



Department of Regulatory Agencies
Line Item Descriptions

FY 2010-11 Budget Request

NOVEMBER 6, 2009

Line Item Descriptions FY 10-11 BUDGET REQUEST

(1) EXECUTIVE DIRECTOR'S OFFICE

This Office oversees and coordinates the operations of the Department's various divisions. This Office provides leadership, coordination, control and various management and technical services (accounting, payroll, purchasing, human resources, information technology, planning and budgeting, facilities planning and management) to DORA divisions. The Office of Policy, Research and Regulatory Reform provides sunset and sunrise regulatory evaluations and policy recommendations to the General Assembly and analyzes the submission of proposed rules and regulations from state agencies in accordance with Senate Bill 03-121.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for contractual services. The base personal services calculation includes the FY 09-10 long bill amount of \$4,087,116 and 52.3 FTE without annualizations of salary survey and performance pay because they were not appropriated in FY 09-10; a positive adjustment of \$71,917 to reflect a one-time personal services cut for FY 09-10; and, a net neutral sunset review adjustment calculated based on the sunset review schedule for FY 2009-10.

HEALTH, LIFE, AND DENTAL

This line item recurs annually for the State contribution toward health, life and dental insurance coverage for DORA's FTE. The request includes the FY 09-10 Long Bill appropriation of \$92,948 General Fund, \$2,243,800 Cash Funds, and \$542,780 Reappropriated Funds. The requested amount will be supplemented by \$43,369 in Federal Funds for a combined total of \$2,922,197, with an additional common policy adjustment bringing the request to \$2,667,081.

SHORT TERM DISABILITY

This line item recurs annually for the State contribution toward short-term disability coverage for DORA's FTE. The request includes the FY 09-10 Long Bill appropriation of \$1,256 General Fund, \$43,106 Cash Funds, and \$5,649 Reappropriated Funds. The requested amount will be supplemented by \$471 in Federal Funds for a combined total of \$50,482. A reduction of \$86 General Fund is requested to reflect annualization of the FY 09-10 August 24th Reduction Request for the Division of Civil Rights. The common policy adjustment brings the request to \$51,283.

SB 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line item recurs annually for required increases in employer payments to PERA pursuant to S.B. 04-257. The request includes the FY 09-10 Long Bill appropriation of \$16,098 General Fund, \$559,080 Cash Funds, and \$73,465 Reappropriated Funds. The requested amount will be supplemented by \$6,074 in Federal Funds for a combined total of \$654,717. A reduction of \$1,325 General Fund is requested to reflect annualization of the FY 09-10 August 24th Reduction Request for the Division of Civil Rights. The common policy adjustment brings the request to \$794,071.

SB 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

This line item recurs annually for required increases in employer payments to PERA pursuant to S.B. 06-235. The request includes the FY 09-10 Long Bill appropriation of \$6,879 General Fund, \$349,150 Cash Funds, and \$45,863 Reappropriated Funds. The requested amount will be supplemented by \$3,796 in Federal Funds for a combined total of \$408,688. A reduction of \$966 General Fund is requested to reflect annualization of the FY 09-10 August 24th Reduction Request for the Division of Civil Rights. A common policy adjustment will be requested by the Department of Personnel and Administration. The common policy adjustment brings the request to \$579,016.

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

This line item recurs annually for DORA FTE who are eligible for salary survey increases; however it is not funded in FY 09-10 and not requested in FY 10-11.

PERFORMANCE PAY

This line item recurs annually for DORA FTE who are eligible for performance pay increases; however it is not funded in FY 09-10 and not requested in FY 10-11.

WORKERS' COMPENSATION

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This line item recurs annually to pay for the State's self-insurance of worker and board member injury claims. The request begins with the FY 09-10 Long Bill appropriation of \$2,992 General Fund, \$71,961 Cash Funds, and \$8,354 Reappropriated Funds. The requested amount will be supplemented by \$1,369 in Federal Funds for a combined total of \$84,676. These amounts are reduced by the August 24th Reductions of \$4,731 as shown in the reconciliation, but increased by a subsequent common policy adjustment of \$8,452 to arrive at the FY 10-11 request of \$88,397.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Office operations and capital outlay. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The request includes continuation funding of \$212,018, including \$3,689 General Fund, \$95,427 Cash Funds, and \$112,902 Reappropriated Funds.

