

This Adobe Acrobat file contains the following two supplemental packets that were presented to the Joint Budget Committee for the Department of Regulatory Agencies:

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1.	January 25, 2007, Non-prioritized, Staff-initiated Supplemental	Pages 2 through 5
2.	January 22, 2007, Regular Supplemental Packet	Pages 6 through 13

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



**FY 2006-07 SUPPLEMENTAL:
DEPARTMENT OF REGULATORY AGENCIES**

**PRIORITIZED AND NON-PRIORITIZED
REQUESTS**

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

Prepared By:

Bernie Gallagher, JBC Staff

January 25, 2007

For Further Information Contact:

**Joint Budget Committee
200 East 14th Avenue, 3rd Floor
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**DEPARTMENT OF REGULATORY AGENCIES
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

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	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

DEPARTMENT OF REGULATORY AGENCIES
Executive Director - Rico Munn

Non-prioritized, Staff-initiated Supplemental - Division of Civil Rights Lease in Pueblo

(1) Executive Director's Office

Leased Space	<u>2,304,701</u>	<u>2,256,361</u>	0	(4,200)	<u>2,252,161</u>
General Fund	104,463	87,178	0	(4,200)	82,978
Cash Funds	1,728,368	1,778,454	0	0	1,778,454
Cash Funds Exempt	446,252	367,201	0	0	367,201
Federal Funds	25,618	23,528	0	0	23,528

Totals Excluding Pending Items in Request

DEPARTMENT OF REGULATORY AGENCIES

TOTALS for ALL Departmental line items	59,360,973	65,409,420	0	(4,200)	65,405,220
FTE	<u>495.6</u>	<u>536.7</u>	<u>0.0</u>	<u>0.0</u>	<u>536.7</u>
General Fund	1,382,464	1,302,093	0	(4,200)	1,297,893
FTE	15.2	18.0	0.0	0.0	18.0
Cash Funds	48,589,697	53,801,730	0	0	53,801,730
FTE	396.3	429.0	0.0	0.0	429.0
Cash Funds Exempt	8,433,207	9,153,933	0	0	9,153,933
FTE	75.6	78.7	0.0	0.0	78.7
Federal Funds	955,605	1,151,664	0	0	1,151,664.0
FTE	8.5	11.0	0.0	0.0	11.0

Key:

"N.A." = Not Applicable

**DEPARTMENT OF REGULATORY AGENCIES
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Non-prioritized, Staff-initiated Supplemental - Division of Civil Rights Lease in Pueblo

	Request	Recommendation
General Fund	\$0	(\$4,200)

ISSUE: While preparing the FY 2006-07 Appropriations Report for the Department of Regulatory Agencies (DORA), JBC staff discovered that the Colorado Civil Rights Division (CCRD) is currently leasing a workspace in Pueblo that it is not utilizing. The office is a vestige of the CCRD's earlier, larger presence in Pueblo. It was most recently used by a CCRD employee who is still based in Pueblo, but that employee now works from a home office and plans to soon retire. DORA indicates that it has no plans for the office, since CCRD has, for efficiency reasons, centralized its activities in Denver. DORA currently pays annual rent of \$8,400 for the property. The lease is due to expire at the end of FY 2006-07 and DORA does not plan to renew it.

When JBC staff asked whether DORA could get out of the lease early, staff learned that the lease is dependent upon the continued availability of state funding. DORA is obligated to request funding from the General Assembly throughout the term of the lease, but the lease would end if this funding were to cease.

Background: Staff presented this staff-initiated supplemental to the JBC in June 2006. The JBC voted to take action during supplementals of January 2007 to stop funding this lease and reduce the Department of Regulatory Agencies (DORA) FY 2006-07 Leased Space appropriation by \$8,400, and as such a letter was drafted reflecting the General Assembly's intent to discontinue funding for the lease space in January 2007 (*Note that this action does not qualify as an H.B. 1331 supplemental. It involves a reduction of an appropriation, rather than an increase, it has been initiated by JBC staff, and it has not received OSPB approval*). This letter was in turn presented to the lessor, however the lessor was not legally obligated to terminate the lease agreement unless the General Assembly specified the immediate discontinuation of funding for the lease agreement. Because the letter indicated the intent of the General Assembly rather than action taken by the General Assembly, the lessor opted to maintain the contract.

Analysis: Due to the lapse of time since the staff-initiated supplemental was presented to the JBC, six months time has elapsed, obligating DORA to expend approximately \$4,200 in lease space payments, it is recommended that the remainder the lease, or \$4,200 of state funding be discontinued.

