

Department of Regulatory Agencies

FY 2026-27 Joint Budget

Committee Hearing Agenda

Monday, December 1, 2025

4:00pm – 5:00pm

4:00 – 4:05 Introductions and Opening Comments

Presenter: Patty Salazar, Executive Director

4:05 – 4:15 Divisions other than Div. of Insurance

Main Presenters:

- Patty Salazar, Executive Director
- Justin Lippard, Budget Director
- Rebecca White, Division Director, Public Utilities Commission

Topics:

- Highway-Rail Crossing Fund: Page 1, Question 1 in the packet

4:15 – 5:00 Division of Insurance

Main Presenters:

- Mike Conway, Insurance Commissioner

Topics:

- DOI Administrative reductions: Page 2, Questions 2 in the packet
- Health Insurance Affordability Enterprise: Page 2, Questions 3-7 in the packet

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Divisions other than Division of Insurance

1. [Rep. Taggart]: What has been the long-term utilization of the Highway-rail Crossing Signalization Fund? Is it still a relevant program?

Response: The Highway-Rail Grade Crossing Signalization Fund (formerly known as the Highway Crossing Protection Fund) (Fund) was established in 1965 to help fund improvements to at-grade rail crossings with public highways or roads. The Fund addresses an important need in Colorado. In Colorado, 2,703 of 3,281 public railway-highway grade crossings are at-grade. Approximately 38 percent of at-grade crossings use active warning devices, such as flashing lights and gates. All other at-grade crossings, particularly those in rural areas, rely on passive warning devices, such as signs.

The Fund requires that railroads pay a minimum of 10% of the cost of the project with the remaining 90% being split between the local government and the Fund. The legislature stipulated that these funds could only be used for projects that receive no federal funding. Despite the need for safety enhancements at crossings across the state, a number of barriers have limited the effectiveness of the Fund.

The Fund initially provided \$120,000 per year for the purposes specified above. In 1975, the amount provided to the Fund increased to \$240,000 per year. The Fund was moved from Title 43 to Title 40 as part of the PUC Sunset review in 2003 and the dollars already in the Fund were transferred to the general fund. Prompted by budget reductions occurring in the immediate post-9/11 environment, the legislature de-funded the program from 2003 to 2016. When funding was restored in 2016, the PUC did not receive any applications until 2019. One application was submitted in 2019 and a second in 2020. However in 2020 the legislature transferred all \$1,007,176 dollars of fund balance to the general fund, including the apportionment for FY 2020-21. As a result, the funds associated with those applications (totaling \$294,517) were not disbursed until the second quarter of 2023. Subsequently, another statutory transfer of fund balance (\$700,000) was transferred to the general fund for FY 2025-26.

The inconsistency of funding availability has made it difficult for local governments to rely on these dollars or to factor them into long-term budgeting decisions. At the same time, the cost of crossing safety improvements have continued to increase. Today, the cost of signaling crossings starts at \$300,000. Many local governments, particularly those in rural areas that most need funding assistance, struggle to meet the cost share requirements established by the legislature.

Despite these challenges, the Fund remains relevant in that it addresses a continuing safety need. With the recent creation of the Office of Rail Safety within the PUC, the Agency now has additional staff and resources to work with local governments to better utilize these dollars. In fact, rail safety staff are currently working with Logan County on a possible application, although costs are not yet determined.

Division of Insurance

Administrative Costs and Base Reduction

2. [Rep. Brown]: How specifically does the division plan to absorb base cuts in appropriations?

Response: The division plans to absorb any base cuts to our appropriations through our personal services line (as referenced in DORA's R-1 budget proposal for FY 2026-27). This will include prioritizing new hires and reducing our workforce as employees retire or leave by prioritizing which positions are backfilled.

Health Insurance Affordability Enterprise

3. [Rep. Brown]: How much premium tax revenue would the HIAE receive without the enactment of 24-1470? Would that revenue be greater than 10.0 percent of revenue to the Enterprise?

