



Dora
Department of Regulatory Agencies

Governor Bill Ritter, Jr.
Barbara J. Kelley, Executive Director

Annual Report on Colorado's Regulatory Environment

fiscal year 2008–2009



**Consumer protection
is our mission**



Dora

Department of Regulatory Agencies

Greetings,

DORA – the Department of Regulatory Agencies – is Colorado’s consumer protection agency that plays a significant role in improving Colorado’s economic environment. DORA also creates a flexible regulatory framework that protects consumers and promotes a fair and competitive business environment by setting and enforcing rigorous standards for professionals and businesses.

One of the most significant ways DORA can protect consumers, and thus enhance consumer confidence, is through education and outreach. This annual report is one mechanism for us to demonstrate how DORA is your collective resource for reliable information.

Accessibility is a core principle of DORA, and we invite consumers, professional associations, policy makers, and other agencies to engage us in a meaningful dialogue of how regulation can serve to protect all consumers in our state without hindering competition. We believe that the best regulation is good for consumers and also good for business.

I invite you to learn more about DORA and its ten divisions in this report and on our website at www.dora.state.co.us.

DORA’s mission is simple: Consumer Protection. Everything we do will be considered with that mission in mind.

Regards,

Barbara J. Kelley
Executive Director

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

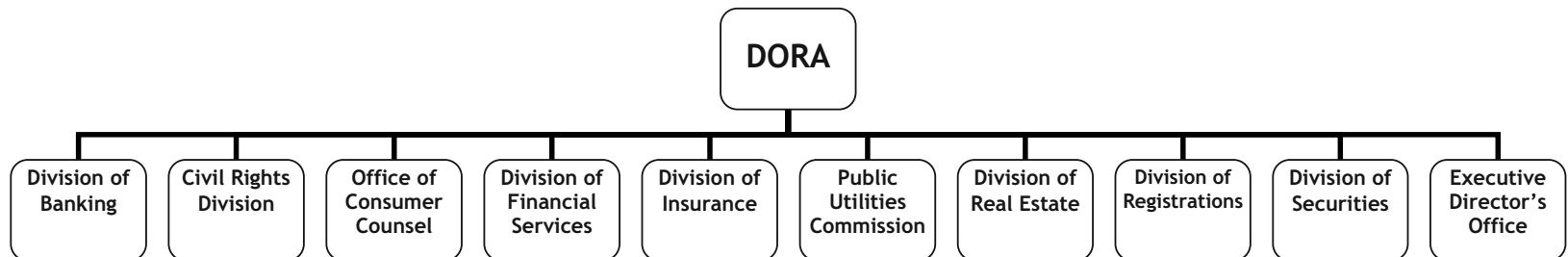
Colorado's Regulatory Environment: Good for Consumers, Good for Business

DORA: A Unique Governmental Department

The ten diverse divisions that comprise DORA protect Colorado's consumers in areas that touch consumers' lives daily ranging from the enforcement of civil rights, to the oversight of the banking industry, to reviewing utility rates, and to the regulation of several hundred thousand professionals. Each division of DORA monitors what is occurring across Colorado and across the country with regard to the regulatory environment, and makes recommendations when appropriate as to which regulations would make sense and bolster consumer protection in Colorado.

DORA's mission is *consumer protection* and its regulatory philosophy is: *what is good for consumers is good for business*. The DORA standard of always exploring the least cumbersome way to implement regulation or laws that affords the greatest level of protection to consumers demonstrates a refreshing approach that the business community understands.

Under the DORA umbrella are the following ten divisions: Banking, Civil Rights, the Office of Consumer Counsel, Financial Services, Insurance, the Public Utilities Commission, Real Estate, Registrations, Securities, and the Executive Director's Office. The DORA Office of Policy, Research and Regulatory Reform, in the Executive Director's Office, researches new proposals for regulation, and evaluates the efficacy of maintaining existing regulatory programs in DORA and other state agencies.



DORA is committed to protecting consumers and enhancing the business environment by promoting regulation that makes sense and protects our families and neighbors.

Tough Times Call for a Strong Regulator

In these difficult economic times, it is more important than ever to protect Colorado consumers and nourish public confidence in the Colorado business community. Appropriate regulation and consumer education help toward this end. When business understands the need for regulation and both businesses and consumers assist in helping to create a reasonable level of regulation, the public interest is served well.

It seems that when the economy takes a downward turn, the number of scam artists preying on consumers skyrockets. DORA helps protect consumers by working with its boards and oversight entities to discipline professionals acting in violation of the rules, and possibly taking steps to remove bad actors from the profession, restoring confidence in the marketplace.

DORA also works with others across the state such as Better Business Bureaus, federal agencies, industry associations, and the media to educate the public about consumer alerts and how to protect oneself. By joining with local partners as issues arise in various communities across Colorado, DORA establishes itself as the state's chief regulator and as a responsible consumer watchdog.

There are many areas that demonstrate the strength of Colorado's economy compared to the rest of the nation. More difficult to quantify however, is consumer confidence in the marketplace when your elderly parents are protected from fraud, your mortgage is in the hands of a reputable company, your children are cared for by licensed medical professionals, and your money is safe in a bank. DORA believes that this confidence represents the key to ongoing economic prosperity, and effective regulation helps build this confidence.

In July 2009, CNBC named Colorado the third best state in which to do business. These sentiments were echoed two months later when Forbes magazine named Colorado as the fourth best. These rankings and other honorable mentions in national publications demonstrate that Colorado has a regulatory structure that enhances business and ensures consumer protection.

Colorado has consistently ranked in the top five states for growth prospects, economic freedom, entrepreneurial activity, number of start-up businesses per capita, and best states for doing business.

DORA in Action

Each DORA division is able to offer many examples of how consumers are protected, confidence is enhanced, and the integrity of the regulated profession is held intact. A few of the 2009 legislative proposals DORA initiated or those that were part of the annual review of regulatory programs (Sunrise/Sunset process) tell this story very well.

