



Joint Budget Committee

Supplemental Budget Requests FY 2026-27

Department of Regulatory Agencies

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Overview of Regulatory Agencies

The Department of Regulatory Agencies (DORA) is responsible for consumer protection, which is carried out through regulatory programs that license, establish standards, approve rates, and investigate complaints. The Department enforces rules and regulations through boards, commissions, and advisory committees across a variety of professions, occupations, programs, and institutions.

Summary of Staff Recommendations

FY 2025-26 Summary

Department of Regulatory Agencies: Recommended Changes for FY 2025-26

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$142,074,974	\$3,114,582	\$129,281,319	\$7,623,434	\$2,055,639	730.6
Other legislation	-3,429,668	0	-3,429,668	0	0	-2.0
Current FY 2025-26 Appropriation	\$138,645,306	\$3,114,582	\$125,851,651	\$7,623,434	\$2,055,639	728.6
Recommended Changes						
Current FY 2025-26 Appropriation	\$138,645,306	3,114,582	\$125,851,651	\$7,623,434	\$2,055,639	728.6
S1 Workshare for CCRD	630,000	630,000	0	0	0	0.0
Staff initiated technical adjustment	0	0	0	0	0	0.0
Statewide S2 pine beetle response [2]	0	0	0	0	0	0.0
Impacts driven by other agencies [1]	-211,902	8,477	-249,889	24,204	5,306	0.0
Recommended FY 2025-26 Appropriation	\$139,063,404	\$3,753,059	\$125,601,762	\$7,647,638	\$2,060,945	728.6
Recommended Increase/-Decrease from 2025-26						
	\$418,098	\$638,477	-\$249,889	\$24,204	\$5,306	0.0
Percentage Change	0.3%	20.5%	-0.2%	0.3%	0.3%	0.0%
FY 2025-26 Executive Request	\$139,383,404	\$4,073,059	\$125,601,762	\$7,647,638	\$2,060,945	728.6
Staff Rec. Above/-Below Request	-\$320,000	-\$320,000	\$0	\$0	\$0	0.0

[1] These requests will be discussed in presentations for the requesting agencies.

[2] This request will be discussed during the presentation for the Department of Natural Resources.

S1 Workshare for CCRD: The request includes a one-time appropriation of \$650,000 General Fund to the Colorado Civil Rights Division. The recommendation is an appropriation of \$630,000.

Staff initiated technical adjustment: Staff recommends a technical adjustment to correct cash fund sources in Long Bill letternotes.

Statewide S2 pine beetle response: The request includes a one-time appropriation of \$300,000 to the Division of Insurance to study the impact of pine beetle presence on homeowners' insurance premiums. The recommendation is to deny this request. The request will be discussed during the presentation for the Department of Natural Resources.

Impacts driven by other agencies: The request includes a net decrease of \$0.2 million, including an increase of \$8,477 General Fund, for requests from other state agencies. These are also called "non-prioritized requests." The amounts shown in the table below reflect the impacts of requests made by other agencies. These requests are discussed during supplemental presentations for the lead requesting agency, at which point a staff recommendation will be made. Staff will update these figures to reflect the Committee's decisions on these requests.

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, Life, and Dental supplemental	\$896,909	\$8,477	\$858,922	\$24,204	\$5,306	0.0
OIT Real time billing	-906,299	0	-906,299	0	0	0.0
DPA Annual fleet supplemental	-202,512	0	-202,512	0	0	0.0
Total	-\$211,902	\$8,477	-\$249,889	\$24,204	\$5,306	0.0

Department Supplemental Requests

→ S1 Workshare funding for CCRD

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$650,000	\$650,000	\$0	\$0	\$0	0.0
Recommendation	630,000	630,000	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$20,000	-\$20,000	\$0	\$0	\$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

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.

Explanation: JBC staff and the Department agree that this request is the result of unforeseen contingency.

Request

The Department requests \$650,000 General Fund to supplant workshare funding that has not been received from the U.S. Department of Housing and Urban Development (HUD).

Recommendation

Staff recommends that the Committee appropriate \$630,000. This total would match the most recent actual expenses to the program without including indirect costs. Staff further recommends that the General Assembly include:

1. A footnote expressing their intent that the Department expend any workshare funds that are received prior to General Fund appropriations; and
2. An RFI that reports on funding received from the HUD to cover workshare costs in FY 24-25.

Analysis

The Colorado Civil Rights Division (CCRD) enforces the Colorado Anti-Discrimination Act. This act provides dual jurisdiction for federal job discrimination and fair housing laws. The division is funded through a combination of General Fund and federal workshare funding. This federal funding is provided through a workshare agreement, which compensates states for enforcing federal civil rights laws that are commensurate to state law. The agreement allows complainants to work directly with state offices rather than having to file dual complaints at both the state and federal level. The CCRD receives federal funding from the Equal Employment Opportunity Commission (EEOC) for enforcing federal laws related to job discrimination and from the Department of Housing and Urban Development (HUD) for enforcing federal fair housing laws. There has been no interruption in

workshare funding from the EEOC. However, the division has not received workshare funding from the HUD for complaints handled From July 2024 through June 2025. That payment would have been used to fund personnel and operations at the CCRD for state FY 25-26.

