests a continued appropriation of \$18,000, of which \$17,000 is General Fund.

*Recommendation:* **Staff recommends a continued appropriation of \$18,000**, of which \$17,000 is General Fund and \$1,000 is federal funds.

**Commission Meeting Costs**

*Description:* The Colorado Civil Rights Commission holds meetings at various locations around the state, enabling members of the public to tell the Commission about their concerns regarding civil rights issues. This line receives General Funds and federal funds because meetings deal with federal and state civil rights issues. This line funds the per diem and travel expenses for Commissioners and various other meeting costs.

*Request:* The Department requests a continuation funding level of \$12,374, comprised of \$5,174 General Fund and \$7,200 federal funds.

*Recommendation:* **Staff recommends an appropriation of \$12,374, of which, \$5,174 is General Fund and \$7,200 is federal funds.**

**Indirect Cost Assessment**

*Request:* The Department has requested an appropriation of \$54,437 federal funds for this purpose.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line and apply a funding split once Committee common policies are established.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**(4) OFFICE OF CONSUMER COUNSEL**

The Office of Consumer Counsel represents the public interest, especially those interests of residential, small business, and agricultural consumers in cases heard by the Public Utilities Commission. Cases involve proposed changes to electric, gas, and telecommunications utility rates, service, and general policies.

**Personal Services**

*Request:* The Department requests an appropriation of \$790,393 cash funds.

<b>Staff Summary Consumer Counsel</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Director	1.0	1.0	1.0	<b>1.0</b>
Technical Staff	4.0	4.0	4.0	<b>4.0</b>
Administrative Staff	2.0	2.0	2.0	<b>2.0</b>
<b>TOTAL</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

*Recommendation:* **Staff recommends an appropriation of \$790,393 and 7.0 FTE pursuant to Committee policy.** The following table summarizes the staff recommendation.

<b>Personal Services - Office of Consumer Counsel</b>		
	<b>CF</b>	<b>FTE</b>
FY 2009-10 Long Bill Appropriation	\$805,028	7.0
FY 2009-10 Supplementals	(20,101)	0.0
<b>Subtotal FY 2009-10 Appropriation</b>	<b>784,927</b>	<b>7.0</b>
Restore FY 2009-10 Personal Services Reduction	20,101	0.0
PERA 2.5% Reduction	(14,635)	0.0
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$790,393</b>	<b>7.0</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$56,365 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$55,750 cash funds,** which is outlined in the table below. Staff requests permission to adjust the line when a Committee policy for the mail equipment item is established.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

<b>Office of Consumer Council - Operating Expenses</b>	
	<b>CF</b>
FY 2009-10 Appropriation	\$56,322
FY 2009-10 Supplementals	(572)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>55,750</b>
Annualize FY 2009-10 DI #5	(10,456)
Annualize FY 2009-10 NP Mail Equipment	(578)
NP - Mail Equipment	<u>pending</u>
<b>Total</b>	<b>\$55,750</b>

**Indirect Cost Assessment**

*Request:* The Department requests an appropriation of \$79,769 cash funds.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies,** and staff requests permission to adjust the line once Committee common policies are established.

**(5) DIVISION OF FINANCIAL SERVICES**

This Division regulates state-chartered credit unions, savings and loan associations and life-care institutions, which provide care for the duration of a person's life in return for the payment of an initial fee. The Division is entirely cash funded by the Division of Financial Services Cash Fund.

**Personal Services**

*Description:* Division staff enforce the Public Deposit Protection Act and conduct examinations to ensure financial stability and compliance with state and federal laws. When appropriate, staff will initiate enforcement actions in order to bring an institution into compliance with regulatory laws.

*Request:* The Department requests an appropriation of \$1,128,221 cash funds and 15.0 FTE.

<b>Staff Summary Financial Services</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Commissioner	1.0	1.0	1.0	1.0
Examiners	10.0	12.0	12.0	12.0
Administrative	1.3	2.0	2.0	2.0
<b>TOTAL</b>	<b>12.3</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

*Recommendation:* **Staff recommends \$1,128,221 cash funds and 15.0 FTE, pursuant to Committee policy.** The following table summarizes staff's recommendation.

<b>Division of Financial Services - Personal Services</b>		
	<b>CF</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$1,151,520	15.0
FY 2009-10 Supplementals	(31,760)	0.0
<b>Subtotal FY 2009-10 Appropriation</b>	<b>1,119,760</b>	<b>15.0</b>
Restore FY 2009-10 Personal Services Reduction	31,760	
PERA 2.5% Reduction	(23,299)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$1,128,221</b>	<b>15.0</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$162,846 cash funds.

*Recommendation:* **Staff recommends \$160,663 cash funds.** The following table outlines staff's recommendation, and staff requests permission to adjust the line once a Committee policy is established for the pending item.