Response: Prior to the passage of HB24-1470, under CRS 10-3-209, the state treasurer transmitted to the HIAE "an amount equal to the amount of premium taxes collected pursuant to this section in the 2020 calendar year or any subsequent calendar year that exceeds the amount of premium taxes collected pursuant to this section in the 2019 calendar year," not to exceed, in any year, ten percent of the total amount of revenues collected by HIAE from carriers and hospitals.

The enterprise would have collected approximately \$13 million from premium tax revenue in 2024 if HB24-1470 had not been enacted. That would not have been greater than 10% of revenue to the enterprise, as the amount diverted would have been calculated to ensure the enterprise did not collect more than ten percent of the total amount of revenues collected from carriers and hospitals.

4. [Rep. Brown]: Please fully line out the breakdown of revenues going into the Enterprise from each source prior to HR-1, currently, and after the expiration of the ePTC. Include the revenue to each program.

Response: There are two sources of revenue for the HIAE: federal pass-through from the 1332 waiver and the health insurer fee. Neither the passage of HR 1 nor the expiration of the ePTCs changes these revenue sources. The figures below are the division's most recent estimates and include the impacts of HB25B-1006.

PY 2026 estimated passthrough: \$331 million

PY 2026 estimated health insurer fee: \$129 million + \$3 million interest income = \$132 million

Based on these figures, the estimated funding allocation for each program is as follows:

- Admin (3%): $\$132 \times 0.03 = \4 million
- Reinsurance: $\$90$ million + [$\$50$ million from 1006] = $\$140$ million
- On-exchange subsidies (10%): $\$132 \times 0.10 = \13 million + [$\$45$ million from 1006 + $\$18$ million surplus] = $\$76$ million
- OmniSalud (the balance) = $\$132 - \$4 - \$90 - \$13 = \$25$ million + [$\$5$ million from 1006 + $\$20$ million surplus] = $\$50$ million

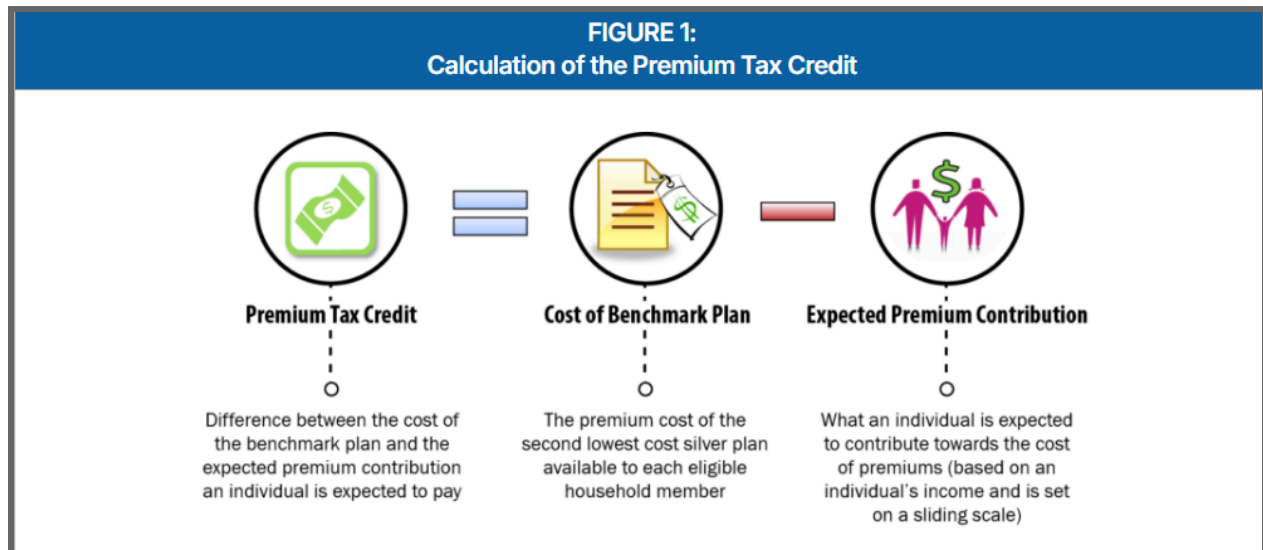
We are working with our actuarial team to better understand the passthrough changes and we are hopeful to have information for the December 1st hearing.

