



# JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

*Department of Regulatory Agencies*

The Department of Regulatory Agencies is responsible for ensuring that individuals and businesses who provide Coloradans with professional services are doing so ethically and responsibly. These duties are carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through boards, commissions, and advisory committees. The Department's FY 2023-24 appropriation represents approximately 0.3% percent of statewide operating appropriations and 0.1% percent of statewide General Fund appropriations.

## FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2023-24 APPROPRIATION:</b>						
SB 23-214 Long Bill	\$138,584,338	\$12,787,372	\$116,965,541	\$7,090,380	\$1,741,045	678.2
Other Legislation	3,254,517	764,274	2,473,592	16,651	0	20.2
<b>TOTAL</b>	<b>\$141,838,855</b>	<b>\$13,551,646</b>	<b>\$119,439,133</b>	<b>\$7,107,031</b>	<b>\$1,741,045</b>	<b>698.4</b>
<b>FY 2024-25 REQUESTED APPROPRIATION:</b>						
FY 2023-24 Appropriation	\$141,838,855	\$13,551,646	\$119,439,133	\$7,107,031	\$1,741,045	698.4
R1 Increase banking staff	665,956	0	665,956	0	0	4.6
Centrally appropriated line items	9,615,115	246,262	8,645,272	564,798	158,783	0.0
Non-prioritized decision items	776,560	19,418	704,919	52,223	0	0.0
Annualize prior year actions	528,141	(363,607)	849,646	42,102	0	2.1
Indirect cost assessment	(82,376)	0	(80,553)	0	(1,823)	0.0
<b>TOTAL</b>	<b>\$153,342,251</b>	<b>\$13,453,719</b>	<b>\$130,224,373</b>	<b>\$7,766,154</b>	<b>\$1,898,005</b>	<b>705.1</b>
<b>INCREASE/(DECREASE)</b>	\$11,503,396	(\$97,927)	\$10,785,240	\$659,123	\$156,960	6.7
Percentage Change	8.1%	(0.7%)	9.0%	9.3%	9.0%	1.0%

**R1 INCREASE BANKING STAFF:** The request includes \$665,956 from the Division of Banking Cash Fund and 4.6 FTE in FY 2024-25, which increases to \$676,910 and 5.0 FTE in FY 2025-26 and ongoing, in order to support an increased workload due to the growth of the Colorado regulated financial institution industry. Specifically, the Division proposes to hire five additional financial/credit examiners and fund operating expenses that include travel and training for the new staff.

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes the following adjustments to centrally appropriated line items, primarily attributed to compensation, legal services, and OIT.

**CENTRALLY APPROPRIATED LINE ITEMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$3,364,842	\$83,065	\$2,950,476	\$250,262	\$81,039	0.0
Legal services	1,829,436	0	1,829,436	0	0	0.0
Payments to OIT	1,764,735	0	1,764,735	0	0	0.0
Health, life, and dental	1,057,059	27,211	863,053	124,514	42,281	0.0
PERA Direct Distribution	927,787	51,566	809,376	66,845	0	0.0
AED	274,140	11,831	202,761	45,308	14,240	0.0
SAED	274,140	11,831	202,761	45,308	14,240	0.0
Paid Family and Medical Leave Ins.	238,748	7,985	209,561	16,744	4,458	0.0
Workers' compensation	71,684	1,314	53,685	13,613	3,072	0.0
ALJ services	60,212	62,764	(2,552)	0	0	0.0
Short-term disability	9,122	383	6,878	1,421	440	0.0
CORE adjustment	(174,854)	(7,808)	(159,436)	(6,405)	(1,205)	0.0
Risk management & property adj.	(81,936)	(3,880)	(85,462)	7,188	218	0.0
<b>TOTAL</b>	<b>\$9,615,115</b>	<b>\$246,262</b>	<b>\$8,645,272</b>	<b>\$564,798</b>	<b>\$158,783</b>	<b>0.0</b>

**NON-PRIORITIZED DECISION ITEMS:** The request includes an increase of \$776,560 total funds, primarily from cash funds, for adjustments related to budget requests from the Department of Personnel for seven new common policies for various centralized services, CORE operating resources, and an annual fleet vehicle request.