<b>Division of Financial Services - Operating Expenses</b>	
	<b>CF</b>
FY 2009-10 Appropriation	\$173,224
FY 2009-10 Supplemental	(1,047)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>172,177</b>
Annualize FY 2009-10 DI #5	(10,456)
Annualize FY 2009-10 Mail Equipment	(1,058)
NP - Mail Equipment	<u>pending</u>
<b>Total</b>	<b>\$160,663</b>

**Indirect Cost Assessment**

*Request:* For this line item, the Department is requesting \$170,934 cash funds.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies,** and staff requests permission to adjust the line once Committee common policies are established.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

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**(6) DIVISION OF INSURANCE**

This Division regulates insurance entities and insurance producers throughout Colorado. If the Division of Insurance Cash Fund (Fund) does not collect enough revenue to fully fund the Divisions appropriated expenditures, the Division is authorized by Section 10-3-209 (4), C.R.S. to divert up to 5.0 percent of insurance premium tax revenues to the Fund from the General Fund. For FY 2009-10 the Division increased fees across the board by \$19 to generate an additional \$2.5 million in revenue for the Fund. This increase in fees is a permanent increase which will enable the Division to be fully-cash funded in FY 2010-11, and increase the amount of insurance premium tax dollars to the General Fund by \$2.5 million in FY 2010-11 and all years there after.

**Options to Balance**

- 1. Change Requirements for the 1.0 percent Insurance Premium Tax Credit**
- 2. Require Pinnacol Assurance to Pay Insurance Premium Tax**

**Option 1 - Change Requirements for the 1.0 percent Insurance Premium Tax Credit**

Current statute allows an insurance company with offices in Colorado to qualify those offices as a home or regional home office, if the company provides proof to the Division of Insurance that the offices perform two-thirds of the functions listed in Section 10-3-209 (1) (b) (II), C.R.S. or in Division Rule 2-1-2 Section 6. Home and regional home offices (HO or RHO) qualify for a 1.0 percent insurance premium tax (IPT) rate, while companies and offices that do not qualify pay a 2.0 percent IPT.

**Number of Affected Companies**

For CY 2009, there are thirty-six companies/offices that qualify as a HO or RHO under Section 10-3-209 (1) (b) (I) (B), C.R.S., and fifty-one that qualify as a HO or RHO under Rule 2-1-2 Section 6. Of the thirty-six that qualify under statute, only six satisfy all nine of the requirements to be a HO or RHO. Of the fifty-one companies/offices that qualify under Rule 2-1-2 Section 6, only twenty-one satisfy all three requirements. See Appendix A on page 51 for a list of the requirements.

**Revenue from Insurance Premium Tax Change**

If the statute is amended to require companies to satisfy all the requirements, then data indicates an estimated \$23.3 million additional dollars would flow into the General Fund for FY 2010-11. Staff is recommending the Committee pursue this option, and sponsor a bill which would provide a temporary restriction on which companies can qualify for the 1.0 percent tax credit.

<b>Calculation of Estimate General Fund Increase if Statute is Modified</b>	
Total Revenue from HO and RHO	\$51,485,773
Revenue from HO and RHO that satisfy all requirements	28,176,410

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

<b>Calculation of Estimate General Fund Increase if Statute is Modified</b>	
Revenue from HO and RHO that do not satisfy all requirements	23,309,363
<b>Estimated Net GF Increase for FY 2010-11</b>	<b>\$23,309,363</b>

Points to Consider if the IPT is Changed

1. Impact to Premium Holders

Currently there is not law that would prohibit the insurance company from adjusting their premiums to account for the increase in the IPT. If the IPT is changed, then carriers would have the option to either increase premiums or to change their business practices to absorb the cost of the increased IPT. The Committee does have the option to add language to the recommended bill stating that insurance companies are prohibited from increasing premiums to pay for the increased IPT.

2. Impact to Colorado's Ability to Attract Business

The argument could be made that if the IPT is increased, then businesses would either leave Colorado or opt to locate in a different state. It is important to note that the 2.0 percent IPT is almost identical to the national average of 2.03 percent. Therefore if the business were to have a choice between say, Colorado at 2.0 percent, Arizona at 2.0 percent, Utah at 2.25 percent, or Nevada at 3.5 percent, there is no advantage to not choosing Colorado because of the IPT.

<b>Insurance Premium Tax Rates Across the Nation</b>	
	<b>IPT Rate</b>
5 Highest States IPT Average - Hawaii, Nevada, West Virginia, New Mexico, Mississippi	3.35%
5 Lowest States IPT Average - Illinois, Wyoming, Iowa, Nebraska, Oregon	0.85%
National Average - excluding Louisiana	2.03%
Colorado's IPT	2.00%

IPT rates from the Insurance Division of the National Conference of State Legislators

3. Not All Companies Perform All Nine Functions Has Part of Their Business

There are specific types of insurance companies that do not perform certain functions because it is not in the nature of the insurance they provide. These companies, which now qualify as a HO or RHO, would under this proposed changed, no longer qualify as a HO or RHO. An example of this type of insurer would be title insurance companies, which provide title insurance on house closings. As part of the business, these insurers do not provide medical administrative functions, and therefore would not meet all nine of the requirements listed in statute. There is the possibility these companies could meet the all requirements in Division Rule 2-1-2 Section 6.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

**Recommendation on Option 1:** Staff recommends the Committee sponsor legislation requiring the performance of all the functions listed in Section 10-3-209 (1) (b) (I) (B), C.R.S. or Division Rule 2-1-2 Section 6, if a company/office is designated as a home or regional home office. Additionally, staff recommends the Committee consider adding language prohibiting insurance companies from passing the added cost of the insurance premium tax on to the policy holders.

**2. Require Pinnacol Assurance to Pay Insurance Premium Tax**

Pinnacol Assurance is the workers' compensation insurer of last resort for the State of Colorado, and is currently exempt in statute from paying insurance premium tax. Pinnacol Assurance controls 57.0 percent of the workers' compensation insurance market, and approximately 5.9 percent of Pinnacol's policies could be classified as last resort policies. If Pinnacol Assurance is required to pay the IPT, the following table shows the amount of revenue that would be credited to the General Fund.