5. [Rep. Taggart]: Please include a visual representation of how premium tax credits flow from the federal government to insurance companies and eventually to Colorado. Include examples for different income levels and how that flow will change after ePTCs expire.

Response: The Marketplace (Connect for Health Colorado or C4HCO) calculates APTC eligibility and the precise amount for each eligible household. C4HCO then communicates that information to the chosen health insurance company, which bills the consumer. C4HCO also sends enrollment and payment data to the Federal Government (CMS/Treasury), which executes the payment to health insurance companies. Alternatively, an individual can pay the full premium to the insurance company and receive the credit as part of their returns. Regardless of income level, the flow of money does not change, just the amount of money.

Entity	Action	Mechanism
C4HCO → Consumer	Eligibility Determination	Connect for Health Colorado (C4HCO) is responsible for determining the consumer's eligibility for the Premium Tax Credit (PTC) and calculating the amount of the Advance Premium Tax Credit (APTC). To receive the tax credit, the consumer must purchase a plan through C4HCO. The consumer can also elect to have the APTC applied in advance to lower their monthly bill (Net Premium).
C4HCO → Carrier	Enrollment/Payment Data	C4HCO sends enrollment/payment files to carriers, specifying the plan selected, the dollar amount of the APTC to be applied, and the resulting Net Premium to be billed to the consumer.
C4HCO → Federal Government	Enrollment/Payment Data	C4HCO sends enrollment/payment files to the Centers for Medicare & Medicaid Services (CMS), reporting the total APTC amount owed to each carrier for all enrolled policies.
Federal Government → Carrier	Payment Execution	CMS works with the U.S. Treasury Department to execute a payment of the total APTC amount directly to the carrier.

Below is a visual for how the Marketplace calculates the premium tax credit.



[*https://www.healthreformbeyondthebasics.org/premium-tax-credits-answers-to-frequently-asked-questions/](https://www.healthreformbeyondthebasics.org/premium-tax-credits-answers-to-frequently-asked-questions/)

ARPA and the IRA reduced the maximum percentage of household income that individuals and families across all eligible income levels are required to pay for the benchmark Silver plan premium (expected premium contribution). This reduction means the premium tax credit is larger, which is why these tax credits have been termed “Enhanced Premium Tax Credits” or “ePTC.”

- *Example:* Under the ACA, the maximum percentage of income a low-income household (150% of the Federal Poverty Level) had to pay was 4.12%, but the ePTCs effectively brought this down to **0%** for many in this group. For higher-income groups, the cap was lowered to **8.5%** of income.

The ACA also limited PTC eligibility to households with incomes between 100% and 400% of the Federal Poverty Level (FPL), creating a “subsidy cliff” where people earning just over 400% of FPL received no help. ARPA and the IRA temporarily eliminated this 400% FPL income cap allowing for individuals and families with incomes above 400% of the FPL, the ePTCs guaranteed that the cost of the benchmark Silver plan would not exceed 8.5% of their household income.

Below are examples of how ePTC and the loss of ePTC impact net premiums. Please keep in mind that these are statewide average increases - the increases are much more substantial in the rural parts of the state.

40 Year Old Individual - Net Premium with and without ePTC					
Percentage of FPL	Annual Income	2026 Net Annual Premium		Annual Net Premium Increase (\$) - 2025 to 2026	
		No ePTCs	ePTCs Extended	No ePTCs	ePTCs Extended
100%	\$15,650	\$322	\$0	\$322	\$0
133%	\$20,815	\$429	\$0	\$429	\$0
150%	\$23,475	\$967	\$0	\$967	\$0

40 Year Old Individual - Net Premium with and without ePTC

		2026 Net Annual Premium		Annual Net Premium Increase (\$) - 2025 to 2026	
Percentage of FPL	Annual Income	No ePTCs	ePTCs Extended	No ePTCs	ePTCs Extended
200%	\$31,300	\$2,031	\$626	\$1,405	\$0
300%	\$46,950	\$4,592	\$2,817	\$1,775	\$0
401%	\$62,600	\$7,068	\$5,321	\$1,747	\$0
425%	\$66,513	\$7,068	\$5,654	\$1,414	\$0