- **Conservation Easement Oversight:** When unscrupulous appraisal activity emerged in the Conservation Easement tax credit program, DORA's **Divisions of Real Estate** and **Securities** opened investigations statewide to protect the program for the purpose of preserving land. The Division of Real Estate worked with the General Assembly and the Governor's Office to establish the country's first conservation easement regulatory program. Questionable practices in the tax credit program were eliminated and an oversight board was established in the Division of Real Estate to review conservation easement transactions, certify the viability of land trusts and thereby eliminate fraudulent tax activity. *DORA seeks to protect consumers and rid the marketplace of 'bad actors.'*
- **Title Rate Justification:** DORA's **Division of Insurance** offered a proposed bill in 2009 requiring professionals in the title insurance industry to submit to the Division all rate changes and rate justifications. Supporters and detractors were vocal about the proposal and made their issues known. The proposal was met with a great deal of skepticism, but when the Commissioner of Insurance met with industry representatives for a full discussion of the concept, there was give and take, and the value of consumer transparency ultimately won the day. *DORA seeks to ensure transparency and consumer confidence.*
- **Nursing Sunset:** In 2009, as part of their annual review of regulatory programs, DORA's **Office of Policy, Research & Regulatory Reform** reviewed the Colorado Board of Nursing and the Nurse Practice Act, making formal recommendations to the Legislature. A documented shortage of doctors in the rural areas of Colorado caused nursing professionals to suggest the expansion of their prescriptive authority as part of the reauthorization of the Board of Nursing. When medical professionals voiced their concerns, DORA worked to bring representatives together to discuss ways the groups could get to a middle ground proposal. Following a number of after-hours meetings and many individual workgroups convening on their own personal time, an agreement was reached on how Colorado nurses will be able to better serve Coloradans wherever they live. *DORA seeks to bring together disparate parties to work in the interest of Colorado consumers.*

The 41 boards or committees with professional oversight within DORA take very seriously the responsibility of keeping the professions free of scandal. DORA is committed to conducting proactive outreach to the professions about their responsibilities. Nevertheless,

sometimes DORA's boards and commissions must take enforcement action to protect consumers. These actions vary in nature. Many actions DORA takes result in consumer savings through restitution or preventing future consumer losses by stopping illegal activity. The department also collects fines following misconduct by professionals or businesses. Other actions taken at DORA are more administrative in nature, and although these actions are more difficult to quantify as dollars saved, they do help to protect Colorado consumers and the economy.

Consumer Savings: Restitution & Rate Reviews

Three of DORA's divisions — the **Division of Insurance**, the **Public Utilities Commission**, and the **Office of Consumer Counsel** — are authorized to intervene on behalf of consumers when reviewing the rates charged by insurance carriers and regulated utilities, such as companies providing energy, phone and transportation services. DORA's savings to consumers has been estimated at \$225 million during 2008, and \$294 million during 2009, which represents an average annual return-on-investment of 254 percent on DORA's operating costs for those years.

- DORA's **Division of Insurance** saved consumers and employers a total of \$170 million in the 2008-09 fiscal year — \$137 million of which was saved by the actuarial section and includes the reduced premium charged for workers compensation insurance to all Colorado employers. Premium rate filing reviews resulted in \$20 million of the savings, and \$13 million of savings or restitution to consumers came directly from consumer complaints.
- The **Public Utilities Commission's** and the **Office of Consumer Counsel's** intervention reduced rate increases Xcel requested by \$72 million in 2009, and reduced Qwest's request to increase basic local phone service by \$1.25/month. Since 2007, rate savings on utilities have surpassed \$300 million.
 - The **Public Utilities Commission** approved the Xcel Energy Resource Plan, which sets out reliability and economic goals in supplying its customers' electric needs through 2015. This decision will result in the closing of two of the dirtiest coal plants in Colorado and developing 800 MW of wind power, both which help achieve the Governor's Greenhouse Gas Emissions goals.
 - The **Public Utilities Commission** staff and the **Office of Consumer Counsel** negotiated an agreement with Black Hills Colorado Electric Utility Company on a three-year energy efficiency and conservation plan that will greatly benefit consumers. The settlement was for more than twice the amount of electric savings Black Hills originally proposed. The **Public Utilities Commission** approved the agreement that will save about 202,000 megawatt-hours by 2018, about 11 percent of 2006 electricity sales.

- In total, the **Office of Consumer Counsel** achieved consumer savings of \$28,928,644 for fiscal year 2008-2009, which calculates to a \$25.81 return on investment for every dollar spent.

- **DORA agencies received approximately 15,000 consumer complaints.** All told, DORA generated an estimated \$295 million in savings or recovery for consumers. Details of this consumer savings follows:

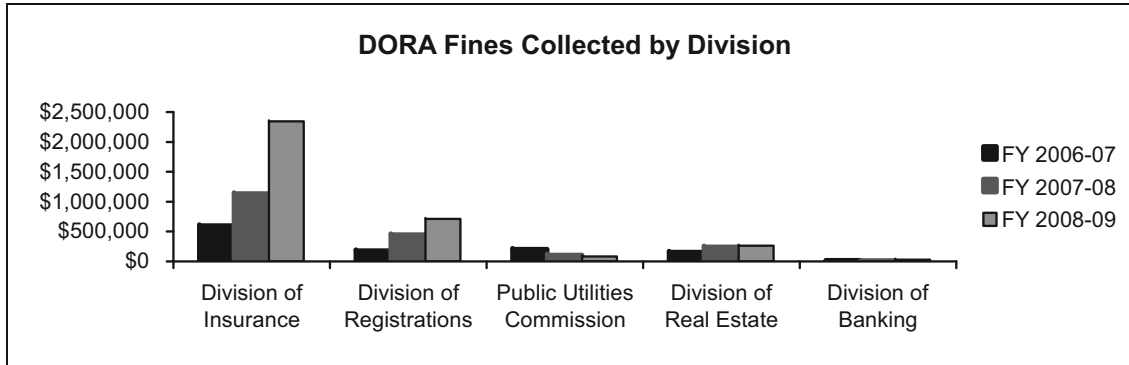
<u>Direct Consumer Savings FY 2008-09</u>	
Division of Insurance	
Consumer Affairs	12,941,776
Market Regulation	676,499
Compliance and Premium Tax Interest & Penalty	38,445
Rates & Actuarial	171,724,379
Industry Penalties	<u>2,515,731</u>
Total	\$187,896,830
Public Utilities Commission	
Consumer Affairs	522,899
Energy Rates	98,275,408
Telecom Rates	7,620,875
Water Rates	<u>225,878</u>
Total	\$106,645,060
Total Savings	\$294,541,890