<b>General Fund Revenue from Pinnacol Assurance IPT</b>					
<b>Calendar Year</b>	<b>Written Premiums</b>	<b>Dividend</b>	<b>Taxable Premiums</b>	<b>94.0 % of Taxable Premiums</b>	<b>Revenue from 1.0% IPT</b>
CY 2004	\$518,636,284	\$14,805,129	\$503,831,155	\$473,601,286	\$4,736,013
CY 2005	562,796,481	62,290,114	500,506,367	470,475,985	4,704,760
CY 2006	587,714,160	65,693,682	522,020,478	490,699,249	4,906,992
CY 2007	546,642,471	68,502,823	478,139,648	449,451,269	4,494,513
CY 2008	484,458,594	78,557,222	405,901,372	381,547,290	3,815,473
<b>Annual Average</b>	<b>\$540,049,598</b>	<b>\$57,969,794</b>	<b>\$482,079,804</b>	<b>\$453,155,016</b>	<b>\$4,531,550</b>

**Recommendation on Option 2:** Staff recommends the Committee sponsor a bill to require Pinnacol Assurance to pay the insurance premium tax on 94.0 percent of the written premiums. Staff also recommends the Committee provide Pinnacol Assurance with the opportunity, if Pinnacol Assurance disputes the amount of premiums attributable to providing insurance of last resort, to provide the Committee with data and explanations detailing the amount of premiums attributable to being the insurance of last resort.

**Personal Services**

*Description:* There are two units that work within the division, the financial regulation unit and the consumer affairs unit. The financial regulation unit works primarily with insurance companies and agents, conducting financial exams and managing corporate and financial affairs. The consumer affairs unit works mainly with consumers, taking consumer complaints, conducting investigations and insurance market analysis.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

*Request:* The Department requests \$6,057,612 cash funds and 84.7 FTE.

<b>Staff Summary Division of Insurance</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Commissioner's Office	4.0	4.0	4.0	4.0
Finance and Administration	46.5	47.7	47.7	47.7
Consumer Affairs	31.8	33.0	33.0	33.0
<b>TOTAL</b>	<b>82.3</b>	<b>84.7</b>	<b>84.7</b>	<b>84.7</b>

*Recommendation:* **Staff recommends an appropriation of \$6,058,774 cash funds and 84.7 FTE, pursuant to Committee policy.** The following table summarizes staff's recommendation.

<b>Division of Insurance - Personal Services</b>		
	<b>CF</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$6,082,584	84.7
FY 2009-10 Supplementals	(74,392)	
<b>Subtotal FY 2009-10 Appropriation</b>	<b>6,008,192</b>	<b>84.7</b>
Restore FY 2009-10 Personal Services Reduction	181,731	
PERA 2.5% Reduction	(131,149)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$6,058,774</b>	<b>84.7</b>

**Operating Expenses**

*Description:* This line consists of two components: moneys paid by insurance companies for out-of-state travel reimbursement which is continuously appropriated pursuant to Section 10-1-108 (9), C.R.S., and amounts annually appropriated by the General Assembly for division operating expenses. The out-of-state travel component varies from year to year.

*Request:* The Department requests an appropriation of \$400,503 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$393,376 cash funds.** The following table summarizes the staff recommendation for this line item, and staff requests permission to adjust the line once Committee policy is established for the pending item.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

Division of Insurance - Operating Expenses	
	CF
FY 2009-10 Appropriation	\$400,249
FY 2009-10 Supplementals	(3,419)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>396,830</b>
Annualize FY 2009-10 Mail Equipment	(3,454)
NP Mail Equipment	<u>pending</u>
<b>Recommended FY 2009-10 Appropriation</b>	<b>393,376</b>

**Senior Health Counseling Program**

*Description:* This federally funded program provides senior citizens with Medicare information, and the appropriation is contingent on the availability of federal money from the Centers for Medicare and Medicaid Services and the U.S. Administration on Aging. Annual spending fluctuations are the result of the availability of funds.

*Request:* The Department requests \$509,000 federal funds and 2.0 FTE for this purpose.

*Recommendation:* **Staff recommends an appropriation of \$507,838 federal funds and 2.0 FTE. Staff's recommendation includes a reduction of \$1,162 for the 2.5 percent PERA employer contribution reduction.**

**Insurance Fraud Prosecution**

*Description:* The Division refers cases to the Department of Law's (Law) Special Prosecutions Unit for criminal prosecution. Funds from this line are reappropriated to Law and used by Law to pay for the costs of prosecutions.

*Request:* The Department requests a continuation appropriation of \$872,262 cash funds.

*Recommendation:* **Staff recommendation is pending figure setting for the Department of Law,** and staff requests permission to adjust the line as necessary.

**Transfer to CAPCO Administration**

*Description:* This line item accounts for the reappropriated funds in the CAPCO Administration line in the Governor's Office budget. This line provides the cash funds for the administration of the capital company (CAPCO) incentives program in the Governor's Office. The Office of Economic Development (OED) certifies CAPCOs that are qualified to offer assistance to business enterprises

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

that create jobs in the state. Insurance companies that make an investment of certified capital in an OED-certified CAPCO can receive a tax credit against premium taxes owed.

*Request:* The Department requests an appropriation of \$81,312 cash funds.