**NON-PRIORITIZED DECISION ITEMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central Services Omnibus Request	\$676,279	\$19,418	\$604,638	\$52,223	\$0	0.0
NP1 Annual fleet vehicle request	86,512	0	86,512	0	0	0.0
CORE Operating Resources	13,769	0	13,769	0	0	0.0
<b>TOTAL</b>	<b>\$776,560</b>	<b>\$19,418</b>	<b>\$704,919</b>	<b>\$52,223</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR ACTIONS:** The request includes a net increase of \$528,141 in total funds to reflect the FY 2024-25 impact of prior year budget actions and legislation, summarized in the following table. The majority of the increase is attributed to prior year legislation. Prior year budget actions only contributed to a decrease of \$10,111 in total funds.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB23-1174 Homeowners insurance	\$658,751	\$0	\$658,751	\$0	\$0	1.2
HB23-1252 Thermal energy	344,930	0	344,930	0	0	2.0
FY16-17 R1 Annualize new dept lease agreement	332,745	12,732	287,006	33,007	0	0.0
HB23-1067 Family intervener for deafblind child	91,774	0	91,774	0	0	0.0
SB23-189 Access to reproductive healthcare	61,605	0	61,605	0	0	(0.1)
SB23-167 Regulate certified midwives	54,135	0	54,135	0	0	0.2
SB23-179 Dental plans medical loss	31,872	0	31,872	0	0	0.3
HB23-1227 Pharmacy benefit manager enforce	17,317	0	17,317	0	0	0.5
SB23-195 Cost share contributions	3,665	0	3,665	0	0	0.1
HB23-1116 Carrier and provider contracts	2,443	0	2,443	0	0	0.2
SB23-172 Protecting opportunities	2,023	(7,072)	0	9,095	0	0.7
HB23-1002 Epinephrine auto-injectors	1,799	0	1,799	0	0	0.1
Prior year salary survey	(342,856)	0	(342,856)	0	0	0.0
HB23-1005 New energy program changes	(208,408)	(208,408)	0	0	0	(2.0)
SB23-291 Utility regulation	(175,456)	0	(175,456)	0	0	0.2
HB23-1296 Task force persons with disabilities	(160,859)	(160,859)	0	0	0	(0.7)
SB23-288 Coverage for doula service	(100,000)	0	(100,000)	0	0	0.0
HB23-1281 Advancing clean hydrogen	(52,346)	0	(52,346)	0	0	(0.5)
HB23-1201 Rx contract requirements	(10,000)	0	(10,000)	0	0	0.0

## ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB22-1115 Prescription drug monitoring program	(9,885)	0	(9,885)	0	0	0.0
SB22-077 Interstate professional counselor	(9,000)	0	(9,000)	0	0	0.0
HB23-1136 Prosthetic devices for recreation	(6,108)	0	(6,108)	0	0	(0.1)
<b>TOTAL</b>	<b>\$528,141</b>	<b>(\$363,607)</b>	<b>\$849,646</b>	<b>\$42,102</b>	<b>\$0</b>	<b>2.1</b>

**INDIRECT COST ASSESSMENT:** The request includes a \$82,376 net decrease to indirect cost assessments across the Department, comprised of a \$80,553 decrease in cash funds and a \$1,823 decrease in federal funds.

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**R1 INCREASE BANKING STAFF:** The R1 request includes \$665,956 from the Division of Banking Cash Fund and 4.6 FTE in FY 2024-25, and \$676,910 and 5.0 FTE in FY 2025-26 and ongoing in order to increase the Division of Banking’s staff capacity to respond to growth in the state’s regulated financial institution industry. The five proposed financial/credit examiners would focus on the commercial bank and money transmitter sectors, which have grown in complexity and size over the past ten years. The Division indicates that it has not requested additional FTE or associated increases in operational funding since FY 2011-12.

**HISTORY AND STATUS OF NATURAL MEDICINE REGULATION:** In November 2022, Proposition 122, a citizen-initiated ballot measure, initiated the development of a regulatory framework for and decriminalization of natural psychedelic substances in Colorado. Since the ballot measure, the Department of Regulatory Agencies has received supplemental funding in order to implement the program and S.B. 23-290 allocated additional funding to state agencies outside of the Department in order to develop licensing, inspection, and rulemaking processes for the program’s implementation. The bill requires the program to begin reviewing applications for new licenses, registrations, permits, or certificates by December 31, 2024.

## FOR MORE INFORMATION

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**TO READ THE ENTIRE BRIEFING:** Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2023.