

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2008-09**

**DEPARTMENT OF REGULATORY AGENCIES**

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

**Prepared By:  
Megan Davisson, JBC Staff  
January 28, 2009**

For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**TABLE OF CONTENTS**

	<b>Narrative Page</b>	<b>Numbers Page</b>
<b>Prioritized Supplementals in Department-Assigned Order</b>		
Supplemental #1 - Funding for Statutorily Required Examination Travel	1	14
Supplemental #2 - Technical Adjustments to FY 2008-09 Long Bill and FY 2009-10	4	14
Supplemental #3 - General Fund Negative Supplemental - CCRD Personal Services FY 2008-09	5	14
Supplemental #4 - General Fund Negative Supplemental - Division of Insurance Personal Services FY 2008-09	7	15
Supplemental #5 - Hiring Freeze Reduction	9	15
<b>Non-prioritized Supplementals</b>		
JBC Staff Initiated Supplemental #1 - Technical Correction to Lease Space Appropriation	10	16
JBC Staff Initiated Supplemental #2 - Technical Correction to Division of Registration Footnote "b"	11	17
Statewide Common Policy Supplemental Requests	12	N.A.
Totals for All Supplementals	N.A.	17
<b>Other Balancing Options</b>	12	N.A.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Prioritized Supplementals**

**Supplemental Request, Department Priority #1  
 Funding for Statutorily Required Examination Travel**

	Request	Recommendation
Total	\$45,592	\$29,849
Cash Funds	45,592	29,849

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made.</i>	

**Department Request:** The Department requests the Division of Financial Services (Division) line item be increased by \$45,592 from the Division of Financial Services Cash Fund for travel expenditures. The Department cites the economic downturn, a steady increase in the mileage reimbursement rate over the past three fiscal years, and a full staffing of examiners as primary reasons for the sharp increase in FY 2008-09 travel expenditures.

**Staff Analysis:** Pursuant to Section 24-9-104 (2) (II) (f) (I), C.R.S. the Department is allowed to increase the operating expenses line due to increases in travel reimbursement expenses, but is not allowed to ask for a supplemental unless the supplemental is based on an emergency. Staff is unsure why the Department did not increase the operating expenses request for FY 2008-09 when the Department had recently hired two new examiners in February 2008.

The Division is required by Section 11-30-106 (1) (a), C.R.S. to conduct an examination of a credit union at least once every eighteen months. The number of examiners who travel for an exam ranges from one to six, and the exam itself can last anywhere from one to three weeks. Interim visits are also conducted by the Division when an institution's quarterly financial reports indicate possible problems. Interim visits can take anywhere from one to seven days and use one or more examiners. The following table outlines the number of remaining examinations and interim visitations for FY 2008-09.

Number of Examinations and Interim Visits Per Examiner			
	Total Trips	Examinations	Interim Visits
Total All Examiners	55	40	15

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Currently the Division does not use any state vehicles, and reimburses staff for mileage and provides a hotel, meal and incidental per diem. The Division evaluated possible cost savings by using state vehicles for travel and found none. Using video conferencing or any other type telecommuting is also not a possibility, according to the Division, because of the need for examiners to physically be on site for the examinations and exit interviews. The following table summarizes the reimbursement and per diem rates for examiners for the remainder of FY 2008-09.

<b>Division of Financial Services - Reimbursement and Per Diem Rates</b>	
Mileage Rate pursuant to Section 24-9-104, C.R.S.	\$.50 per mile
Breakfast Per Diem	\$7 per meal
Lunch Per Diem	\$11 per meal
Dinner Per Diem	\$18 per meal
Hotel Per Diem	\$75 per night
Incidental	\$3 per night

Based on information provided by the Department, staff calculated the Division's expenses for the remainder of FY 2008-09, outlined in the table below.

<b>Calculated Totals for Examiner Reimbursements for Remainder of FY 2008-09</b>						
<b>Examiner</b>	<b>Trips<sup>^</sup></b>	<b>Mileage</b>	<b>Hotel Per Diem</b>	<b>Meal Per Diem</b>	<b>Incidental</b>	<b>Total</b>
1	4	784	280	288	12	1,364
2	2	333	640*	332	24	1,329
3	11	5,730	3,300	1,705	132	10,867
4	5	2,265	1,500	775	60	4,600
5	8	3,685	2,400	1,240	96	7,421
6	6	3,530	1,800	930	72	6,332
7	8	2,970	2,400	1,240	96	6,706
8	5	2,350	1,500	775	60	4,685
9	6	2,365	1,800	930	72	5,167
<b>Total</b>	<b>55</b>	<b>\$24,012</b>	<b>\$15,620</b>	<b>\$8,215</b>	<b>\$624</b>	<b>\$48,471</b>

<sup>^</sup>Trips include both examinations and interim visits.