*Recommendation:* **In accordance with the recommendation made in the Governor's Office, staff recommends an appropriated of \$79,593 cash funds,** and staff requests permission to adjust the line if necessary for common policy changes.

**Indirect Cost Assessment**

*Request:* The Department has requested \$972,063 for this line item.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies,** and staff requests permission to adjust the line and apply a funding split once Committee common policies are established.

**(7) PUBLIC UTILITIES COMMISSION**

The three-member Public Utilities Commission (PUC) regulates the rates and services of fixed and transportation utilities, and possesses quasi-legislative and quasi-judicial responsibilities. The PUC administers the Colorado Telecommunications High Cost Program, the Low Income Telephone Assistance Program, and the Disabled Telephone Users Program.

**Personal Services**

*Request:* The Department requests an appropriation of \$8,645,456 cash funds and 100.5 FTE.

<b>Staff Summary Public Utilities Commission</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Director & Commissioners	4.0	4.0	4.0	4.0
Executive Office	1.0	2.0	2.0	2.0
Administrative Services	12.8	11.8	11.8	11.8
Administrative Hearings	6.0	7.0	7.0	7.0
Policy Advisers & Case Mgmt	14.6	16.0	16.0	16.0
External Affairs	4.0	5.0	5.0	5.0
Utilities	30.6	34.1	34.1	34.1
Transportation	7.3	8.0	8.0	8.0
Gas Pipeline Safety	4.0	4.0	4.0	4.0

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

JBC Working Document: Decisions Subject to Change

<b>Staff Summary Public Utilities Commission</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Rail/Transit	3.0	3.0	3.0	3.0
Research and Emerging Issues		5.6	5.6	5.6
<b>TOTAL</b>	<b>87.3</b>	<b>100.5</b>	<b>100.5</b>	<b>100.5</b>

*Recommendation:* Staff recommends an appropriation of \$8,644,394 cash funds and 100.5 FTE. The following table summarizes staff's recommendation.

<b>Public Utilities Commission - Personal Services</b>		
	<b>CF</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$8,698,317	100.9
FY 2009-10 Supplementals	(104,327)	
H.B. 09-1244	(13,967)	(0.4)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>8,580,023</b>	<b>100.5</b>
Annualize H.B. 09-1244	0	0.0
Restore FY 2009-10 Personal Services Reductions	249,204	
PERA 2.5% Reduction	(184,833)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$8,644,394</b>	<b>100.5</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$449,886 cash funds.

*Recommendation:* Staff recommends an appropriation of \$440,050 cash funds. The following table summarizes the staff recommendation for this line item, and staff requests permission to adjust the line once Committee policy is established for the pending item.

<b>Public Utilities Commission - Operating Expenses</b>	
	<b>CF</b>
FY 2009-10 Appropriation	\$459,991
FY 2009-10 Supplemental	(4,718)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>455,273</b>
Annualize FY 2009-10 Mail Equipment	(4,767)
Annualize FY 2009-10 DI #7	(10,456)

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

<b>Public Utilities Commission - Operating Expenses</b>	
NP Mail Equipment	<u>pending</u>
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$440,050</b>

**Expert Testimony**

*Description:* This line pays for expert testimony during PUC hearings, and for the cost of outside contract services for expertise not available from PUC staff.

*Request:* The Department requests a continuation appropriation of \$25,000 cash funds.

*Recommendation:* **Staff recommends a continuation appropriation of \$25,000 cash funds.**

**Highway Crossing Payments**

This line pays for a portion of expenditures incurred during safety upgrades at railroad crossings. Safety upgrades include changing passive warnings, like signs, to active warning devices, like road blocks and flashing lights. Funding for this line was discontinued in FY 2002-03 because statutorily only a General Fund appropriation to this line can be made. Due to a remaining fund balance the PUC may continue to fund projects. **This line is shown in staff's numbers pages only for informational purposes and will not appear in the FY 2010-11 Long Bill.**

**Disabled Telephone Users Fund Payments**

*Description:* Revenue for the Disabled Telephone Users Fund is from fees on land lines pursuant to Section 40-17-104 (1), C.R.S. Money in the fund is continuously appropriated to pay the cost of a contract with Sprint that provides telecommunications relay services for disabled individuals. A call through Sprint's service works as follows: a non-disabled individual telephones a hearing-impaired individual and the call is routed to a communications assistant who types the spoken words so they can be sent to a teletypewriter (TTY) terminal used by the hearing-impaired individual.

*Request:* The Department requests an appropriation of \$2,439,591 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$2,439,591 cash funds.**

**Transfer to Reading Services for the Blind Cash Fund**

*Description:* Funds are appropriated to this line from the Disabled Telephone Users Fund, which are then reappropriated to the Department of Education for allocation to privately operated reading services for the blind.

*Request:* The Department requests an appropriation of \$250,000 cash funds.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

*Recommendation:* **Staff recommendation is pending the Department of Education figure setting**, and staff requests permission to adjust the line as necessary.

**Commission for the Deaf and Hard of Hearing Cash Fund**

*Description:* Funds are appropriation to this line from the Disabled Telephone User Fund, which are then reappropriated to the Department of Human Services for the Commission for the Deaf and Hard of Hearing use.

*Request:* The Department requests an appropriation of \$661,343 cash funds.

*Recommendation:* **Staff recommendation is pending the Department of Human Services figure setting**, and staff requests permission to adjust the line as necessary.