<u>Number of Complaints or Cases</u>	FY 06-07	FY 07-08	FY 08-09
Division of Registrations	3,912	4,269	4,574
Division of Real Estate	1,098	1,721	1,931
Division of Insurance	4,797	4,362	4,398
Division of Civil Rights	760	779	887
Public Utilities Commission (estimated)	3,223	2,950	3,295
Securities	182	146	154
Financial Services	81	79	72
Banking	41	47	61
	<u>14,094</u>	<u>14,353</u>	<u>15,372</u>

Fines Assessed or Settlements Negotiated Due to Misconduct

Many of DORA's boards or divisions have fining authority and when DORA uncovers a violation of law or regulation, we take action to protect the integrity of the marketplace. DORA fines a number of businesses and professionals every year, and the fines are determined in different ways across the department. Some professions fined by the **Division of Registrations**, for example, have a large number of practitioners in a profession so the sum total fines from that profession may be large, although the individual fines may be for small amounts. On the other hand, a settlement of a case in the **Division of Securities** may be quite large.

- The **Division of Insurance** assessed \$1.16 million in fines against insurance companies in fiscal year 2008-09 for violations of Colorado law through performance audit functions of the Division called market conduct actions. The market conduct violations include non-compliance with contract form requirements, untimely payment of claims for consumers, inappropriate denial of benefits, and non-compliance with Colorado regulations.
- The **Division of Securities** negotiated \$15.6 million in settlements over the 2008-09 fiscal year for violations of the Securities Act. Criminal sentencing for five cases resulted in a collective sentencing of 176.5 years behind bars.
- The **Division of Registrations**, which is DORA's largest division, regulating the majority of occupations and professions, collectively assessed \$713,000 in fines in 2008-09.
- The **Public Utilities Commission** has fining authority on transportation companies, resulting in \$81,000 in fines over the past year.
- The **Division of Real Estate** regulates the occupations of real estate brokers, mortgage brokers, and appraisers. According to a national study on the nation's worst mortgage fraud states by the Mortgage Asset Research Institute, Colorado has improved its ranking of 3rd five years ago to 10th in 2009. Despite this improved ranking, the **Division of Real Estate** still fined mortgage brokers \$262,000 in fines last fiscal year.



Legal and Administrative Actions

The bulk of DORA’s actions are administrative in nature, and although they are difficult to quantify financially, they play a vital role in ensuring a healthy economy and protecting consumers. The following diverse administrative actions present a sample of the day-to-day work conducted by DORA agencies.

- DORA’s **Division of Civil Rights** conducted a year-long study as a result of a grant from HUD on discriminatory predatory lending. The study revealed that if you are African American or Hispanic in many Colorado communities, you are 2 ½ times more likely to be steered into a sub-prime or higher-rate loan. As a result of the global study and anecdotal evidence collected across the state, the Division investigated and brought action against several Greeley businesses alleging discriminatory predatory lending violations.
- DORA’s **Division of Real Estate** implemented a mandatory training and exam for all mortgage brokers to maintain active licenses. As a result, approximately half of the mortgage brokers’ licenses became inactivate due to lack of compliance. This decrease also demonstrates the impact on the industry when we have a declining housing market.
- In fiscal year 2008-09, the **Division of Registrations** revoked, suspended, restricted the licenses or wrote letters of admonishment to over 1,500 licensed professionals found to have violated the law or regulations.

- The Division's **Office of Barber and Cosmetology Licensure** protected Colorado consumers by investigating an unlicensed spa owner in Fort Collins who seriously burned two consumers with a laser. The spa was operating the laser without proper supervision of a medical doctor. Through interagency collaboration with the Division's **Board of Medical Examiners**, an injunction was issued.
 - The **Board of Nursing** summarily suspended the licenses of six nurses for substance abuse or drug diversion last year. In all cases, the actions were taken in a timely and efficient manner and are examples of how the Division fulfills DORA's mission of consumer protection, especially in light of the heightened media coverage and public concern regarding nurses diverting drugs.
 - The **Pharmacy Board** received information regarding a pharmacist attacking a police officer with a knife. The Board held an emergency meeting and placed a summary suspension on her license the same day. This case was resolved swiftly within a matter of hours, thereby protecting the public and upholding the Department's mission of consumer protection.
- A Costa Rican tree-growing company and its salesperson in Boulder, Colorado were issued a cease and desist order from Colorado's **Securities Commissioner Fred Joseph** to stop selling the unregistered security or investment of tree planting and harvesting in Costa Rica. The investors were promised title to the trees, and an annual return on their investment. It is required for all securities to be registered with the State of Colorado prior to offering investment opportunities to Coloradans.

Colorado's Commissioner of Insurance Warns Consumers Against the "Too Good to Be True" Insurance Deal

The Colorado Division of Insurance issued a Cease and Desist order in April 2009 against several companies for the unlawful transaction and sale of travel insurance in Colorado. "There are many protections in place for consumers when purchasing insurance from a licensed company or through a licensed agent," said Marcy Morrison, Colorado's Commissioner of Insurance. "Travel insurance companies must prove they have adequate financial reserves to cover claims, for example. Licensed companies must answer to the Division of Insurance if we receive documented complaints about their practices. But when a consumer chooses to go with the too-good-to-be-true deal, he may find that he has paid for absolutely zero protection. If the company isn't licensed by the state, many of the legal protections in place don't apply."

DORA Spreads the News

Consumer and professional outreach is an important part of DORA's service to Coloradans. Making consumers aware of the scams and predatory practices occurring in the state keeps people whole and on the lookout for their friends and neighbors. It also helps keep regulated professionals on task and to understand their responsibilities to stay within the regulatory constraints of their profession. This protects the professional, and it protects the consumer.