\* This examiner's specific hotel per diem was \$80 per night.

**DEPARTMENT OF REGULATORY AGENCIES  
FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Staff's calculation of the Division's expenses for the remainder of FY 2008-09 if examiners only travel to statutorily required examinations is shown in the table below:

<b>Calculated Totals for Examiner Reimbursements for Remainder of FY 2008-09</b>						
<b>Examiner</b>	<b>Exams Only</b>	<b>Mileage</b>	<b>Hotel Per Diem</b>	<b>Meal Per Diem</b>	<b>Incidental</b>	<b>Total</b>
1	0	0	0	0	0	0
2	2	333	640*	332	24	1,329
3	11	5,730	3,300	1,705	132	10,867
4	5	2,265	1,500	775	60	4,600
5	4	1,843	1,200	620	48	3,711
6	3	1,765	900	465	36	3,166
7	4	1,485	1,200	620	48	3,353
8	5	2,365	1,500	775	60	4,700
9	6	2,350	1,800	930	72	5,152
<b>Total</b>	<b>40</b>	<b>\$18,136</b>	<b>\$12,040</b>	<b>\$6,222</b>	<b>\$480</b>	<b>\$36,878</b>

\* This examiner's specific hotel per diem was \$80 per night.

The difference between the operating expenses appropriation and the estimated expenditures for the remainder of FY 2008-09 are outlined in the following table:

<b>Calculation of Staff Recommendation</b>		
	<b>All Trips</b>	<b>Exams Only</b>
Total Projected Expenses for Jan. - June	\$48,473	\$36,878
FY 2008-09 Expenses as of Dec. 31, 2008	46,472	46,472
Total FY 2008-09 Project Expenses	94,945	83,350
FY 2008-09 Approp. for Travel	53,501	53,501
<b>Difference between Projected Expenses and FY 2008-09 Appropriation</b>	<b>\$41,444</b>	<b>\$29,849</b>

Increasing the Division's operating expenses line would result in increased assessments on regulated institutions pursuant to Section 11-30-106 (1) (b), C.R.S. Currently fifty-two institutions are regulated by the Division, and pay annual assessments that range from \$83 to \$95,874. The following table shows the impact of the supplemental on institution's annual assessments.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

<b>Supplemental Dollar and Percent Increase on Institutions Annual Assessment</b>			
	Department Request for \$45,064	Staff Calculated Increase of \$41,444	Staff Calculated Increase of \$29,849
Average Dollar Increase	\$867	\$802	\$578
Average Percent Increase	7.4%	6.8%	4.9%

Interim visits are not statutory required, but are an integral part of ensuring the continued stability of the financial services sector, and help to identify problems before they become major issue, but staff believes that given the current economic shortfall the Division should only perform statutorily required exams.

**Staff Recommendation:** Staff recommends that the Committee approve an increase of \$29,849 cash funds from the Division of Financial Services Cash Fund for the Division of Financial Services FY 2008-09 operating expenses line.

**Supplemental Request, Department Priority #2  
 Technical Adjustments to FY 2008-09 Long Bill and FY 2009-10**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$141,930</u>	<u>\$141,930</u>
Cash Funds	141,930	141,930

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>a technical error in calculating the original appropriation.</i>	

**Department Request:** The Department requests two technical errors be corrected in the Department's FY 2008-09 appropriation. First, the Department requests that \$50,000 be added to the Transfer to Reading Services for the Blind Cash Fund in the Public Utilities Commission, so the total appropriation would be \$250,000 and matches the corresponding reappropriated funds in the Department of Education. Second, the Department is requesting a new line item be added to the Division of Insurance for \$91,930 cash funds from the Division of Insurance cash fund to account for the reappropriated funds in the Governor's Office budget for CAPCO Administration.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Staff Analysis:** The FY 2008-09 Department of Education (Education) appropriation for Reading Services for the Blind line item is \$250,000 reappropriated funds from the Department of Regulatory Agencies (Department). The corresponding Department appropriation in the Public Utilities Commission is only \$200,000 cash funds, a difference of \$50,000. Staff agrees with the Department that a technical error was made and the line item appropriation for the Department should be a total of \$250,000 cash funds.