**Commission for the Blind or Visually Impaired Cash Fund**

*Description:* Added in FY 2008-09, this line accounts for the funds reappropriated to the Colorado Commission for the Individuals who are Blind or Visually Impaired line item in the Department of Human Services. Funds are appropriated out of the Disabled Telephone Users Fund to this line.

*Request:* The Department requests an appropriation of \$112,067 cash funds.

*Recommendation:* **Staff recommendation is pending the Department of Human Services figure setting**, and staff requests permission to adjust the line as necessary.

**Low Income Telephone Assistance**

*Description:* Since 1990 the PUC has run a program that subsidizes services for eligible low income telephone customers pursuant to Section 40-3.4-104, C.R.S. On February 22, 2006, the PUC adopted Decision # C06-0164 ordering Qwest Communications, INC. to establish a trust fund in the amount of \$5,500,000 for the purposes of funding the Low Income Telephone Assistance Program. When the money from the Decision are expended, the program will be funded with a monthly surcharge on telephone lines. Once the program requires funding from the surcharge, the PUC will establish the surcharge each year.

*Request:* The Department requests an appropriation of \$2,143,752.

*Recommendation:* **Staff recommends an appropriation of \$2,143,752 cash funds.**

**Colorado Bureau of Investigation Background Checks Pass-through**

*Description:* This line item was added to the FY 2008-09 Long Bill to account for reappropriated funds in the Department of Public Safety, Colorado Bureau of Investigation, for processing of fingerprint-based criminal history record checks of drivers of certain motor vehicle carriers.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

*Request:* The Department requests an appropriation of \$67,128 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$67,128 cash funds.**

**Indirect Cost Assessment**

*Request:* The Department has requested an appropriation of \$1,149,873 cash funds.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line once a Committee common policies are established.

**(8) DIVISION OF REAL ESTATE**

This Division licenses real estate brokers, appraisers and mortgage loan originators, analyzes subdivision offerings on undeveloped land, and enforces regulatory laws.

**Personal Services**

*Request:* The Department requests an appropriation of \$3,199,112 and 50.1 FTE.

Staff Summary Division of Real Estate	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Director's Office	2.0	2.0	2.0	2.0
Enforcement Unit	16.2	18.0	18.0	18.0
Financial Examinations and Auditing	2.0	2.0	2.0	2.0
Education	1.2	2.0	2.0	2.0
Licensing and Certification	5.0	6.0	6.0	6.0
Appraisal Unit	4.3	5.0	5.0	5.0
Operational Support	6.3	8.1	8.1	8.1
Mortgage Broker	5.7	7.0	7.0	7.0
<b>TOTAL</b>	<b>42.7</b>	<b>50.1</b>	<b>50.1</b>	<b>50.1</b>

*Recommendation:* **Staff recommends \$3,198,723 cash funds and 50.1 FTE**, pursuant to Committee policy. The following table summarizes staff's recommendation.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

<b>Division of Real Estate - Personal Services</b>		
	<b>CF</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$3,172,363	49.1
FY 2009-10 Supplemental	(30,756)	
H.B. 09-1085	34,458	1.0
<b>Subtotal FY 2009-10 Appropriation</b>	<b>3,176,065</b>	<b>50.1</b>
Annualize H.B. 09-1085	0	0.0
Restore FY 2009-10 Personal Services Reduction	85,946	
PERA 2.5% Reduction	(63,288)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$3,198,723</b>	<b>50.1</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$211,220 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$205,910 cash funds.** The following table summarizes the staff recommendation for this line item, and staff requests permission to adjust the line once Committee policy is established for the pending item.

<b>Division of Real Estate - Operating Expenses</b>	
	<b>CF</b>
FY 2009-10 Appropriation	\$210,081
FY 2009-10 Supplementals	(2,547)
H.B. 09-1085	6,178
<b>Subtotal FY 2009-10 Appropriation</b>	<b>213,712</b>
Annualize H.B. 09-1085	(5,228)
Annualize FY 2009-10 Mail Equipment	(2,574)
NP Mail Equipment	<u>pending</u>
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$205,910</b>

**Commission Meeting Costs**

*Description:* This line item funds the per diem, travel, and miscellaneous expenses for Real Estate Commission members when they attend Commission meetings.

*Request:* The Department requests a continuation appropriation of \$38,836 cash funds.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

*Recommendation:* **Staff recommends a continuation appropriation of \$38,836 cash funds.**

**Hearings Pursuant to Complaint**

*Request:* The Department requests a continuation appropriation of \$4,000 cash funds.

*Recommendation:* **Staff recommends a continuation appropriation of \$4,000 cash funds.**

**Payments from Real Estate Recovery**

The Real Estate Recovery Fund was repealed by H.B. 05-1264. This fund supported a program that reimbursed the public for acts of fraud committed by real estate licensees who were unable to pay judgments issued by a civil court. Per H.B. 05-1264, moneys were transferred from the Recovery Fund to the Division of Real Estate Cash Fund, however to date these funds have been exhausted and any further claims will be paid for from the General Fund. **This line is shown in staff's numbers pages only for informational purposes and will not appear in the FY 2010-11 Long Bill.**

**Mortgage Broker Consumer Protection**

*Description:* This line was added to the Long Bill in FY 2008-09 and is used to pay the costs for the investigation and prosecution of mortgage brokers, and mortgage fraud by the Attorney General's Office. Funds are appropriated to the Division then reappropriated to the Department of Law.