Family of Four - Net Premium with and without ePTC

		2026 Net Annual Premium		Annual Net Premium Increase (\$) - 2025 to 2026	
Percentage of FPL	Annual Income	No ePTCs	ePTCs Extended	No ePTCs	ePTCs Extended
100%	\$32,150	\$662	\$0	\$662	\$0
133%	\$42,760	\$881	\$0	\$881	\$0
150%	\$48,225	\$1,987	\$0	\$1,987	\$0
200%	\$64,300	\$4,173	\$1,286	\$2,887	\$0
300%	\$96,450	\$9,433	\$5,787	\$3,646	\$0
401%	\$128,600	\$26,088	\$10,931	\$15,157	\$0
425%	\$136,638	\$26,088	\$11,614	\$14,473	\$0

6. [Rep. Brown/Rep. Taggart]: Please create a chart showing specific examples of how premium costs have and will change based on expiration of ePTCs and the impact of HB25B-1006.

Response: The following table shows both gross and net figures for the statewide premium increase:

	Initial Rate Filing	Post HB-1006
Gross Statewide Premium Increase	28.3%	22.6%*
NET Statewide Premium Increase	174%	100%

*This reflects an approximate 10% decrease from the impacts of HB 25B-1006 and incorporates an approximate 3% increase from the insurers June 30th filing as a result of federal law changes and increased morbidity in the 2025 risk pool.

Due to the expiration of ePTCs, net premiums, on average, are expected to increase 100% on average for Marketplace consumers who currently receive financial assistance (prior to the passage of HB25B-1006, net premiums were estimated to increase, on average, by 174%). Please see this [information](#) from Connect for Health Colorado for the average net premium increases by county for PY2026.

Family of Four, 400% FPL Net Premium Increases from 2025 to 2026:

Family of Four Premium Increase		
Rating Area (RA)	2026 Annual Premium	Approx. Net Premium Increase 400% FPL
1 - Boulder	\$24,325	\$13,394
2 - CO Springs	\$25,687	\$14,756
3 - Denver	\$24,834	\$13,903
4 - Fort Collins	\$25,071	\$14,140
5 - Grand Junction	\$27,593	\$16,662
6 - Greeley	\$25,088	\$14,157
7 - Pueblo	\$25,825	\$14,894
8 - East	\$30,135	\$19,204
9 - West	\$31,543	\$20,612

*Family of Four = two 45 year olds, 20 year old, 18 year old

7. [Sen. Kirkmeyer]: What would happen to insurance premiums if the state ended Connect for Health Colorado? Please compare CHC premiums with similar plans on the federal ACA marketplace and include changes from the 2024 – projections after ePTCs expire.

Response: Connect for Health Colorado does not set premiums, rather it is a place for people to easily shop and compare health insurance plans. Ending Connect for Health Colorado would make it significantly more difficult for Coloradans to find individual health insurance coverage. Having our own state based marketplace is pivotal in implementing programs, like the premium assistance program in the HIAE and the Colorado Option, that help keep health care affordable for Coloradans. Twenty states have recognized the value of having their own state based marketplace and have established one. The marketplaces are a platform to compare and shop for plans in the individual market. The premiums for the plans offered on both state based and the federal marketplace reflect the market conditions in those states.

According to data from KFF:

The amount health insurers charge for coverage on the ACA Marketplaces is rising 26%, on average, in 2026. In states that run their own Marketplaces, the average benchmark (second-lowest cost) silver premium, on which the tax credit calculation is based, is rising 17% next year. In states that use Healthcare.gov, these premiums are rising an average of 30%.¹

¹

<https://www.kff.org/quick-take/aca-insurers-are-raising-premiums-by-an-estimated-26-but-most-enrollees-could-see-sharper-increases-in-what-they-pay/#:~:text=The%20amount%20health%20insurers%20charge,is%20rising%2017%25%20next%20year.>