The reappropriation of funds from the Division of Insurance to the Governor's Office was not accounted for when the format of the long bill changed. Staff spoke with the State Controller's Office and determined that funding for the CAPCO Administration was not built into the Department's base when the format changed, and is therefore not reflected in the FY 2008-09 Long Bill. The CAPCO Administration line was created by H.B. 01-1097 and is statutorily funded by the Division of Insurance Cash Fund pursuant to Section 24-48.5-106 (3), C.R.S. The CAPCO Administration oversees certified capitol companies, and the issuance of insurance premium tax credits, credits which are regulated by Division of Insurance.

**Staff Recommendation:** Staff recommends that the Committee approve an increase totaling \$141,930 for FY 2008-09, reflecting an appropriation of \$91,930 from the Division of Insurance Cash Fund, and an increase of \$50,000 from the Disabled Telephone Users Fund.

**Supplemental Request, Department Priority #3  
 General Fund Negative Supplemental - CCRD Personal Services FY 2008-09**

	Request	Recommendation
Total	(\$48,257)	(\$113,398)
FTE	<u>0.0</u>	<u>(1.4)</u>
General Fund	(48,257)	(113,398)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>an unforeseen contingency</i> .	

**Department Request:** The Department requests a reduction of \$48,819 General Fund from the Personal Services line of the Division of Civil Rights (Division). This reduction is the result of vacancy savings prior to the implementation of the hiring freeze on October 1, 2008.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Staff Analysis:** Based on the information provided in the supplemental request submitted on January 15, 2009, staff calculated the total savings of positions filled at grades below what was budgeted for, and positions that are general funded but vacant. There are a total of four positions filled at a lower grade or currently vacant, and staff's calculations only include the salary for each position.

Position 1 was budgeted as a General Professional (GP) IV, but filled around September 1, 2008 as a GP III. Position 2 was budgeted for as a GP IV, but filled around October 1, 2008 as a Program Assistant II. Position 3 is a Criminal Investigator I that has been vacant since September 1, and position 4 is a an administrative assistant II that has been vacant since October 1. It is unclear why these positions are not reflected on the Office of State Budgeting and Planning hiring freeze report, but are affected by the hiring freeze. Staff's calculation of General Fund savings are for the entire fiscal year, and in accordance with JBC supplemental policy, FTE were also included in staff's calculations.

<b>FY 2008-09 Savings for Position 1</b>				
	Months	Monthly Savings	FY 2008-09 Total Savings	FTE
<b>Position 1</b>				
Vacancy Savings	3	\$4,733	\$14,199	0.0
Savings as result of filling as GP III instead of GP IV	9	838	7,542	
Subtotal for Position 1	12		21,741	
<b>Position 2</b>				
Vacancy Savings	4	\$4,733	\$18,932	0.0
Savings as result of filling as PA II instead of GP IV	8	1,367	10,936	
Subtotal for Position 2	12		29,868	
Position 3 Savings	9	\$4,605	\$41,445	0.8
Position 4 Savings	8	\$2,543	\$20,344	0.7
<b>Total</b>			<b>\$113,398</b>	<b>1.4</b>

**Staff Recommendation:** Staff recommends that the Committee reduce the General Fund appropriation for the Division of Civil Rights personal services line by \$113,398 General Fund and 1.4 FTE.



**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplemental Request, Department Priority #4**

**General Fund Negative Supplemental - Division of Insurance Personal Services FY 2008-09**

<b>Division of Insurance Supplemental Appropriation Reduction</b>		
	<b>Request</b>	<b>Recommendation</b>
Total	(\$152,217)	(\$164,387)
FTE	<u>0.0</u>	<u>(2.1)</u>
Cash Funds	(152,217)	(164,385)

<b>Division of Insurance Supplemental General Fund Revenue Increase</b>		
	<b>Request</b>	<b>Recommendation</b>
Total	??	\$164,383
General Fund	0	164,385

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>an unforeseen contingency</i> .	