*Request:* The Department is requesting a continuation appropriation of \$311,339 cash funds.

*Recommendation:* **Staff recommendation is pending figure setting for the Department of Law,** and staff requests permission to adjust the line as necessary.

**Indirect Cost Assessment**

*Request:* The Department has requested an appropriation of \$559,375 cash funds.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies,** and staff requests permission to adjust the line once a Committee common policies are established.

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**(9) DIVISION OF REGISTRATIONS**

The Division of Registrations regulates nearly 300,000 licensees in more than forty-two professions and occupations. This Division is funded by fees paid by regulated professionals and licensees.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

**Personal Services**

Description: Division staff investigate complaints filed against licensees, staff board meetings and respond to questions from applicants and current licensees.

*Request:* The Department requests an appropriation of \$11,700,938 and 181.5 FTE.

<b>Staff Summary Division of Registrations</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Director's Office	6.0	6.0	7.0	7.0
Expedited Settlement	5.0	0.0	0.0	0.0
Complaint Investigations	12.0	13.7	13.7	13.7
Licensing	21.0	24.0	24.0	24.0
Support Services	15.0	17.5	16.5	16.5
Board Personnel - Allied Health & Director Programs	11.0	11.0	13.0	13.0
Board Personnel - Business & Technical Section	56.8	64.8	64.9	65.2
Healthcare Section	38.0	42.4	42.4	42.4
<b>Total</b>	<b>164.8</b>	<b>179.4</b>	<b>181.5</b>	<b>181.8</b>

*Recommendation:* **Staff recommends \$11,704,121 and 181.8 FTE, pursuant to Committee policy.** Staff's recommendation includes a technical correction to add 0.4 FTE to account for the 0.4 FTE left out of the FY 2009-10 Long Bill. The following table summarizes the staff recommendation for this line.

<b>Division of Registrations - Personal Services</b>				
	<b>CF</b>	<b>RF</b>	<b>Total</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$9,015,199	\$2,216,761	\$11,231,960	174.0
FY 2009-10 Supplemental	(129,235)	(158)	(129,393)	0.0
S.B. 09-26	76,876	0	76,876	1.3
S.B. 09-138	13,300	0	13,300	0.0
S.B. 09-167	7,846	0	7,846	0.0
S.B. 09-239	209,320	0	209,320	2.7
H.B. 09-1086	91,385	0	91,385	1.2

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Division of Registrations - Personal Services				
	CF	RF	Total	FTE
H.B. 09-1136	59,629	0	59,629	1.0
H.B. 09-1202	110,431	0	110,431	1.4
<b>Subtotal FY 2009-10 Appropriation</b>	<b>9,454,751</b>	<b>2,216,603</b>	<b>11,671,354</b>	<b>181.6</b>
Annualize S.B. 09-26	(8,689)	0	(8,689)	0.0
Annualize S.B. 09-138	67,150	0	67,150	0.0
Annualize S.B. 09-167	(7,846)	0	(7,846)	0.0
Annualize S.B. 09-239	(43,559)	0	(43,559)	0.0
Annualize H.B. 09-1086	(44,058)	0	(44,058)	(0.2)
Annualize H.B. 09-1136	(10,000)	0	(10,000)	0.0
Annualize H.B. 09-1202	(11,597)	0	(11,597)	0.0
Restore FY 2009-10 Personal Services Reduction	290,226	39,770	329,996	0.0
Technical Correction	0	0	0	0.4
PERA 2.5% Reduction	(209,675)	(28,955)	(238,630)	0.0
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$9,476,703</b>	<b>\$2,227,418</b>	<b>\$11,704,121</b>	<b>181.8</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$1,360,953 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$1,309,155 cash funds.** The following table summarizes the staff recommendation, and staff requests permission to adjust the line once Committee policy is established for the pending item.

Division of Registrations - Operating Expenses	
	CF
FY 2009-10 Appropriation	\$1,320,662
FY 2009-10 Supplemental	(15,800)
S.B. 09-26	20,165
S.B. 09-167	1,329

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

<b>Division of Registrations - Operating Expenses</b>	
S.B. 09-239	9,766
H.B. 09-1086	12,738
H.B. 09-1202	11,480
<b>Subtotal FY 2009-10 Appropriation</b>	<b>1,360,340</b>
Annualize S.B. 09-26	(15,581)
Annualize S.B. 09-167	(1,329)
Annualize S.B. 09-239	1,075
Annualize H.B. 09-1086	(11,788)
Annualize H.B. 09-1202	(7,597)
Annualize FY 2009-10 Mail Equipment	(15,965)
NP Mail Equipment	<u>pending</u>
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$1,309,155</b>

**Office of Expedited Settlement Program Costs**

*Description:* The Office of Expedited Settlement oversees the Expedited Settlement Process (ESP) where all complaints received by Boards and Commissions are initially sent, to try and resolve the complaint without the use of the Attorney General's Office and incur legal service costs.

*Request:* The Department requests an appropriation of \$366,625 cash funds and 5.0 FTE.

*Recommendation:* **Staff recommends an appropriation of \$355,008 cash funds and 5.0 FTE.** Staff's recommendation is outlined in the following table and includes the reduction of \$6,389 for the 2.5 percent employer PERA contribution reduction.