Staff Recommendation: Staff recommends that DORA's Leased Space appropriation be reduced by \$4,200. If the JBC reduces DORA's Leased Space appropriation by this amount, then DORA will be able to terminate its lease.

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2006-07 SUPPLEMENTAL: DEPARTMENT OF REGULATORY AGENCIES

PRIORITIZED AND NON-PRIORITIZED REQUESTS

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Staff Recommendation Does Not Represent Committee Decision

Prepared By:

Bernie Gallagher, JBC Staff

January 22, 2007

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**DEPARTMENT OF REGULATORY AGENCIES
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
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Totals for All Supplementals	4	N.A.

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

DEPARTMENT OF REGULATORY AGENCIES
Executive Director - Rico Munn

Previously Approved 1331 Supplemental - CNA Funding

(9) Division of Registrations

Payments to Department of Health

Care Policy and Financing	<u>146,812</u>	<u>14,652</u>	<u>139,731</u>	<u>139,731</u>	<u>154,383</u>
Cash Funds	0	14,652	0	0	14,652
Cash Funds Exempt	146,812	0	139,731	139,731	139,731

Previously Approved 1331 Supplemental - Implementation of H.B. 06S-1009 and H.B. 06S-1023

(1) Executive Director's Office

Personal Services	3,772,927	3,718,633	12,736	12,736	3,731,369
FTE	<u>n/a</u>	<u>53.0</u>	<u>0.0</u>	<u>0.0</u>	<u>53.0</u>
General Fund	0	10,000	0	0	10,000
Cash Funds	0	43,000	0	0	43,000
Cash Funds Exempt	3,772,927	3,665,633	12,736	12,736	3,678,369
FTE	0.0	53.0	0.0	0.0	53.0
Federal Funds	0	0	0	0	0
IT Systems Modification (new line item) - CI	0	0	187,441	162,641	162,641

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Legal Services	<u>5,347,620</u>	<u>5,767,024</u>	<u>71,159</u>	<u>50,828</u>	<u>5,817,852</u>
General Fund	47,113	52,929	0	0	52,929
Cash Funds	5,232,503	5,475,015	71,159	50,828	5,525,843
Cash Funds Exempt	10,742	111,334	0	0	111,334
Federal Funds	57,262	127,746	0	0	127,746
<i>(6) Division of Insurance</i>					
Operating Expenses - CF	276,501	280,420	9,300	9,300	289,720
<i>(7) Public Utilities Commission</i>					
Operating Expenses - CF	386,260	391,322	988	988	392,310
<i>(9) Division of Registrations</i>					
Operating Expenses - CF	1,172,169	1,187,210	20,332	20,332	1,207,542
<i>(8) Division of Real Estate</i>					
Operating Expenses - CF	162,459	183,923	2,700	2,700	186,623

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Previously Approved 1331 Supplemental - Implementation of H.B. 06S-1009 and H.B. 06S-1023	<u>11,117,936</u>	<u>11,528,532</u>	<u>304,656</u>	<u>259,525</u>	<u>11,788,057</u>
General Fund	47,113	62,929	0	0	62,929
Cash Funds	7,229,892	7,560,890	291,920	246,789	7,807,679
Cash Funds Exempt	3,783,669	3,776,967	12,736	12,736	3,789,703
Federal Funds	57,262	127,746	0	0	127,746
Totals Excluding Pending Items in Request					
DEPARTMENT OF REGULATORY AGENCIES					
TOTALS for ALL Departmental line items	59,360,973	65,409,420	444,387	399,256	65,808,676
FTE	<u>495.6</u>	<u>536.7</u>	<u>0.0</u>	<u>0.0</u>	<u>536.7</u>
General Fund	1,382,464	1,302,093	0	0	1,302,093
FTE	15.2	18.0	0.0	0.0	18.0
Cash Funds	48,589,697	53,801,730	291,920	246,789	54,048,519
FTE	396.3	429.0	0.0	0.0	429.0
Cash Funds Exempt	8,433,207	9,153,933	152,467	152,467	9,306,400
FTE	75.6	78.7	0.0	0.0	78.7
Federal Funds	955,605	1,151,664	0	0.0	1,151,664.0
FTE	8.5	11.0	0.0	0.0	11.0