LEGAL SERVICES

This line item recurs annually to pay the Attorney General's Office for legal representation in both prosecution and defense cases, and for legal advice and rule-making assistance. The base legal services calculation includes the FY 09-10 long bill amount of \$7,684,991 to reflect 101,950 hours plus special bill funding of \$130,259 (8 bills total) with the following adjustments: a reduction of \$93,085 to reflect the full out-year impact cited in the Legislative Council Staff fiscal notes for each bill. The request also includes a reduction of \$57,124 General Fund to reflect annualization of the FY 09-10 August 24th Reduction Request for the Division of Civil Rights. The total corresponding hours calculate to 101,685 at the blended rate of \$75.38 using the dollar amount of long bill, special bill, and decision item totals; however, continuation hours will be used to calculate dollars using the new blended rate for FY 10-11.

ADMINISTRATIVE LAW JUDGES

Payment for services received from the Division of Administrative Hearings in the Department of Personnel. The request includes a net adjustment to reflect the common policy request and fund splits for the FY 10-11: \$304,779, including \$14,041 General Fund, \$290,738 Cash Funds, and \$0 Reappropriated Funds.

GENERAL GOVERNMENT COMPUTING CENTER

Payment for services provided by the General Government Computer Center. The request includes a net adjustment to reflect the August 24th reductions and common policy request for FY 10-11 of \$52,187, including \$0 General Fund, \$0 Cash Funds, and \$52,187 Reappropriated Funds.

PAYMENTS TO RISK MANAGEMENT

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This line item recurs annually to pay for the State's self-insurance of property and vehicles. The request includes a net adjustment to reflect the August 24th reductions and common policy request for FY 10-11 of \$41,748, including \$1,511 General Fund, \$33,714 Cash Funds, and \$5,604 Reappropriated Funds. The amount will be supplemented by \$919 in Federal Funds.

VEHICLE LEASE PAYMENTS

This line item recurs annually for vehicles leased from GSS Fleet Management for staff who must travel to complete their job duties. This includes vehicles assigned to electrical and plumbing and pharmacy inspectors, the Public Utilities Commission, and the Division of Securities. The request of \$241,797 includes \$54,308 associated with the statewide decision item request.

INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item recurs annually for the purchase of equipment related to the implementation of an asset management plan to achieve and maintain a standard information technology environment department-wide. Funding supports replacement of the Department's IT assets on a replacement schedule. The request includes continuation funding of \$671,403, including \$0 General Fund, \$480,646 Cash Funds, and \$190,757 Reappropriated Funds. In FY 09-10 the fund split of SB 07-204 was estimated to be \$73,766 Cash Funds (from assessments against prescriptive authority licensees) and \$126,234 in remaining federal grant funding to implement the Prescription Drug Monitoring Program. Subsequently, 100% cash funding was required per SB 07-204, and an adjustment is included to reflect this annualization. This change was recommended and approved by JBC at the JBC staff figure setting but a technical error prevented it from being drafted into the FY 09-10 Long Bill. The split will be corrected via the supplemental process, and the out-years are 100% cash funds.

LEASED SPACE

This line item recurs annually primarily for office space rent in buildings outside the capitol complex, including parking and records storage space. Department leased space includes 149,127 square feet at 1560 Broadway in Denver, and an additional 3,453 square feet at various satellite locations throughout the state. Escalations include a rate increase for FY 10-11 from \$16.60 per square foot to \$16.85 per square foot for 1560 Broadway as well as an estimated operating increase using the most recent available projections from the lessor at this location. The Department is presently in the fourth year of a 10-year agreement for this lease. Additionally, during FY 07-08 the JBC increased the line item to reflect the acquisition of additional space at 1560 Broadway, and in FY 08-09 approved a \$0 request to proceed with procuring this space and associated build out funded through escalations. The Department has procured the space at \$19.01 per SF. The request includes continuation funding of \$3,110,357. The revised total is \$3,110,357, \$102,146 General Fund, \$2,500,098 Cash Funds, \$466,206 Reappropriated Funds, and \$41,907 Federal Funds.

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CAPITOL COMPLEX LEASED SPACE

This line item recurs annually for office space rent in a State-owned building(s). The Department currently leases 169 square feet within the Capitol Complex Facilities in Grand Junction for use by the Electrical Board within the Division of Registrations. The request includes a net adjustment to reflect the common policy request and fund splits for the FY 10-11 common policy request of \$6,358, including \$6,358 Cash Funds.