<b>Office of Expedited Settlement - Program Costs</b>		
	<b>CF</b>	<b>FTE</b>
Personal Services	\$309,243	5.0
Operating Expenses	\$62,610	
FY 2009-10 Appropriation	\$371,853	5.0
<b>Subtotal FY 2009-10 Appropriation</b>	<b>371,853</b>	<b>5.0</b>
Annualize FY 2009-10 DI #2	(10,456)	0.0

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Office of Expedited Settlement - Program Costs		
PERA 2.5% Reduction	(6,389)	0.0
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$355,008</b>	<b>5.0</b>

**Hearings Pursuant to Complaint**

*Request:* The Department requests a continuation appropriation of \$307,075 cash funds.

*Recommendation:* **Staff recommends a continuation appropriation of \$307,075 cash funds.**

**CBI/FBI Background Checks**

*Description:* Senate Bill 08-219 (Romer/McFadyen) created the regulatory program for massage therapists, and originally required the Division to collect fees associated with the required background check and pass the money on to the Colorado Bureau of Investigations (CBI). The bill was amended to require the fees be submitted directly to CBI pursuant to Section 12-35.5-107 (2), C.R.S. The appropriation to the Department for the fees was not removed from the bill, and this line was added to show the costs associated with background checks on massage therapists.

*Request:* The Department requests an appropriation of \$7,563 cash funds.

*Recommendation:* **Staff recommends no appropriation for this line because the applicants must submit the fees associated with the background check to the Colorado Bureau of Investigation not the Division, pursuant to Section 12-35.5-107 (2), C.R.S.**

**Payments to Department of Health Care Policy and Financing**

*Description:* Federal regulations require the state to certify nurse aides who work in medical facilities with Medicaid or Medicare patients. Federal matching funds pay half the cost of the Medicaid portion of this program, but the Department cannot apply directly for the federal match because Medicaid's centralization rules require that the matching funds be funneled through the Department of Health Care Policy and Financing. The Division obtains the funds to cover the state's expenses from an assessment on nursing homes.

*Request:* The Department requests an appropriation of \$14,652 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$14,652 cash funds for this purpose.**

**Indirect Cost Assessment**

*Request:* The Department has requested an appropriation of \$4,363,658 cash funds.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies**, and staff requests permission to adjust the line and apply a funding split once Committee common policies are established.

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**(10) DIVISION OF SECURITIES**

This Division regulates the conduct of securities broker-dealers and sales representatives throughout Colorado, and enforces the following programs: the Colorado Securities Act, the Colorado Commodity Code, the Colorado Municipal Bond Supervision Act, and the Local Government Investment Pool Trust Fund Administration and Enforcement Act. The Division is entirely cash funded from the Division of Securities Cash Fund.

**Decision Item #2 - Increased Security Investigator**

*Request:* The Department requests \$67,848 cash funds and 1.0 FTE to fund the addition of a securities investigator.

*Analysis:* Over recent years, the number of investigated cases has dropped but the number of enforcement actions as a result of these cases has increased because of the increasing complexity of the cases. The number of investigated cases (IC) has dropped from 314 in FY 2004-05 to 165 in FY 2008-09, but the number of enforcement actions (EA) issued as increased from 36 in FY 2004-05 to 100 in FY 2008-09.

Enforcement Actions Per Investigated Case			
Year	IC	EA	Number EA per IC
FY 2004-05	314	36	0.11
FY 2008-09	165	100	0.61

The number of EAs has increased while the number of ICs has decreased because of the increasing severity and complexity of investigated cases. As the complexity of the case increases, the amount of time and work required to investigate the case increases. As a result the Division has to prioritize which cases to investigate. This means the most severe and often the most complex cases are investigated while the less severe cases are not. The new investigator will be assigned to the more complex cases and allow other investigators to investigate the less complex cases that still pose a risk to market stability and consumer protection.

**Decision Item Recommendation:** **Staff recommends the Committee approve decision item #2 to add one securities investigator to the Division of Securities.** The dollar amount of staff's recommendation is outlined in the following table.

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

<b>DI #2 Staff Recommendation</b>		
	<b>CF</b>	<b>FTE</b>
Personal Services	\$61,670	1.0
Operating Expenses	6,178	
<b>DI #2 Total</b>	<b>\$67,848</b>	<b>1.0</b>

**Personal Services**

*Description:* Division staff investigate fraudulent and other abusive conduct in the securities market and when appropriate issue sanctions and take other enforcement action. Staff also investigate consumer complaints, monitor Colorado broker-dealer and sale representative conduct, screen license applications, and perform on-site examinations of broker-dealer offices.

*Request:* The Department requests \$1,958,141 cash funds and 23.0 FTE. This request includes decision item #1.

<b>Staff Summary Division of Securities</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Commissioner's Office	2.0	2.0	2.0	2.0
Administration Unit	2.0	2.0	2.0	2.0
Examination Unit	6.0	8.0	8.0	8.0
Enforcement Unit	9.7	10.0	11.0	11.0
<b>TOTAL</b>	<b>19.7</b>	<b>22.0</b>	<b>23.0</b>	<b>23.0</b>

*Recommendation:* **Staff recommends \$1,956,533 cash funds and 23.0 FTE, this includes staff's recommendation to approve decision item #2.** Staff's recommendation includes an additional reduction of \$1,382 for the 2.5 percent employer PERA contribution reduction to account for the FTE being added through decision item #2. The following table summarizes staff's recommendation.