National and Global Leadership

- **Public Utilities Commission Chairman Ron Binz** testified before the U.S. House of Representatives Subcommittee on Energy and Environment in Washington, D.C. Binz discussed Colorado's experience in implementing renewable energy standards and the economic benefits that the standards and Governor Bill Ritter's new energy economy have brought to the state.
- With the nation's financial services regulatory structure under heavy scrutiny, Colorado's **Securities Commissioner Fred Joseph**, who also served this past year as president of the North American Securities Administrators Association (NASAA) and a member of the Securities and Exchange Commission's Investor Advisory Committee, offered the U.S. Senate Committee on Banking, Housing, and Urban Affairs a series of constructive reform proposals that advanced the interests of Main Street investors through enhanced state securities regulation.
- **Director Rosemary McCool of DORA's Division of Registrations**, who also served as president this past year of the international regulatory organization Council for Licensure, Enforcement and Regulation (CLEAR), was invited to present at the International Symposium on the Government of Regulation of Occupations in London. The organizers of the symposium, the British Journal of Industrial Relations and the London School of Economics, invited Director McCool to share her practical experience in examining the extent and influence of occupational regulation in advanced industrialized nations.

Statewide Outreach

- In 2008, the Colorado Legislature passed HB 08-1216 creating the Consumer Outreach Program, funded by a surcharge placed on fines DORA assesses, requiring DORA to conduct outreach statewide, educating consumers of their rights and professionals of their responsibilities. It also allows DORA to educate the entire state about the valuable resource of

information that DORA presents as the state's consumer protection agency. DORA contracted with CBS4 to broadcast consumer call-in HelpCenters and public service announcements statewide.

- DORA also published its annual Smart Consumer Calendar and placed public service announcements in rural newspapers across the state educating consumers of their many rights.
- The Outreach Program created by the Legislature also allows DORA to concentrate its outreach on the professions who need it most, based on the volume of fines assessed. For example, DORA's **Division of Registrations' Office of Barber and Cosmetology Licensure** provided monthly training seminars for barber and cosmetology professionals, providing instruction in proper cleaning and disinfection practices and universal precautions. In addition, the Office produced a Cleaning & Disinfection Training Video, supported by written materials, to aid in the education of professionals and consumers. Consumers benefit from clean and safe environments. Salons avoid fines and disciplinary actions by complying with the law.
- The **Public Utilities Commission** and the **Office of Consumer Counsel** partnered with the Governor's Energy Office and Energy Outreach Colorado to host an annual New Energy Economy Conference in Denver, attracting 750 participants from around the state discussing the new energy economy.
- DORA's **Office of Policy, Research & Regulatory Reform** sought input on all sunset and sunrise reviews from consumers and the stakeholders impacted from these regulatory reviews. The Office also administers the Department's rules review program, where consumers can provide input and follow the progress of rule changes in any state agency.

Regional Presence

- DORA hosted its **Consumer Protection Fair and Civil Rights Forum** in Greeley in June 2009, bringing five of its divisions and several other agency or association partners to deliver services in housing, insurance, and civil rights to the residents of Greeley.
- DORA's **Division of Civil Rights**, with its regional offices in Pueblo and Grand Junction, has been able to extend its presence physically in those regions. By offering trainings statewide to employers and consumers, participating in foreclosure assistance and housing fairs around the state, and hosting a series of forums to discuss civil rights concerns, the Division has succeeded in broadening its reach this past year. The feedback the Division received from this outreach will help in formulating an annual report of civil rights issues throughout the state.
- DORA's **Division of Registrations** regulates nearly 315,000 Colorado professionals in approximately 50 different professions. The task of keeping these professionals up to speed on their professional requirements is Herculean, and the Division is dedicated to reaching out to as many people as possible in their efforts. Legislative outreach meetings in Grand Junction, Fort Collins, Pueblo and Denver were conducted during FY 2008-09 to educate professionals affected by new or

changed state laws, including changes in licensing and registration requirements, responsibilities and deadlines. Affected professions included athlete agents, accountants, architects, massage therapists, physicians, occupational therapists, pharmacists, and anyone prescribing controlled substances.

- DORA's **Division of Financial Services** recognizes the important roll of credit unions, including those that serve residents living and working in the San Luis Valley. In the interest of promoting consumer protection, the Division traveled to Alamosa and engaged in a panel discussion with local credit unions. In this neutral forum, regulators and the credit unions engaged in a beneficial discussion concerning ways to ensure the vitality of local credit unions during challenging economic times.
- **Insurance Commissioner Marcy Morrison** and staff from the **Division of Insurance** met with professional groups to discuss regulatory requirements and the consequences of not being compliant. The Division also met with consumers around the state to warn them of insurance scams and to provide tips on questioning claims and making sure consumers are getting what they pay for in the insurance arena.
- The **Public Utilities Commission** held a public hearing in Pueblo to review the Black Hills electricity rate proposal and two hearings in the San Luis Valley over the construction of a transmission line. And the **Division of Real Estate** held a public hearing in La Junta to discuss conservation easement concerns in that region.

As you can see, DORA is visibly active and accessible across the state. The difficulties seen in today's economy increase the need for accessibility of DORA staff and information, which we are proud to say can also be found easily on our website. Consumers can access information about their physicians, renew their professional licenses in most cases, file a complaint, or learn valuable consumer tips to avoid fraud. DORA believes that outreach and education are critical components of effective regulation. Educated consumers know their rights and make informed decisions. Informed businesses know their responsibilities and develop proactive practices.

Online Tools

- The **Physician Profile System**, created by legislation last year and implemented by DORA's **Division of Registrations** has been successfully uploaded with almost 17,000 physician profiles, including information on their licenses, criminal history, and past malpractice suits, even in other states. The Department has received significant and very positive media coverage and positive consumer feedback regarding the system.
- The **Office of Consumer Counsel** published a comparison of telecommunication rates and options for residential consumers in Colorado. The office publishes the rate comparison on its website which also includes "helpful hints" and advice on how to be a

smart shopper. The Office worked with TollChaser.com in compiling and implementing a long distance rate comparison chart on ABToll.com specialized only for Colorado consumers.

- The **Divisions of Registrations and Real Estate** have real-time online verification systems, which allow consumers to verify the license status of professionals—from doctors and architects to mortgage brokers and real estate appraisers. In addition to ensuring that the professional is licensed in good standing, other important information is also available, such as whether the professional has ever been disciplined.
- The **Division of Insurance** published its “Consumer Guide to Insurance” on the website, which gives general guidance on all insurance issues. The Division of Insurance also publishes consumer alerts and an annual report on the number of complaints against insurance companies it receives.
- The **Public Utilities Commission** broadcasts all of its hearings held in DORA’s facility online live for consumers to view.
- The **Division of Securities** offers a game for consumers on its website that allows you to test your investment savvy.