**Department Request:** The Department requests the Division of Insurance FY 2008-09 personal services line be reduced by \$152,217 cash funds. These cash funds are from the Division of Insurance Cash Fund which receives a diversion of revenue that would otherwise be transferred into the General Fund pursuant to Section 10-3-209 (4), C.R.S.

**Staff Analysis:** The Division of Insurance is funded by the Division of Insurance Cash Fund (Cash Fund). Revenue for the Cash Fund comes from fees on insurance providers and revenue from the insurance premium tax not to exceed five percent pursuant to Section 10-3-209 (4), C.R.S. The remaining 95 percent of revenue from the premium tax is credited to the General Fund, pursuant to Section 10-3-209 (4), C.R.S. The following table outlines staff's calculations of a 2.5 percent reduction in the personal services line.

<b>Calculation of 2.5% of FY 2008-09 Division of Insurance Appropriation</b>	
FY 2008-09 Long Bill Appropriation	\$5,804,777
FY 2008-09 Total Special Bills Appropriation	366,269

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

<b>Calculation of 2.5% of FY 2008-09 Division of Insurance Appropriation</b>	
Total FY 2008-09 Appropriation	6,171,046
<b>2.5% of Total FY 2008-09 Appropriation</b>	<b>\$154,276</b>

Since it is JBC supplemental policy to take the FTE associated with personal services dollars, the following table outlines staff's assumptions used to calculate the FTE associated with the Division's personal services dollars.

<b>Calculation of FTE Associated with Reduction of Division of Insurance Personal Services</b>	
FY 2008-09 Total Appropriation	\$6,171,046
Number of FTE	84.9
Average Cost of 1.0 FTE	\$72,686
Reduction Amount	154,276
<b>Number of FTE based on Average Cost of 1.0 FTE</b>	<b>2.1</b>

The Department states that the Division's personal services line is the only line that could absorb the required reduction, leaving out operating expenses. For FY 2007-08 the Division reverted 4.4 percent or \$13,187 cash fund dollars from the operating expenses line. The FY 2008-09 appropriation was increased over the FY 2007-08 appropriation, and staff applied the a 2.5 percent reduction to that line as well, and is outline in the following table.

<b>Calculation of 2.5 Percent Reduction of Operating Expenses Line Item</b>	
FY 2008-09 Total Appropriation	\$404,340
2.5 Percent Reduction	10,109
<b>FY 2008-09 Appropriation with Reduction</b>	<b>\$394,232</b>

**Staff Recommendation:** Staff recommends that the Committee approve the reduction of **\$154,276 cash funds from the Division of Insurance personal services line item and 2.1 FTE. Staff also recommends the reduction of the Division of Insurance Operating Expenses line item by \$10,109 cash funds.** The Division of Insurance Cash Fund receives a diversion of revenue that would otherwise be transferred into the General Fund. Since the appropriation from the Division of Insurance Cash Fund is decreasing, the diverted amount is also decreased, therefore increasing the revenue into the General Fund by \$164,385 for FY 2008-09.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplemental Request, Department Priority #5  
 Hiring Freeze Reduction**

	Request	Recommendation
Total	(\$766,273)	(\$980,628)
FTE	0.0	(15.8)
Cash Funds	(766,273)	(980,628)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of <i>an unforeseen contingency</i> .	

**Department Request:** The Department requests the total for certain lines involving personal services be reduced by a total of \$766,273 due to savings from the hiring freeze.

**Staff Analysis:** The following table outlines the Department's savings as a result of the hiring freeze implemented October 1, 2008. It should be noted that the differences between the Department's request and staff's calculation is that the Department's request included the pay date shift, which is not applicable to cash or federal funded positions. This means that for a position set to be filled January 1, 2009 the Department's request showed five months of vacancy savings, where staff's calculations show six months of vacancy savings. Additionally, staff is taking the FTE associated with personal services dollars for FY 2008-09 in order to avoid unfunded FTE positions.

Summary of Personal Services Savings for FY 2008-09		
Division	CF	FTE
Division of Banking	\$97,315	1.4
Division of Insurance	104,890	1.4
Public Utilities Commission	437,527	6.3
Division of Real Estate	110,736	2.1
Division of Registrations	230,160	4.6
<b>Total Savings</b>	<b>\$980,628</b>	<b>15.8</b>

**Staff Recommendation:** Staff recommends that the Committee approve the reduction appropriations and FTE for the lines involving personal services in accordance with the table above.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Non-Prioritized Supplementals**

**JBC Staff Initiated Supplemental #1  
 Technical Correction to Lease Space Appropriation**

	Request	Recommendation
Total	\$0	(\$17,640)
Cash Funds	0	(17,640)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
This supplemental is the result of a <i>technical error in calculating the original appropriation</i> .	