HARDWARE/SOFTWARE MAINTENANCE

This line item recurs annually for system maintenance and software purchases to achieve and maintain a standard information technology environment department-wide. Funding pays for licensing and maintenance agreements for the computer hardware and software used by the Department. The request includes continuation funding of \$672,315 including \$800 General Fund, \$412,913 Cash Funds, and \$258,602 Reappropriated Funds, and a net adjustment of \$45,015 cash funds associated with SB 09-26, HB 09-1085, HB 09-1086, HB 09-1136, HB 09-1202, and decision items 2, 3, 5, 6, and 7 from FY 09-10.

CONSUMER OUTREACH/EDUCATION PROGRAM

This line item was created by HB 08-1216. The line item pays for a consumer education and outreach program funded by a surcharge on fines collected by the Department. The request includes continuation funding of \$200,000 including \$200,000 Cash Funds.

(2) DIVISION OF BANKING

The Division of Banking regulates state-chartered banks and debt management companies. Division staff conduct examinations and enforce compliance in the following areas: the Public Deposit Protection Act, trust departments, electronic funds transfers, electronic data processing, and the Uniform Consumer Credit Code. The eight-member Colorado State Banking Board is the policy and rulemaking authority for the Division. The funding source for all Division of Banking expenditures is the Division of Banking Cash Fund created in Section 11-102-403, C.R.S.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for contractual services associated with the regulation of state-chartered commercial banks, industrial banks, trust companies, money order companies and money transmitters. The base personal services calculation includes the FY 09-10 long bill amount of \$3,362,638 and 44.5 FTE; a negative adjustment of \$55,253 and 0.5

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FTE associated with HB 09-1053; and a positive adjustment of \$49,260 to reflect a one-time personal services cut for FY 09-10. The total request is \$3,356,645 Cash Funds and 44.0 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The request includes continuation funding of \$419,464 Cash Funds; a negative adjustment of \$475 associated with HB 09-1053; and a negative adjustment of \$31,368 to reflect FY 09-10 decision item 6.

BOARD MEETING COSTS

This line item recurs annually to pay per diem, travel and miscellaneous costs for board members attending meetings to conduct business related to rule-making, policy formulation, taking disciplinary action, and making licensing and chartering decisions. Funding pays operating expenses of the Colorado State Banking Board and a \$50 per diem for board members. For FY 09-10, the Department requested and was granted an increase of \$12,000 to support increased costs of the Banking Board. The request includes continuation funding of \$23,500 Cash Funds.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$513,677 Cash Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(3) DIVISION OF CIVIL RIGHTS

The Division of Civil Rights is the administrative arm of the Colorado Civil Rights Commission. It carries out state 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 (housing and public accommodations only). The primary duties of the Commission and of Division personnel are the investigation and adjudication of charges of unfair or discriminatory practices, and the supervision of hearings upon complaints issued against a respondent pursuant to statute. The Division's Compliance Unit also provides training

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and education, technical assistance with fair housing laws, public information, and community intervention. Enforcement activities account for a major portion of the Division's resources.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for contractual services. The Civil Rights Division is the administrative arm of the Colorado Civil Rights Commission, both carrying out the Colorado state laws that prohibit discrimination in housing, employment and public accommodations. As advocates of the law, the CCRD and CCRC are concerned with the civil rights of all persons, including the “charging party” (private citizen) and the “respondent” (business) on an equal basis. The base personal services calculation includes the FY 09-10 long bill amount of \$1,730,639, which includes \$1,105,771 General Fund, \$272,752 in Reappropriated Funds to reflect the statewide indirect cost offset, and \$352,116 in continuation Federal Funds (which is an informational amount). These amounts are adjusted by \$28,542 to replace one-time FY 09-10 cuts associated with the hiring freeze, and a reduction of \$129,945 and 1.0 FTE to reflect the continuing impact of FY 09-10 August 24th Reductions. The indirect cost offset will not be final until figures are set for FY 10-11, but this adjustment has no bearing on the total amount of GF-RF available in the base amount. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The request includes continuation funding of \$105,185 including \$64,065 General Fund and \$41,120 Federal Funds (which is an informational amount).