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Statewide Supplementals (see narrative for more detail)	<u>N.A.</u>	<u>N.A.</u>	<u>(3,737)</u>	<u>Pending</u>	<u>N.A.</u>
General Fund			(645)		
Cash Funds			(3,265)		
Cash Funds Exempt			(439)		
Federal Funds			612		
Totals Including Pending Items in Request					
DEPARTMENT OF REGULATORY AGENCIES					
TOTALS for ALL Departmental line items	59,360,973	65,409,420	440,650	pending	N.A.
FTE	<u>495.6</u>	<u>536.7</u>	<u>0.0</u>	<u>0.0</u>	<u>536.7</u>
General Fund	1,382,464	1,302,093	(645)	pending	N.A.
FTE	15.2	18.0	0.0	0.0	18.0
Cash Funds	48,589,697	53,801,730	288,655	pending	N.A.
FTE	396.3	429.0	0.0	0.0	429.0
Cash Funds Exempt	8,433,207	9,153,933	152,028	pending	N.A.
FTE	75.6	78.7	0.0	0.0	78.7
Federal Funds	955,605	1,151,664	612	pending	N.A.
FTE	8.5	11.0	0.0	0.0	11.0

Key:

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**DEPARTMENT OF REGULATORY AGENCIES
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
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Previously Approved 1331 Supplemental - CNA Funding

	Request	Recommendation
Cash Funds Exempt	\$139,731	\$139,731

Staff recommends that this amount be included in the supplemental bill for the Department of Regulatory Agencies, as it was previously approved by the JBC.

Summary: The Department of Regulatory Agencies (DORA) requested a \$132,160 cash funds exempt increase of its "Payments to the Department of Health Care Policy and Financing" appropriation for FY 2005-06 and a \$139,731 cash funds exempt increase for FY 2006-07. This appropriation is located within the Division of Registrations section of the Long Bill; it is a funding source for the state's nurse aide certification program.

Background: Federal regulations require the state to certify nurse aides who work in medical facilities with Medicaid or Medicare patients. The Nursing Board, which is within the Division of Registrations, runs Colorado's nurse aide certification program. Federal matching funds pay half the cost of the medicaid portion of this program; the state pays the other half with a combination of General Fund and cash funds. The "Payments to the Department of Health Care Policy and Financing" appropriation provides the cash fund support for the program.

Previously Approved 1331 Supplemental - Implementation of H.B. 06S-1009 and H.B. 06S-1023

	Request	Recommendation
Total	<u>\$304,656</u>	<u>\$259,525</u>
General Fund	0	0
Cash Funds	291,920	246,789
Cash Funds Exempt	12,736	12,736
Federal Funds	0	0

Staff recommends that this amount be included in the supplemental bill for the Department of Regulatory Agencies, as it was previously approved by the JBC.

Background: House Bill 06S-1009 requires that the Department of Regulatory Agencies only provide licenses, permits and registrations to individuals who are lawfully present in the United States. It directs the Department to revoke the license, permit or registration of any individual who is determined to be unlawfully present in the United States.

**DEPARTMENT OF REGULATORY AGENCIES
 FY 2006-07 SUPPLEMENTAL RECOMMENDATION
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The bill requires that individuals applying for licenses, permits and registrations prove their identity with a "secure and verifiable document," which is defined as a document issued by a state or federal jurisdiction or recognized by the United States government that is verifiable by federal or state law enforcement, intelligence, or homeland security agencies.

House Bill 06S-1023, which this supplemental request additionally funds, also addresses illegal immigration issues. However, as indicated in a July 28, 2006 memorandum issued by the Attorney General, H.B. 06S-1009 supercedes H.B. 06S-1023 in cases where both laws potentially apply. For this reason, the bulk of this supplemental request is for implementation of H.B. 06S-1009. House Bill 06S-1023 only applies to a few professions regulated by the Division of Registrations and to a few of the activities regulated by the Public Utilities Commission.

Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet . These items will be acted on separately by the JBC when it makes a decision regarding common policies.

Department of Regulatory Agencies' Portion of Statewide Supplemental Request	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total	FTE
1. Vehicle Reconciliation	\$0	(\$42,818)	\$0	\$0	(\$42,818)	0.0
2. Workers' Compensation	443	7,964	817	138	9,362	0.0
3. MNT / Telecommunications	(1,812)	0	(916)	0	(2,728)	0.0
4. Computer Service (GGCC)	(250)	(18,957)	(3,467)	0	(22,674)	0.0
5. Administrative Law Judges	0	32,080	0	0	32,080	0.0
6. Capitol Complex Lease - Technical	0	109	0	0	109	0.0
7. Risk Management	974	18,357	3,127	474	22,932	0.0
Total Statewide Supplemental Requests for The Department of Regulatory Agencies	(645)	(3,265)	(439)	612	(3,737)	0.0

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