**Department Request:** The Department has not requested this supplemental.

**Staff Recommendation:** Staff recommends that the Committee reduce the FY 2008-09 lease space appropriation by \$17,640, of which \$15,120 is from the Conservation Easement Appraiser Review Fund and \$2,520 is from the Division of Registration Cash Fund.

**Staff Analysis:** For the 2008 session, both JBC and fiscal note policy was to exclude lease space for any special bill appropriation unless the bill added at least 20.0 FTE. House Bill 08-1058 established the Uniform Athlete Agents Act, which required athlete agents to register with the Division of Registration if the agent intended to represent a college athlete in the pursuit of commercial or professional interests. House Bill 08-1058 added 0.6 FTE and \$2,520 in lease space. Since H.B. 08-1058 did not add at least 20.0 FTE it should have not included lease space. The following is a table outline the appropriations made in H.B. 08-1058.

<b>House Bill 08-1058 Appropriations</b>	
Personal Services	\$31,063
FTE	0.6
Operating Expenses / Capitol Outlay	3,682
Lease Space	2,520
Legal Services and Contract Services	19,484
<b>Total</b>	<b>\$56,749</b>

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

House Bill 08-1353 created a nine-member Conservation Easement Oversight Commission in the Division of Real Estate, for the purpose of advising the Division on the values of conservation easements, and the integrity and accuracy of easement appraisals and transactions. House Bill 08-1353 created a certification program to identify qualified conservation easement holders for state income tax credit. House Bill 08-1353 added 3.6 FTE and \$15,120 in lease space to the Division of Registrations. Since H.B. 08-1353 did not add at least 20.0 FTE it should have not included lease space. The following is a table outline the appropriations made in H.B. 08-1353.

<b>House Bill 08-1353 Appropriations</b>	
Personal Services	\$187,072
FTE	3.6
Operating Expenses / Capitol Outlay	11,862
Board Meetings	16,911
Lease Space	15,120
Legal Services	40,481
IT Costs	202,428
<b>Total</b>	<b>\$473,874</b>

**JBC Staff Initiated Supplemental #2  
 Technical Correction to Division of Registration Footnote "b"**

	<b>Request</b>	<b>Recommendation</b>
Total	\$0	\$0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
This supplemental is the result of a <i>technical error in calculating the original appropriation.</i>	

**Department Request:** The Department has not requested this supplemental.

**Staff Recommendation:** Staff recommends that the Committee approve the technical correction to the Division of Registration's letter note "b" to appropriate the correct amount of indirect cost recoveries.

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Staff Analysis:** The Division of Registration letter note "b" stipulates:

"Of this amount, it is estimated that \$1,623,234 shall be from indirect cost recoveries, \$282,286 shall be from the Department of Public Health and Environment, and \$282,286 shall be from the Department of Health Care Policy and Financing."

The letter note should instead be corrected to read as follows:

"Of this amount, it is estimated that \$1,616,743 shall be from indirect cost recoveries, \$282,286 shall be from the Department of Public Health and Environment, and \$282,286 shall be from the Department of Health Care Policy and Financing."

**Statewide Common Policy Supplemental Requests**

**Staff Recommendation:** Neither the Department nor OSPB has submitted statewide supplement request, but these request may be received in the near future. If request are submitted, they will be present to the Committee by the common policy analyst. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill if the Committee approves a common policy supplemental.** If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

**Other Balancing Options**

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

**Numbering does not indicate priority.**

<b>Options with Appropriation Impacts</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1	113,801	0		98,447	212,248	3.0
<b>Close the Division of Civil Rights Satellite Offices</b>						
Currently the Division of Civil Rights has a satellite office in Grand Junction and one in Pueblo. Each office has 1.5 FTE and expenses of approximately \$109,148 for Pueblo and \$103,100 for the Grand Junction. These offices were recently reopened after being closed during FY 2002-03, and receive a portion of General Fund dollars. If these offices are closed, people in these areas of Colorado would not have as much access to services provided by the Division of Civil Rights. It is likely the number of complaints from these areas of the state would decrease, which would decrease the federal dollars the Division receives as part of the work-sharing agreements with the federal government.						