HEARINGS PURSUANT TO COMPLAINT

This line item recurs annually for investigation of complaints, primarily to contract for expert witness testimony, depositions, and shorthand/court reports and transcripts. Funding supports expenses associated with hearings, proceedings and mediations as well as a portion of the cost of cases referred to the Attorney General. Expenses of the Attorney General include costs for expert witnesses, court reporters, transcripts and depositions. The request includes continuation funding of \$18,000, including \$17,000 General Fund and an informational amount of \$1,000 Federal Funds.

COMMISSION MEETINGS

This line item recurs annually to pay per diem, travel and miscellaneous costs for commissioners attending meetings to conduct business related to rule-making and policy formulation; and to investigate and pass upon charges alleging unfair or discriminatory

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practices and to hold hearings upon any complaint issued against a respondent pursuant to statute. This line pays for meetings that the Colorado Civil Rights Commission holds at various locations around the state. The appropriation pays for per diem and travel for commissioners and pays for miscellaneous meeting costs. The request includes continuation funding of \$12,374, including \$5,174 General Fund and an informational amount of \$7,200 Federal Funds.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$55,415 Federal Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(4) OFFICE OF CONSUMER COUNSEL

The Office of Consumer Counsel represents the public interest on behalf of residential, small business, and agricultural consumers, in cases before the Public Utilities Commission. These cases involve proposed changes to electric, gas, and telecommunications utility rates, service, and policies. The fund source for all Division appropriations is the Public Utility Commission's Fixed Utility Fund established in Section 40-2-114, C.R.S.

PERSONAL SERVICES

This line item recurs annually to provide funding for the payment of office staffing and contractual services. The Office of Consumer Counsel represents the public interest and the specific interests of residential, small business and agricultural consumers in electric, gas and telecommunications service in rate and rule-making proceedings before the Colorado Public Utilities Commission. The OCC also represents these interests in the courts on appeal arising from PUC decisions and in federal court and federal regulatory proceedings affecting Colorado consumers' rates and service. The base personal services calculation includes the FY 09-10 long bill amount of \$805,028 Cash Funds and 7.0 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10, and no one-time personal services reductions were made in FY 09-10.

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OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Office operations and capital needs. The request includes continuation funding of \$56,322 Cash Funds.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$80,803 Cash Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(5) DIVISION OF FINANCIAL SERVICES

The Division of Financial Services 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 Financial Services Division also administers the Public Deposit Protection Act which safeguards the uninsured deposits of public moneys in a number of state and federal savings and loan associations. The Division conducts onsite examinations that are designed to ensure financial stability and compliance with applicable state and federal laws, and initiates enforcement actions when appropriate. The five-member Financial Services Board provides policy guidance to the Division. The funding source for all Division appropriations is the Division of Financial Services Cash Fund created in Section 11-40-106 (2), C.R.S.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for board per diem and contractual services. The Division of Financial Services is responsible for the regulation of state-chartered credit unions, a single wholesale corporate credit union, state-chartered savings and loan associations, and life-care institutions. It also administers the Public Deposit Protection Act to safeguard uninsured deposits of public monies in state and federal savings and loan associations. The base personal services calculation includes the FY 09-10 long bill amount of \$1,151,520 Cash Funds and 15.0 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10, and no one-time personal services reductions were made in FY 09-10.

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OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The request includes continuation funding of \$173,224 Cash Funds, with a negative adjustment to reflect FY 09-10 Decision Item #5 in the amount of \$10,456.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$170,934 Cash Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(6) DIVISION OF INSURANCE

The Division of Insurance regulates authorized insurance entities and licensed insurance producers throughout Colorado to promote and preserve a safe and sound competitive market environment for both the industry and the consumer. The Division's duties include the following: Conduct actuarial examinations, authorize surplus lines, and regulate provider networks and non-traditional insurance entities; Conduct examinations related to the financial solvency of Colorado insurance companies; Monitor and rehabilitate troubled insurance companies, collect premium taxes, and perform financial analysis of applicable companies; Review policy forms submitted by insurance carriers and ensure that insurer rates are reasonable and equitable; Perform field and desk examinations to monitor compliance related to the advertising, underwriting, and other practices of regulated insurance entities; Respond to consumer inquiries and complaints; and, Regulate bail bond agents, investigate producer violations and act to prohibit unauthorized insurance activities. The funding source is primarily the Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S. In addition to cash fee sources, this fund is backfilled by insurance premium tax revenues that would otherwise be credited to the General Fund.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for contractual services. The Division of Insurance is separated into two functional areas. Financial Regulation is composed of corporate affairs, financial examinations and financial affairs. The second functional area is Consumer Affairs, composed of rates and forms, consumer complaints, market conduct and investigations. The base personal services calculation includes the FY 09-10 long bill amount of \$6,082,584 and 84.7 FTE and a positive adjustment of