Encouraging consumers to make good use of the information available to them and helping regulated businesses understand the laws governing their operations fosters a regulatory environment that benefits consumers and businesses. Informed consumers are empowered to comparison-shop for the best services, and informed businesses are more likely to comply with the law, avoiding litigation and disciplinary action.

Government Efficiency and Effectiveness

With consumer savings in excess of \$500 million over the course of the last several years, following are some other ways DORA demonstrates efficiency and effectiveness.

- Over the past three years, the **Division of Real Estate** has taken Colorado from the back seat to the driver’s seat of a national push to rebuild the real estate industry from the damage brought on by years of hand-offs approach to regulation. The resulting regulatory program has levied thousands of dollars in fines and has prevented unscrupulous individuals from receiving mortgage licenses under Colorado’s new laws. Demonstrating the effectiveness of the program is a 30 percent reduction of suspicious activities reports made by industry members as tracked by the Financial Crimes Enforcement Network since the loan originator program was implemented.

- The **Division of Financial Services** developed a new method for assessing credit unions. As a result of these efforts, each state-chartered credit union ended FY 2008-09 having paid assessments that were roughly 18 percent less than their federally-chartered peers.
- DORA's **Division of Registrations** implemented successfully two new regulatory programs this past year, the **Occupational and Massage Therapist Registration**. Three boards implemented the paperless board meeting system: **Chiropractic, Optometric and Dental**. Implementation of four additional boards will be completed by the end of the calendar year. The **Colorado Board of Medical Examiners** was ranked 5th by the Federation of State Medical Boards (FSMB) and 9th by Public Citizen, a national non-profit public interest organization, in terms of Board effectiveness. This ranking is based on the number of actions taken against physicians. Colorado has routinely been in the top 10 in both rankings.

Expedited Settlement Savings

Valuable time and legal fees are saved by utilizing the Expedited Settlement Program (ESP) as opposed to a case being sent to the Attorney General's Office. With a decision of a Board regarding professional discipline, the **Division of Registrations** and the **Division of Real Estate** may send the case to ESP so a settlement can be negotiated.

Since 2006, ESP has conserved an estimated \$2,109,362 in billed legal time – or \$1,039,115 more than the costs of the Program.

Expedited Settlement Program reduces legal fees – DORA continued to conserve legal resources last year through the in-house Expedited Settlement Program, which implements a board's decision regarding disciplinary action against a licensee through a settlement process rather than immediately adjudicating the case directly with the Office of the Attorney General. Last year \$473,881 in legal costs were avoided associated with expedited settlements in the **Division of Registrations**. Cumulatively, the program has avoided an estimated \$2,109,362 in legal costs over the 5-year history of the Program. The Program was nominated for receiving a Governor's Efficiency in Management award. Since the inception of the **Division of Real Estate's** program in May 2008, legal services cost avoidance is \$512,000.

Alternative Dispute Resolution

DORA's **Division of Civil Rights** offers alternative dispute resolution as a time and cost savings alternative. Prior to the initiation of an alleged discrimination investigation, the Division provides the parties the opportunity to participate in a voluntary mediation. This is an informal meeting held between both parties, with hopes of resolving the claim prior to an investigation or litigation. The mediation conference may also result in a settlement agreement. This chart demonstrates the growing number of mediations held over the past few years and increasing settlements recovered for victims.

Alternative Dispute Resolution			
	Mediations Held	Total Settlements	\$ Value of Settlements
FY06-07	135	81	\$791,240
FY07-08	131	59	\$1,336,645
FY08-09	184	109	\$1,454,222

Smart Regulation: Sunrise, Sunset and Rule Review

Sunset Reviews

Enacted in 1976, Colorado's **sunset** law was the first of its kind in the United States. A sunset provision repeals all or part of a law after a specific date, unless the legislature affirmatively acts to extend it. During the sunset review process, DORA conducts a thorough evaluation of the agency, board or function under review based upon specific statutory criteria (§24-34-104, C.R.S.) and solicits diverse input from a broad spectrum of stakeholders including consumers, government agencies, public advocacy groups, and professional associations. Reviews are conducted throughout state government agencies, and not limited to those in DORA.

As the sunset or termination date approaches, the DORA **Office of Policy, Research & Regulatory Reform** commences a thorough Sunset Review of the program with all stakeholders and interested parties. The Office then submits its findings and recommendations to the Legislature to sunset the program or to make the program more efficient and effective. The Sunset Review recommendations become a bill to reauthorize the program, and the legislative process takes its course.

Sunrise Review

As groups and individuals propose regulation of currently unregulated occupations of professions, state law requires them to approach DORA and complete a Sunrise application. This application triggers a review of the proposed regulatory program to determine if there is sufficient potential harm to Colorado consumers, and how the proposed regulatory program will mitigate the harm caused.

Rule Review

DORA's **Office of Policy, Research & Regulatory Reform** also reviews all rules promulgated across state agencies. The review examines whether the proposed rules may negatively impact small business, job creation or economic competitiveness.

Highlights of 2008 Sunset Recommendations

<i>Chiropractic Board</i>	Continue the Colorado State Board of Chiropractic Examiners and the regulation of chiropractors. Increase minimum malpractice policy coverage to \$300,000/\$1,000,000.
<i>Civil Rights Division and Commission</i>	Continue the Colorado Civil Rights Division and Commission. Continue the Director's subpoena powers in employment cases, expand such power to include all settings of discrimination Authorize the Commission to initiate complaints on its own motion. Include in the definition of unfair and discriminatory employment practices adverse employment actions that impact a charging party's terms, conditions or privileges of employment.
<i>Egg Law</i>	Continue the Colorado Egg Law. Remove the wholesaler and retailer licenses from statute and create one "dealer" license.
<i>Farm Products Act and Commodity Handler Act</i>	Continue the Farm Products Act and the Commodity Handler Act. Authorize Small-Volume Dealers to sell farm products and commodities. Authorize the Commissioner to have unimpeded access to all properties and records pertaining to the Acts.
<i>Fire Service Training and Certification Advisory Board</i>	The General Assembly should continue the Advisory Board, so long as the remaining components of the programs are continued as well.
<i>Measurement Standards Act (MSA)</i>	Continue the Measurement Standards Act for nine years. Repeal the requirement for the Commissioner of Agriculture to annually test tuning forks used by cities and counties in Colorado.
<i>Medication Administration by Unlicensed Persons</i>	Continue the Qualified Medication Administration Person (QMAP) program. Require employers to document that all unlicensed medication administration persons, currently in their employ, pass the QMAP competency evaluation at least every five years, as a condition of employment in that facility. Require employers who utilize QMAP services to conduct a drug-related criminal history background check on each QMAP.
<i>On-Line Learning Advisory Board</i>	Sunset the On-Line Learning Advisory Board.
<i>Public Livestock Markets</i>	Continue the regulation of public livestock markets.
<i>Notaries Public</i>	Expand the disciplinary tools available under the Act to include letters of admonition and suspensions. Require Notaries to make a journal entry for each notarial act performed. Clarify what constitutes a disqualifying interest.