**DEPARTMENT OF REGULATORY AGENCIES  
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

<b>Options with Appropriation Impacts</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<p>2</p> <p><b>Transfer Funds from the Division of Registrations Cash Fund</b></p> <p>The State Auditor's report on uncommitted cash fund reserves noted the Division of Registrations Cash Fund had uncommitted reserves of \$901,928. In addition to the money being reverted into the cash fund as a result of the hiring freeze, it would be possible to transfer a portion of these reserves into the General Fund. Any transfer out of the Division of Registrations Cash Fund would affect fees set by the Department.</p>						
<p>3</p> <p><b>Transfer Fund from the Motor Carrier Cash Fund</b></p> <p>The Motor Carrier Cash Fund is funded through an annual fee set by the Commissioner of the Public Utility Commission on each motor vehicle carrier. The current uncommitted fund balance is \$539,985, of which the JBC could transfer anywhere from \$100,000 to \$400,000 into the General Fund. If money is transferred out of the Motor Carrier Cash Fund the fee increase would be felt by the approximately 20,000 motor carriers across the state. The motor carrier fee increased from \$5 to \$50 on July 1, 2008 as a result of changes at the federal level.</p>					0	
<p>4</p> <p><b>Transfer Fund from the Fixed Utilities Cash Fund</b></p> <p>Revenue for the Fixed Utilities Cash Fund is from a fee on all public utilities companies pursuant to Section 40-2-113, C.R.S. Ninety-seven percent of the revenue is deposited into the cash fund, and three percent is credited to the General Fund (approximately \$350,000). As of January 20, 2009 the uncommitted fund balance was \$2,753,640, which the Committee could transfer a portion of in to the General Fund. Statute could be amended so that a larger percentage is credited to the General Fund. Any transfers from this fund could cause an increase in fees that are ultimately paid by consumers.</p>					0	

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF REGULATORY AGENCIES</b>					
<b>Executive Director Rico Munn</b>					
<b>Supplemental #1 - Funding for Statutorily Required Examination Travel in Division of Financial Services</b>					
<i>(1) Division of Financial Services</i>					
Operating Expenses - CF	86,988	81,671	45,592	29,849	111,520
<b>Supplemental #2 - Technical Adjustments to FY 2008-09 Long Bill and FY 2009-10</b>					
<i>(1) Division of Insurance</i>					
Transfer to CAPCO Administration (NEW LINE)	N.A.	0	91,930	91,930	91,930
<i>(2) Public Utilities Commission</i>					
Transfer to Reading Services for the Blind	<u>200,000</u>	<u>200,000</u>	<u>50,000</u>	<u>50,000</u>	<u>250,000</u>
<b>Total for Supplemental #2</b>	<u>200,000</u>	<u>200,000</u>	<u>141,930</u>	<u>141,930</u>	<u>341,930</u>
<b>Supplemental #3 - General Fund Negative Supplemental - CCRD Personal Services FY 2008-09</b>					
<i>(3) Division of Civil Rights</i>					
Personal Services	<u>1,615,800</u>	<u>1,678,996</u>	<u>(48,257)</u>	<u>(113,398)</u>	<u>1,565,598</u>
FTE	<u>24.7</u>	<u>32.4</u>	<u>0.0</u>	<u>(1.4)</u>	<u>31.0</u>
General Fund	952,863	900,893	(48,257)	(113,398)	787,495
FTE	15.5	19.4	0.0	(1.4)	18.0
Reappropriated Funds	311,532	419,067	0	0	419,067
FTE	2.0	2.0	0.0	0.0	2.0
Federal Funds	351,405	359,036	0	0	359,036
FTE	7.2	11.0	0.0	0.0	11.0