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\$107,339 to reflect a one-time personal service cut for FY 09-10. The total request is \$6,189,923 Cash Funds and 84.7 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The Division's Operating Expense appropriation consists of two components: (1) moneys continuously appropriated by Section 10-1-108 (9), C.R.S., which derive from out-of-state travel expense reimbursements paid by insurance companies; and (2) amounts appropriated annually by the General Assembly. The out-of-state travel component varies substantially. The request includes continuation funding of \$400,249 Cash Funds.

SENIOR HEALTH COUNSELING PROGRAM

This line item reflects a federally funded program that provides information to senior citizens regarding Medicare. This federally funded program supports senior citizen awareness of Medicare information. The level of program expenditures is contingent on the availability of federal money from the Centers for Medicare and Medicaid Services (CMS) and the U.S. Administration on Aging, two Federal agencies located within the U.S. Department of Health and Human Services. The request includes an informational amount for continuation funding of \$509,000 Federal Funds and 2.0 FTE.

INSURANCE FRAUD PROSECUTION

This line item recurs annually to support payment to the Attorney General's Office to support fraud prosecution. The line is not part of "Legal Services to State Agencies", but rather supports expenditures in the department of Law for related to the criminal prosecution of insurance fraud. Funds to pay for prosecution are appropriated in the Division of Insurance and then transferred to the Department of Law, where they reappear as a Reappropriated Funds appropriation. The request includes continuation funding of \$872,262 Cash Funds. It is important to note that the amount of available revenue from the statutory assessment exceeds this amount by an estimated \$166,000. This requires increased use of premium tax revenue from the General Fund. The amount will not be final until the Department of Law's budget is final for FY 10-11.

TRANSFER TO CAPCO ADMINISTRATION

This line item is new as of FY 08-09 but recurs annually to support payment to the Governor's Office to support work related to certified capital companies. The amount will not be final until the Governor's Office budget is final for FY 10-11.

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INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$984,872, including \$975,410 Cash Funds and \$9,462 Federal Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(7) PUBLIC UTILITIES COMMISSION

The three-member Public Utilities Commission (PUC) regulates the rates and services of fixed utilities and transportation utilities located in the state. The PUC also administers the Colorado Telecommunications High Cost Program, the Low Income Telephone Assistance Program, the Disabled Telephone Users Program, and the Highway Crossing Protection Program. Most of the PUC's activities are supported by the PUC Fixed Utility Fund created in Section 40-2- 114, C.R.S. or the PUC Motor Carrier Fund created in Section 40-2-110.5 (6), C.R.S.; however, certain special purpose line items utilize specific corresponding cash funds.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for contractual services. The PUC has regulatory responsibility for fixed utilities, those utilities that do not move (such as natural gas, electric, telecommunications and water) and for transportation utilities, those that move persons or property. The base personal services calculation includes the FY 09-10 long bill amount of \$8,698,317 and 100.9 FTE; a negative adjustment of \$13,967 and 0.4 FTE associated with HB 09-1244; and a positive adjustment of \$145,939 to reflect a one-time personal services cut for FY 09-10. The total request is \$8,830,289 Cash Funds and 100.5 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The request includes continuation funding of \$459,991 Cash Funds and a reduction to reflect FY 09-10 Decision Item #7 in the amount of \$10,456.

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EXPERT TESTIMONY

This line item recurs annually to support contractual services requiring expertise not available from PUC staff and to assist with PUC representation before the Commissioners. This line pays for expert testimony during hearings before the PUC. The request includes continuation funding of \$25,000 Cash Funds.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$1,164,720 Cash Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

DISABLED TELEPHONE USERS' FUND

This line is for the annual contract for the provision of telephone services for the deaf and hard of hearing. The revenue comes from a specific charge on consumers' telephone bills. This fund is continuously appropriated. Pursuant to Section 40-17-104 (1), C.R.S., phone companies impose a fee, set by the PUC, on each phone line in the state with the resulting revenues deposited in the Disabled Telephone Users Fund. Moneys in the fund are continuously appropriated to pay the cost of a contract that provides telecommunications relay services for disabled individuals. The request of \$2,439,591 reflects estimated usage of the relay contract for FY 10-11.