<p><i>Nurse Aide Certification Program</i></p>	<p>Continue the regulation of certified nurse aides (CNAs). Change the composition of the Committee to allow an LPN who supervises CNAs to serve on the Committee, and simplify the requirements for members representing the public. Repeal the Medication Administration Advisory Committee. Revise grounds for discipline to clarify grounds regarding drug use and establish as grounds for discipline failing to respond to the Board and failing to report criminal convictions. Extend the waiting period to two years for CNAs who have been denied certification, have had their certification revoked, or have surrendered their certification to avoid discipline.</p>
<p><i>Nursing Board</i></p>	<p>Continue the Board of Nursing. Clarify that board members who represent the public may not hold a health care license. Repeal the requirement that board members be confirmed by the Senate. Lengthen board member terms from three years to four years. Grant the Board fining authority and direct the Board to promulgate rules defining a fining structure. Delete licensing provision requiring applicants to submit “proof” that they are not addicted to drugs or alcohol. Revise the grounds for discipline to simplify the evidentiary requirements for violations regarding drugs or alcohol, clarify wording regarding the renewal questionnaire, and create a new provision establishing failure to report criminal convictions as grounds for discipline. Require nurses who have been denied licensure, have had their licenses revoked, or who have surrendered their licenses in lieu of disciplinary action, to wait two years to reapply. Clarify that the Board has the power to conduct criminal history record checks against any person under the Board’s regulatory authority. Modify the collaborative agreement requirement for advanced practice nurses with prescriptive authority, and remove the limitations on the types of medication that such nurses may prescribe. Direct both the Board and the Board of Medical Examiners to promulgate joint rules regarding collaborative agreements by April 1, 2010. Require APNs in independent practice to maintain professional liability insurance, and authorize the Board to promulgate rules establishing exemptions to this requirement.</p>
<p><i>Nursing Home Administrator Board</i></p>	<p>Continue the regulation of nursing home administrators and the Board of Examiners of Nursing Home Administrators. Amend section 12-39-104(1)(a), Colorado Revised Statutes, to reduce the number of Board members from eight members to five members. Repeal section 12-39-107(2), Colorado Revised Statutes, requiring an Administrator-in-Training to submit bi-monthly progress reports and specify that the Board may require periodic reports by rule. Grant the Board fining authority.</p>
<p><i>Pet Animal Care Facilities Act and PACFA Advisory Committee</i></p>	<p>Continue the Pet Animal Care and Facilities Act. Increase spending authority to make necessary recordkeeping and support technology upgrades. Continue the Pet Animal Advisory Committee. Authorize the Commissioner to have unimpeded access to all properties and records pertaining to PACFA. Repeal the requirement that the Commissioner perform a business analysis of a PACFA-licensed business prior to issuing a civil penalty. Direct that all money realized through fines be credited to the state’s General Fund. Repeal the prohibition on possessing turtles less than four inches long. Add rats and gerbils to the definition of pet animals to synchronize statute and rules.</p>

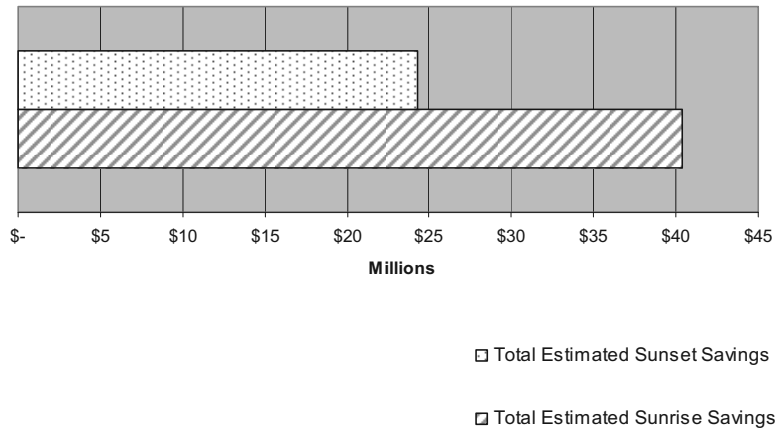
	Require that PACFA administration contact information is posted in a conspicuous place, in every licensed facility.
Psychiatric Technicians Licensure Program	Continue the regulation of licensed psychiatric technicians for five years, until 2014, and then allow the regulation to repeal by operation of law. Repeal the section of the Colorado Nurse Practice Act regarding delegating the selection of medications.
Seed Act	Continue the Colorado Seed Act.
Slaughterers Act	Sunset the Colorado Slaughterers Act.
Slaughter, Processing, and Sale of Meat Animals Act	Continue licensing Custom Meat Processors and Food Plan Operators.

Sunrise Reviews

2008 Sunrise Recommendations

Occupation	Recommendation
Animal Massage Practitioners	Given the small size of the population to be regulated in this state, the Department of Regulatory Agencies declined to conduct a sunrise review of the need to regulate animal massage practitioners.
Closing Agents	Impose a bond requirement on Closing Agents or impose liability and/or responsibility by operation of law on title companies for the actions of the Closing Agents with which they contract.
Human Trackers	Impose no state regulation on Human Trackers in Colorado.
Interior Designers	Impose no regulation on Interior Designers in Colorado.
Photovoltaic Solar Electric Installers	Impose no regulation on Photovoltaic Solar Electric Installers in Colorado.
Sign Language Interpreters	Professional title protection may be warranted in a limited fashion.