	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Supplemental #4 - General Fund Negative Supplemental - Division of Insurance Personal Services FY 2008-09</b>					
<i>(1) Division of Insurance</i>					
Personal Services - CF	5,264,633	6,171,046	(152,217)	(154,276)	6,016,770
FTE - CF	76.1	84.9	0.0	(2.1)	82.8
Operating Expenses - CF	284,179	404,340	0	(10,109)	394,231
<b>Total for Supplemental #4 - CF</b>	<b>5,548,812</b>	<b>6,575,386</b>	<b>(152,217)</b>	<b>(164,385)</b>	<b>6,411,001</b>
<b>FTE - CF</b>	<b>76.1</b>	<b>84.9</b>	<b>0.0</b>	<b>(2.1)</b>	<b>82.8</b>
<b>Supplemental #5 - Hiring Freeze Reduction</b>					
<i>(2) Division of Banking</i>					
Personal Services - CF	2,749,125	2,810,567	(78,772)	(97,315)	2,713,252
FTE - CF	36.2	38.5	0.0	(1.4)	37.1
<i>(5) Division of Insurance</i>					
Personal Services - CF	5,838,868	6,171,046	(91,778)	(104,890)	6,066,156
FTE - CF	76.1	86.9	0.0	(1.4)	85.5
<i>(7) Public Utilities Commission</i>					
Personal Services - CF	8,558,518	8,475,608	(328,406)	(437,527)	8,038,081
FTE - CF	88.8	101.1	0.0	(6.3)	94.8
<i>(8) Division of Real Estate</i>					
Personal Services - CF	2,908,628	3,171,812	(87,649)	(110,736)	3,061,076
FTE - CF	38.8	50.1	0.0	(2.1)	48.0

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(9) Division of Registrations</i>					
Personal Services	<u>11,776,908</u>	<u>11,431,315</u>	<u>(179,668)</u>	<u>(230,160)</u>	<u>11,201,155</u>
FTE	<u>162.0</u>	<u>178.3</u>	<u>0.0</u>	<u>(4.6)</u>	<u>173.7</u>
General Fund	<u>0</u>	<u>67,400</u>	<u>0</u>	<u>0</u>	<u>67,400</u>
Cash Funds	11,776,908	9,176,108	(179,668)	(230,160)	8,945,948
FTE	162.0	155.8	0.0	(4.6)	151.2
Reappropriated Funds	0	2,181,315	0	0	2,181,315
FTE	0.0	22.5	0.0	0.0	22.5
Federal Funds	0	6,492	0	0	6,492
<b>Total for Supplemental #5</b>	31,832,047	32,060,348	(766,273)	(980,628)	31,079,720
<b>FTE</b>	<u>401.9</u>	<u>454.9</u>	<u>0.0</u>	<u>(15.8)</u>	<u>439.1</u>
General Fund	0	67,400	0	0	67,400
Cash Funds	31,832,047	29,805,141	(766,273)	(980,628)	28,824,513
FTE	401.9	432.4	0.0	(15.8)	416.6
Reappropriated Funds	0	2,181,315	0	0	2,181,315
FTE	0.0	22.5	0.0	0.0	22.5
Federal Funds	0	6,492	0	0	6,492
<b>JBC Staff Initiated Supplemental #1 - Technical Correction to Lease Space Appropriation</b>					
TOTAL - Lease Space	6,572,481	7,618,538	0	(17,640)	7,600,898
General Fund	90,140	204,013	0	0	204,013
Cash Funds	6,121,858	7,134,037	0	(17,640)	7,116,397
Reappropriated Funds	214,882	138,511	0	0	138,511
Federal Funds	145,601	141,977	0	0	141,977

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>JBC Staff Initiated Supplemental #2 - Technical Correction to Division of Registrations Footnote "b"</b> (see page 11 in narrative for more detail)					
<b>Totals</b>					
Department of Regulatory Agencies					
Totals for ALL Departmental line items	70,260,953	78,771,202	(627,008)	(939,887)	77,831,315
FTE	<u>517.7</u>	<u>575.6</u>	<u>0.0</u>	<u>(19.3)</u>	<u>556.3</u>
General Fund	1,402,047	1,578,627	(48,257)	(113,398)	1,465,229
FTE	15.5	19.4	0.0	(1.4)	18.0
Cash Funds	59,292,831	67,283,597	(578,751)	(826,489)	66,457,108
FTE	420.1	466.4	0.0	(17.9)	448.5
Reappropriated Funds	8,347,099	8,590,895	0	0	8,590,895
FTE	72.9	76.8	0.0	0.0	76.8
Federal Funds	1,218,976	1,318,083	0	0	1,318,083
FTE	9.2	13.0	0.0	0.0	13.0

Key:

N.A. = Not Applicable or Not Available