TRANSFER TO READING SERVICES FOR THE BLIND CASH FUND

This line item recurs annually as a mechanism for the transfer of funds from the Disabled Telephone Users Fund Payment line in the Long Bill to the Reading Services for the Blind cash fund. Pursuant to Section 40-17-104 (1), C.R.S., this line item appropriates money from the Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund. There is a corresponding Reappropriated Funds appropriation from the Reading Services for the Blind Cash Fund in the Department of Education, where the appropriation supports broadcasts by the Radio Reading Service of the Rockies, a volunteer reading service for the visually impaired. The request includes continuation funding of \$250,000 Cash Funds. This amount is not final until FY 10-11 appropriations to the Department of Education are final.

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TRANSFER TO COMMISSION FOR THE DEAF AND HARD OF HEARING CASH FUND

This line item recurs annually as a mechanism for the transfer of funds from the Disabled Telephone Users Fund Payment line in the Long Bill to the Colorado Commission for the Deaf and Hard of Hearing cash fund. This line item reflects the annual transfer from the Disabled Telephone Users Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund that is required by Section 40-17-104 (4), C.R.S. Pursuant to S.B. 06-218, the funds are directly transferred from the Colorado Disabled Telephone Users Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund. The request includes continuation funding of \$661,343 Cash Funds. This amount is not final until FY 09-10 appropriations to the Department of Human Services are final.

COMMISSION FOR THE BLIND OR VISUALLY IMPAIRED CASH FUND

This line item is new for FY 2008-09 and was inserted as a mechanism for the transfer of funds from the Disabled Telephone Users Fund Payment line in the Long Bill to the Commission for the Blind or Visually Impaired Cash Fund. The request includes continuation funding of \$112,067 Cash Funds.

LOW INCOME TELEPHONE ASSISTANCE FUND

Since 1990, the Public Utilities Commission has run a program that subsidizes service for eligible low income telephone customers and is supported by a fee on all telephone lines, most recently 7 cents per month. On February 22, 2006, the PUC adopted Decision # C06-0164 which ordered Qwest Communications, Inc. to establish a trust fund in the amount of \$5,500,000 to be used for purposes of funding the Low Income Telephone Assistance Program. This order temporarily negates the need for funding of the program through the surcharge on telephone subscribers. The PUC has eliminated this surcharge. The PUC's portion of this program operates under the provisions of statute and is not subject to annual appropriation by the General Assembly. The request of \$2,143,752 reflects estimated distributions from the fund for FY 09-10 and is pending estimates for FY 10-11.

COLORADO BUREAU OF INVESTIGATION BACKGROUND CHECKS PASS-THROUGH

This line item was added during FY 2008-09 and recurs annually to pass-through CBI/FBI background check fees to the Department of Public Safety pursuant to HB07-1065 and HB 07-1249, which require fingerprint-based criminal history record checks for drivers of certain motor vehicle carriers, and the principals of household goods moving companies, respectively. A continuation amount of \$67,128 is requested.

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(8) DIVISION OF REAL ESTATE

The Division of Real Estate licenses real estate brokers, real estate appraisers, and mortgage brokers; analyzes subdivision offerings on undeveloped land; and administers an enforcement program that responds to the needs of the industry and the consumer. The five-member Real Estate Commission and the seven-member Appraisal Board serve as the policy-making bodies of the Division. Appropriations for the Division are from the Division of Real Estate Cash Fund created in Section 12-61-111.5 (2) (b), C.R.S., and the Mortgage Broker Registration Cash Fund created in Section 12-61-908 (2), C.R.S.

PERSONAL SERVICES

This line item recurs annually to provide division staffing and pay for contractual services. The fundamental purpose of the Division is to establish and maintain a safe, stable environment in which the general public may buy, sell and lease real property in Colorado. The Division accomplishes this through qualifying and licensing real estate brokers, appraiser professionals, and mortgage brokers; by careful scrutiny of time share and undeveloped, raw land subdivision offerings; and through an enforcement program that is responsive to the needs of the citizenry. The base personal services calculation includes the FY 09-10 long bill amount of \$3,172,363 and 49.1 FTE; a positive adjustment of \$34,458 and 1.0 FTE associated with HB 09-1085; and a positive adjustment of \$55,579 to reflect a one-time personal services cut for FY 09-10. The total request is \$3,262,400 Cash Funds and 50.1 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, furniture and travel expenses. The request includes: continuation funding of \$210,081 Cash Funds. There is also a net amount of special funding via HB 09-1085, in the amount of \$950 ongoing.