Sunrise - Sunset Savings 1976 - 2008



Anyone can submit input on any upcoming sunrise or sunset review via DORA's website at
www.dora.state.co.us/pls/real/OPR_Review_Comments.Main

Since 1976, the sunset and sunrise review processes have saved Coloradans an estimated \$64 million through the elimination of unnecessary boards, programs, and functions and the prevention of new, unnecessary regulatory programs. Estimates were based on \$50,000 annually to administer small regulatory programs and \$500 annually for advisory committees or boards multiplied by the years they would have operated.

Conclusion

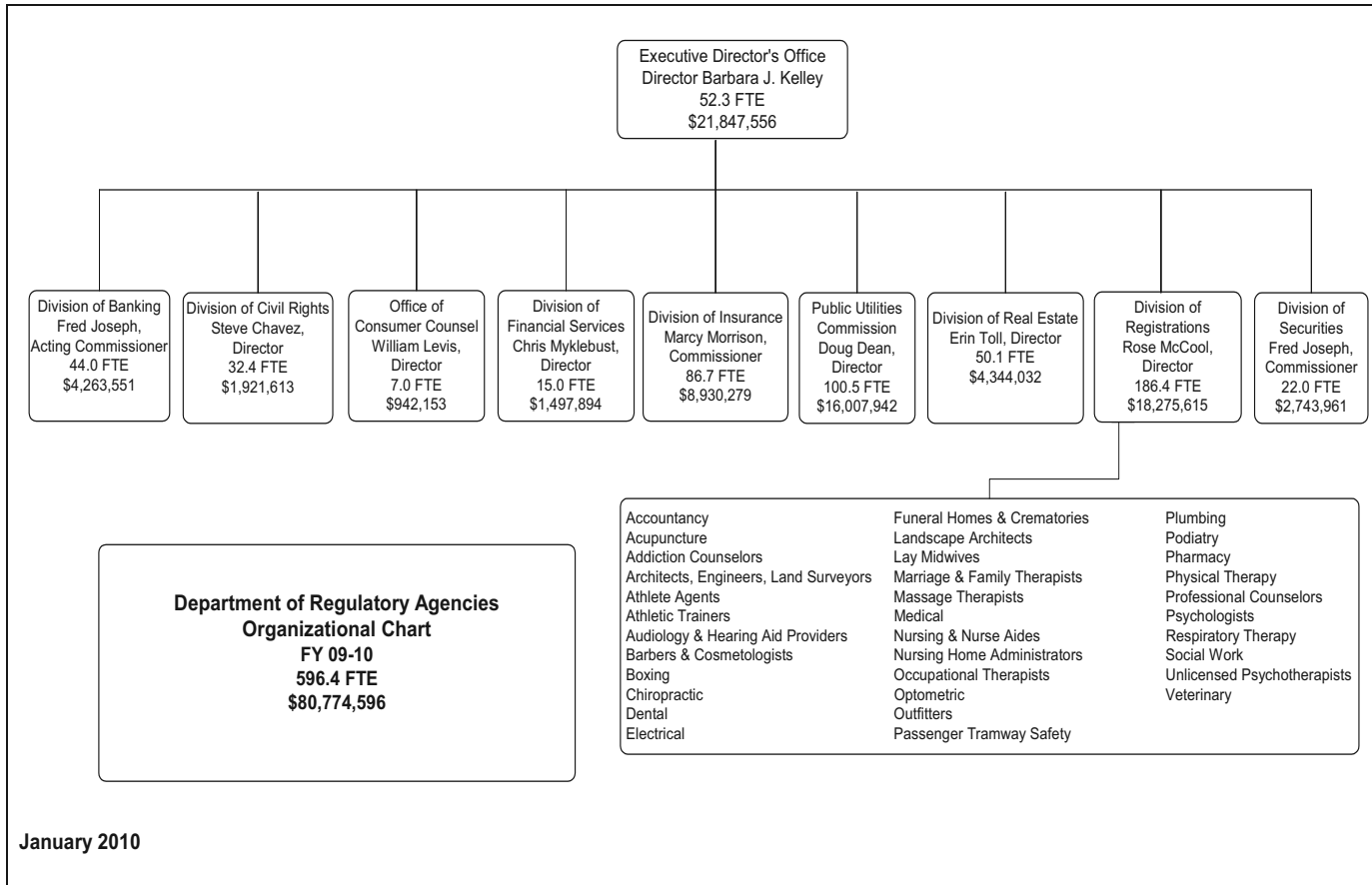
The role DORA plays in state government is an asset, especially in down economic times. During an economic downturn is the time when consumer protection and consumer confidence are most vulnerable. When consumers are certain their interests are being protected, their confidence in the marketplace increases. Also, when they know that someone is monitoring the professionals that affect their lives each day, they are more likely to engage in the marketplace and the business environment flourishes across the state.

DORA enhances the integrity of the marketplace by:

- Regulating, enforcing and educating the public about consumer protection and rights
- Reaching out to professionals to let them know what is expected, and ensuring consumers that the professionals we license or register are competent
- Enforcing the rules and regulations of professions and industries in a firm but fair manner, and making them aware of the consequences of non-compliance

As new industries emerge and the needs of Colorado consumers evolve, DORA will continue to preserve the public health, safety, assets, and welfare; nurture innovation; and foster Colorado's economic prosperity.

DORA Budget & Organization Chart



Boards & Commissions

DORA has 41 boards, commissions and/or advisory committees made up of representatives from various professions and the general public. Most members of these boards are appointed by the Governor and serve on a voluntary basis.