<b>Division of Securities - Personal Services</b>		
	<b>CF</b>	<b>FTE</b>
FY 2009-10 Appropriation	\$1,903,823	22.0
FY 2009-10 Supplemental	(22,064)	
<b>Subtotal FY 2009-10 Appropriation</b>	<b>1,881,759</b>	<b>22.0</b>
Restore FY 2009-10 Personal Services Reduction	53,271	

**DEPARTMENT OF REGULATORY AGENCIES**  
**FY 2010-11 STAFF FIGURE SETTING**  
 JBC Working Document: Decisions Subject to Change  
*Staff Recommendation Does Not Represent Committee Decision*

Division of Securities - Personal Services		
DI #2 - Increase Security Investigator	61,670	1.0
PERA 2.5% Reduction	(40,167)	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$1,956,533</b>	<b>23.0</b>

**Operating Expenses**

*Request:* The Department requests an appropriation of \$56,835 cash funds for this line.

*Recommendation:* **Staff recommends an appropriation of \$55,420 cash funds**, which is outlined in the following table. Staff requests permission to adjust the line once Committee policy is established for the pending item.

Division of Securities - Operating Expenses	
	CF
FY 2009-10 Appropriation	\$61,063
FY 2009-10 Supplemental	(679)
<b>Subtotal FY 2009-10 Appropriation</b>	<b>60,384</b>
Annualize FY 2009-10 DI #3	(10,456)
Annualize FY 2009-10 Mail Equipment	(686)
DI #1 - Securities Investigator	6,178
NP Mail Equipment	<u>pending</u>
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$55,420</b>

**Hearings Pursuant to Complaint**

*Request:* The Department requests an appropriation of \$19,594 cash funds.

*Recommendation:* **Staff recommends an appropriation of \$19,594 cash funds.**

**Board Meeting Costs**

*Description:* This line item funds the per diem, travel, and miscellaneous costs incurred by the five Colorado Securities Board members when they attended board meetings.

*Request:* The Department requests a continuation appropriation of \$4,500 cash funds.

*Recommendation:* **Staff recommends a continuation appropriation of \$4,500 cash funds.**

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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**Securities Fraud Prosecution**

*Description:* Division refers cases to the Securities Fraud Unit within the Department of Law's Criminal, Justice and Appellate Division for investigation and criminal prosecution. Funds appropriated in this line are reappropriated to Department of Law.

*Request:* The Department requests \$501,028 cash funds for this line.

*Recommendation:* **Staff recommendation is pending figure setting for the Department of Law,** and staff requests permission to adjust the line as necessary.

**Indirect Cost Assessment**

*Request:* The Department has requested an appropriation of \$250,704 cash funds.

*Recommendation:* **The staff recommendation is pending the approval of Committee common policies,** and staff requests permission to adjust the line once Committee common policies are established.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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**Long Bill Footnotes and Requests for Information**

The Long Bill for FY 2009-10 did not contain any footnotes specific to the Department of Regulatory Agencies. Staff recommends the following information request be **amended and continued** for FY 2010-11:

**N**     **Department of Regulatory Agencies, Division of Registrations, Office of Expedited Settlement Program Costs** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, ~~2009~~, 2010, a report detailing the method being used to track the number of legal service hours billed to the Office of Expedited Settlement by the Department of Law and the number of hours billed to the Office of Expedited Settlement for FY 2009-10 AND the current fiscal year broken out by board.

Staff recommends the following information request be **discontinued** for FY 2010-11:

**N**     **Department of Regulatory Agencies, Executive Director's Office, Lease Space** -- The Department is requested to submit to the Joint Budget Committee on or before October 1, 2009, a report detailing the date the lease was signed, the cost per square foot, the projected yearly escalations through the end of the lease, the number of FTE, associated divisions, and date the FTE were moved into the space, and the cost and time used to build out the space.

**N**     **Department of Regulatory Agencies, Public Utilities Commission, Personal Services** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2009, a summary of the meetings and conferences attended by the Electricity Transmission Planning staff, and an outline of meetings and conferences to be attended during the remainder of FY 2009-10.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2010-11 STAFF FIGURE SETTING**

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**APPENDIX A: HOW INSURANCE COMPANIES AND OFFICES QUALIFY FOR THE 1.0 PERCENT  
INSURANCE PREMIUM TAX CREDIT**

**How Companies and Offices Qualify as a Home Office or Regional Home Office**

Companies that qualify as having a home office or regional home office in Colorado must perform at least six of the following nine functions listed in Section 10-3-209 (1) (b) (II) (A), C.R.S.: 1)actuarial work, 2) provide medical administrative functions, 3) engage in legal administrative functions, 4) approve or rejection of applications for insurance, 5) issue policies, 6) provide information and services to policy holders, 7) engage in advertising and publications, 8) engage in public relations, 9) conduct hiring, testing, and training of sale and service forces.

If a company does not satisfy the six function requirement, the company or office can still qualify as a home or regional home office under Section 10-3-209 (1) (b) (III), C.R.S., which states that the Commissioner of Insurance can approve a company's application to be a HO or RHO, if the company maintains significant direct insurance operations in Colorado. To further clarify what significant direct insurance operations are, Division Rule 2-1-2 Section 6, states that in order to prove the company is maintaining significant direct insurance operations, the company must satisfy two of the following three requirements: 1) maintain a workforce of 150 full time employees not including agents and their staff, 2) own or lease at least 30,000 square feet of space in Colorado, 3) expend, for salaries, administration, operating expenses, etc., not less than \$5 million related to performance of foundational operations.