COMMISSION MEETINGS

This line item recurs annually to pay per diem, travel and miscellaneous costs for Real Estate Commission members attending meetings to conduct business related to rule-making, policy formulation, taking disciplinary action, and making licensing decisions. The request includes continuation funding of \$38,836 Cash Funds.

HEARINGS PURSUANT TO COMPLAINT

This line item recurs annually for investigation of complaints, primarily to contract for expert witness testimony, depositions, and shorthand/court reports and transcripts. Expenses associated with hearings, proceedings and mediations as well as a portion of the

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cost of cases referred to the Attorney General are funded via this line item. Expenses of the Attorney General include costs for expert witnesses, court reporters, transcripts and depositions. The request includes continuation funding of \$4,000 Cash Funds.

MORTGAGE BROKER CONSUMER PROTECTION

This new line item was added for FY 09-10 and will recur annually to support the investigation and prosecution of Mortgage Broker complaints in the Attorney General's Office. The line is not part of "Legal Services to State Agencies", but rather supports expenditures in the Department of Law for related to mortgage fraud. Funds are appropriated in the Division of Real Estate and then transferred to the Department of Law, where they reappear as a Reappropriated Funds appropriation. The request includes funding of \$311,339 Cash Funds. The amount will not be final until the Department of Law's budget is final for FY 10-11.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office and for DORA's share of statewide indirect costs. The request includes \$566,777 Cash Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(9) DIVISION OF REGISTRATIONS

The Division of Registrations regulates licensees in more than thirty professions and occupations throughout Colorado. Its boards and licensing programs have been created by the General Assembly to ensure a basic level of competence among licensees and to protect the public welfare. The Division's licensing examinations measure applicants' knowledge, skills, and abilities. The Division also licenses or approves qualified facilities, programs, and equipment. Public protection is further enhanced by conducting inspections, investigating complaints, and restricting or revoking licenses when generally accepted standards of practice or safety have not been met. The funding source for Division is the Division of Registrations Cash Fund created in Section 24-34-105 (2) (b) (I), C.R.S.

PERSONAL SERVICES

This line item recurs annually to provide division staffing, contractual services, and board per diem. The Division of Registrations is responsible for regulating over 226,000 licensees within more than 30 professions and occupations. The Division's boards and licensing programs have been created to ensure a minimal level of competence of licensees and to protect the public. The base personal services calculation includes the FY 09-10 long bill amount of \$11,238,334 and 174.0 FTE with the following adjustments: a

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net adjustment of \$503,901 and 7.4 FTE related to special bill funding (SB 09-26, SB 09-138, SB 09-167, SB 09-239, HB 09-1086, HB 09-1136, and HB 09-1202), and a positive adjustment of \$202,032 to reflect one-time FY 09-10 personal services reductions. The total request is \$11,945,957 and 181.5 FTE, including \$9,689,584 Cash Funds and \$2,256,373 Reappropriated Funds to reflect the internal indirect costs of overhead offices in the Division. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, and travel expenses. The request includes: continuation funding of \$1,320,662 Cash Funds; and special bill funding of \$120,364 (SB 09-26, SB 09-138, SB 09-167, SB 09-239, HB 09-1086, HB 09-1136, and HB 09-1202), a net reduction of \$81,248 related to special bill funding for the aforementioned bills.

OFFICE OF EXPEDITED SETTLEMENT PROGRAM COSTS

This line item was created in FY 09-10 to separate the costs associated with the Division's office of expedited settlement. This includes but is not limited to personal services as well as office supplies, telephone, postage, printing, and travel expenses. The request includes: continuation funding of \$371,853 Cash Funds and 5.0 FTE; with a negative adjustment of \$5,228 to reflect FY 09-10 Decision Item #2.