List of DORA Boards, Commissions, Advisory Committees & Task Forces

Accountancy Board	Financial Services Board (Credit Unions)	Physical Therapy Licensure Advisory Committee
Anticompetitive Conduct Committee	Licensed Professional Counselors Examiners Boards	Plumbers Examining Board
Architects, Professional Engineers, & Professional Land Surveyors Examiners Board	Mandated Health Benefits Commission	Podiatry Board
Bail Bonds Advisory Committee	Marriage and Family Therapists Examiners Board	Producer Advisory Council
Banking Board	Medical Examiners Board	Psychologist Examiners Board
Barber & Cosmetology Licensure Advisory Committee	Mortgage Broker Rulemaking Taskforce	Public Utilities Commission
Board of Real Estate Appraisers	Municipal Bond Supervision Advisory Board	Real Estate Commission
Boxing Commission	Nurse Aide Advisory Committee	Real Estate Commission Forms Committee
Chiropractic Examiners Board	Nursing Board	Securities Board
Civil Rights Commission	Nursing Home Administrators Examiners Board	Social Work Examiners Board
Consumer Insurance Council	Optometric Examiners Board	Title Insurance Advisory Council
Dental Examiners Board	Outfitter Registration Advisory Committee	Unlicensed Psychotherapists Grievance Board
Electrical Board	Passenger Tramway Safety Board	Utility Consumers' Board
	Pharmacy Board	Veterinary Medicine Board

Which businesses and professions does DORA regulate?

The Colorado Department of Regulatory Agencies (DORA) is comprised of nine regulatory divisions: the Division of Banking, Civil Rights, Financial Services, Insurance, Real Estate, Registrations, Securities, Office of Consumer Counsel, the Public Utilities Commission, and the Executive Director's Office.

The divisions regulate the listed professions and businesses below. Also noted are the approximate number of licenses for each profession and business:

<u>Professions</u>	<u>No. of Licenses</u>	<u>Professions</u>	<u>No. of Licenses</u>
Accountants	16,497	Social Workers	4,421
Acupuncturists	1,046	Stockbrokers	154,580
Addiction Counselors	3,080	Unlicensed Psychotherapists	2,706
Architects/Engineers/Land Surveyors	29,738	Veterinarians	3,998
Athlete Agents	2		
Athletic Trainers	700 (Projected)	<u>Businesses</u>	
Audiologists/Hearing Aid Providers	552	Accounting Firms	1,204
Bail Bonding Agents	497	Banks	107
Barbers/Cosmetologists	45,743	Barber/Cosmetology Shops and Salons	4,427
Boxers	1,194	Credit Unions	52
Chiropractors	2,655	Funeral Homes and Crematories	349 (Projected)
Dentists/Dental Hygienists	8,952	Government Entity Self-Insurance Pools	9
Electricians	19,308	Insurance Agencies	10,108
Insurance Producers (Agents)/Licensees	108,927	Insurance Companies (Life, Health, Property & Casualty, Title, HMOs, Captives, RRGs)	1,464
Investment Advisor Representatives	9,163	Investment Advisory Firms	705
Landscape Architects	681	Life Care Institutions	11
Marriage and Family Therapists	651	Money Transmitters	40
Massage Therapists	7,528	Pharmacy Businesses	2,247
Midwives	54	Preneed Contract Sellers (Funeral)	72
Mortgage Brokers	8,729	Purchasing Groups (Insurance)	431
Nurse Aides	31,803	Savings and Loan Associations	4
Nurses (CNA,LPN,RN)	67,615	Securities Brokerage Firms	2,403
Nursing Home Administrators	448	Tramways	365
Occupational Therapists	2,160	Trust Companies	7
Optometrists	1,144		
Outfitters, Hunting and Fishing Guides	738		
Pharmacists	7,385		
Physical Therapists	5,537		
Physicians/Physicians Assistants	22,737		
Plumbers	9,087		
Podiatrists	198		
Professional Counselors	4,424		
Psychologists	2,462		
Real Estate (Agents, Appraisers, Brokers & Sales)	53,251		
Respiratory Therapists	2,630		

Other government agencies responsible for regulating professions and businesses in Colorado

Some professions and occupations in Colorado are regulated in other agencies outside of DORA. Following is a list of select resources that are commonly asked about at DORA, yet it is not an inclusive list of all regulatory programs.

Department of Education

Administrators, teachers
(303) 866-6628, (303) 866-6600 (main)
www.cde.state.co.us

State Board of Law Examiners

Attorneys
(303) 866-6626
www.courts.state.co.us

Department of Revenue

Gaming, liquor licenses, motor vehicle dealer/salespersons, racing
Gaming: (303) 205-1355
Liquor: Denver (303) 205-2300
Colorado Springs (719) 594-8702
Greeley (970) 356-3992
Grand Junction (970) 248-7133
Motor Vehicle: (303) 205-5600
Racing: (303) 205-2990
www.revenue.state.co.us

Department of Agriculture

Nursery businesses, pesticide applicators, pet animal care facilities and sale of farm products
Animal Industry: (303) 239-4168
Plant Industry: (303) 239-4140
www.colorado.gov/ag

Department of Law, Attorney General's Office

Collection agencies, Consumer Protection Act
(303) 866-4500
Licensing: (303) 866-5706
Complaint: (303) 866-5304

www.ago.state.co.us

Department of Public Health

Emergency medical technicians, health facilities, hospitals, restaurants, water treatment plant operators, and environmental permits to companies which produce air, water, hazardous waste pollution
(303) 692-2000
www.cdphe.state.co.us

Department of Local Affairs

Manufactured home sales
(303) 866-2033
www.dola.state.co.us

Secretary of State

Bingo, charities, and notaries public
(303) 894-2200
www.sos.state.co.us

Department of Natural Resources

Zoos, River Outfitters, Parks & Exhibitors
(303) 866-3311
www.dnr.state.co.us

Department of Regulatory Agencies

1560 Broadway
Suite 1550
Denver, CO 80202

(303) 894-7855
(800) 886-7675
(303) 894-7885 fax

Division of Banking	www.dora.state.co.us/banking	(303) 894-7575
Civil Rights Division	www.dora.state.co.us/civil-rights	(303) 894-2997
Office of Consumer Counsel	www.dora.state.co.us/occ	(303) 894-2121
Executive Director's Office	www.dora.state.co.us/edo	(303) 894-7855
Division of Financial Services	www.dora.state.co.us/financial-services	(303) 894-2336
Division of Insurance	www.dora.state.co.us/insurance	(303) 894-7499
Public Utilities Commission	www.dora.state.co.us/puc	(303) 894-2000
Division of Real Estate	www.dora.state.co.us/real-estate	(303) 894-2166
Division of Registrations	www.dora.state.co.us/registrations	(303) 894-7800
Division of Securities	www.dora.state.co.us/securities	(303) 894-2320



**Consumer protection
is our mission**