To receive funding, CCRD submits annual case reports to the HUD at the end of the state fiscal year. The HUD compensates the state at a pre-determined rate for each case that falls within federal fair housing jurisdiction. Typically, the HUD submits a form back to the state reconciling the request in September and fulfills their portion of the workshare in October. The CCRD has not yet received this reconciliation form for complaints through June 2025, nor have they received workshare payments for those complaints. Although the division reports having submitted a workshare request totaling roughly \$900,000 for work done in FY 2024-25, they have been unable to communicate with their federal partners about the status of that request. The CCRD last received a federal workshare payment from the HUD in October 2024, which funded operations and personnel in FY 2024-25.

In FY 2024-25, actual federal workshare spending totaled \$1.4 million. This accounted for 23.6 percent of the division's total spending. Of that amount, approximately \$650,000 was received from the HUD. This amount supports approximately 7.0 FTE at the CCRD. The Department anticipates the lack of funding to result in decreased provision of services and employee separations as early as March 1, 2026. Current year trends suggest that the Department will see an increase in cases. However, the Department request uses assumptions from their most recent actual expenditures rather than current year projections. Actual expenses from workshare funding in FY24-25 totaled \$697,378 as shown in the table below.

FY24-25 HUD Workshare Funding

	Actual Expenses
Personal Services	\$446,870
Operating Expenses	182,508
Indirect costs	68,000
Total	\$697,378

The staff recommendation removes funding for indirect costs since those expenses would already be covered by General Fund in the Executive Director's Office.

Staff Initiated Supplemental Requests

→ Staff initiated technical adjustment

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

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.

Explanation: JBC staff and the Department agree that this request is the result of a technical error.

Request

The Department identified an error in letters identifying cash fund sources.

Recommendation

Staff recommends that the Committee approve a correction of the cash fund sources associated with appropriations to the Colorado Electric Transmission Authority and the Highway-Rail Crossing Signalization Fund. There is no fiscal impact to this correction.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. Appendix A organizes this information by line item and fund source.

JBC Staff Supplemental Recommendations - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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Department of Regulatory Agencies
Patty Salazar, Executive Director

S1 Work-share for CCRD

(3) Civil Rights Division

Personal Services	<u>1,865,787</u>	<u>3,676,487</u>	<u>650,000</u>	<u>630,000</u>	<u>4,306,487</u>
FTE	42.2	41.8	0.0	0.0	41.8
General Fund	1,865,787	2,312,992	650,000	630,000	2,942,992
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	823,423	0	0	823,423
Federal Funds	0	540,072	0	0	540,072

Total for S1 Work-share for CCRD	1,865,787	3,676,487	650,000	630,000	4,306,487
FTE	42.2	41.8	0.0	0.0	41.8
General Fund	1,865,787	2,312,992	650,000	630,000	2,942,992
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	823,423	0	0	823,423
Federal Funds	0	540,072	0	0	540,072

JBC Staff Supplemental Recommendations - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

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Statewide S2 Pine Beetle Response

(6) Division of Insurance

Personal Services	<u>12,206,141</u>	<u>12,705,039</u>	<u>300,000</u>	<u>0</u>	<u>12,705,039</u>
FTE	98.4	114.7	0.0	0.0	114.7
General Fund	0	0	300,000	0	0
Cash Funds	12,206,141	12,622,236	0	0	12,622,236
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	82,803	0	0	82,803

Total for Statewide S2 Pine Beetle Response	12,206,141	12,705,039	300,000	0	12,705,039
FTE	<u>98.4</u>	<u>114.7</u>	<u>0.0</u>	<u>0.0</u>	<u>114.7</u>
General Fund	0	0	300,000	0	0
Cash Funds	12,206,141	12,622,236	0	0	12,622,236
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	82,803	0	0	82,803

Totals Excluding Pending Items					
REGULATORY AGENCIES					
TOTALS for ALL Departmental line items	141,971,393	138,645,306	950,000	630,000	139,275,306
FTE	<u>640.2</u>	<u>728.6</u>	<u>0.0</u>	<u>0.0</u>	<u>728.6</u>
General Fund	3,510,303	3,114,582	950,000	630,000	3,744,582
Cash Funds	130,280,157	125,851,651	0	0	125,851,651
Reappropriated Funds	6,422,991	7,623,434	0	0	7,623,434
Federal Funds	1,757,942	2,055,639	0	0	2,055,639