HEARINGS PURSUANT TO COMPLAINT

This line item recurs annually to support hearings related to the investigation of complaints, primarily to contract for expert witness testimony, depositions, and shorthand/court reports and transcripts. This line item pays for expenses associated with hearings, proceedings and mediations as well as a portion of the cost of cases referred to the Attorney General. Expenses of the Attorney General include costs for expert witnesses, court reporters, transcripts and depositions. The request includes continuation funding of \$307,075 Cash Funds.

PAYMENTS TO DEPT OF HEALTH CARE POLICY AND FINANCING

This line item recurs annually to support payment to HCPF as a partial federal funds match related to the Nurse Aides Certification Program. 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, but the Department cannot apply directly for the federal match; Medicaid's centralization rules require that the match be routed through the Department of Health Care Policy and Financing.

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Nurse Aide certification was modified to require criminal background checks, for which a match is required from the Division of Registrations Cash Fund. This line item supports that match. The request includes continuation funding of \$14,652 Cash Funds.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director's Office, for DORA's share of statewide indirect costs and to cover the operations of the Division's Director's Office and Complaints and Investigations Section. The request includes \$4,384,837 Cash Funds and \$6,374 Federal Funds. This amount reflects continuation funding for the Division's proportionate share necessary to recover the full amount of costs for the Executive Director's Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.

(10) DIVISION OF SECURITIES

The Division of Securities monitors the conduct of broker-dealers and sales representatives throughout Colorado. It also investigates citizen complaints and other indications of investment fraud. In addition to license application screening, Division personnel perform on-site examinations of broker-dealer offices. The Division 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. All appropriations for the Division are from the Division of Securities Cash Fund

PERSONAL SERVICES

This line item recurs annually to provide division staffing. The Division of Securities' purpose is to bring enforcement actions against fraudulent and other abusive conduct. The Division investigates complaints of Colorado citizens and other indications of investment fraud and monitors Colorado broker-dealer and sales representative conduct. . The base personal services calculation includes the FY 09-10 long bill amount of \$1,903,823 and 22.0 FTE; and a positive adjustment of \$31,433 to reflect a one-time personal service cut for FY 09-10. The total request is \$1,935,256 Cash Funds and 22.0 FTE. No annualizations of salary survey and performance pay are included because they were not appropriated in FY 09-10.

OPERATING EXPENSES

This line item recurs annually for costs associated with supporting Division operations and capital needs. This includes but is not limited to office supplies, telephone, postage, printing, and travel expenses. The request includes continuation funding of \$61,063 Cash Funds, and a reduction of \$10,456 to reflect FY 09-10 Decision Item #3.

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HEARINGS PURSUANT TO COMPLAINT

This line item recurs annually for investigation of complaints, primarily to contract for expert witness testimony, depositions, and shorthand/court reports and transcripts. This line item pays for expenses associated with hearings, proceedings and mediations as well as a portion of the cost of cases referred to the Attorney General. Expenses of the Attorney General include costs for expert witnesses, Court reporters, transcripts and depositions. The request includes continuation funding of \$19,594 Cash Funds.

BOARD MEETING COSTS

This line item recurs annually to pay per diem, travel and miscellaneous costs for board members attending meetings to conduct business related to rule-making, policy formulation, taking disciplinary action, and making licensing and chartering decisions. This line item funds per diem, travel, and miscellaneous costs for the five members of the Colorado Securities Board. The request includes continuation funding of \$4,500 Cash Funds.

SECURITIES FRAUD PROSECTON

This line item supports expenditures in the department of Law for related to the criminal prosecution of securities fraud. The line is not part of “Legal Services to State Agencies”, but rather supports expenditures in the Department of Law for related to the prosecution of securities fraud. Funds are appropriated in the Division of Securities and then transferred to the Department of Law, where it appears again as a Reappropriated Funds appropriation. The request includes continuation funding of \$501,028 Cash Funds. The amount will not be final until the Department of Law’s budget is final for FY 10-11.

INDIRECT COST ASSESSMENT

This line item recurs annually for the payment of indirect costs to cover the operations of the Executive Director’s Office and for DORA’s share of statewide indirect costs. The request includes \$253,953 Cash Funds. This amount reflects continuation funding for the Division’s proportionate share necessary to recover the full amount of costs for the Executive Director’s Office, with an adjustment to reflect an increase necessary for the FY 10-11 Statewide Indirect Cost assessment. However, the precise amount for FY 10-11 must be calculated after all other figures are determined for FY 10-11.