Department of Regulatory Agencies JBC Hearing

Joint Budget Committee
December 1, 2025



COLORADO
Department of
Regulatory Agencies

Department Overview



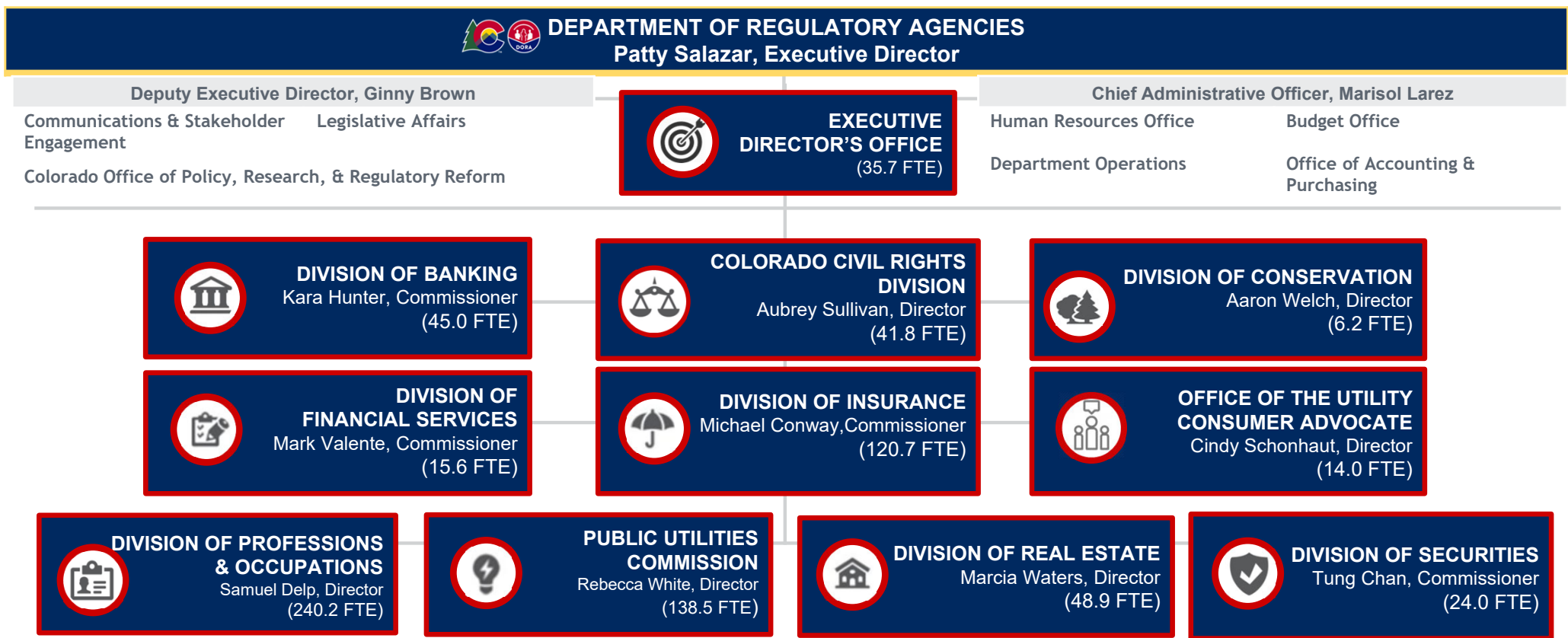
COLORADO
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DORA Mission & Vision

The **Department of Regulatory Agencies** (DORA) is dedicated to **preserving the integrity of the marketplace** and is committed to promoting **a fair and competitive business environment** in Colorado.

Consumer protection is our mission.

DORA Organizational Chart



DORA By The Numbers

- **730.6** FTE
- **\$142M** Budget (FY 25-26)
- More than **50** Boards, Commissions and Advisory Committees
- **50+** Regulatory programs
- **1,180,938** individual licensees
- **82,063** regulated business and institutions

What DORA Regulates

Financial Services and Insurance

Accounting Firms	Money Transmitters
Broker-Dealer Firms	Mortgage Broker-Dealers
Broker-Dealer Sales Representatives	Mortgage Loan Originators
Certified Public Accountants	State-Chartered Commercial Banks
Insurance Agents/Brokers	State-Chartered Credit Unions
Insurance Companies	State-Chartered Savings & Loans
Investment Adviser Firms	
Investment Adviser Representatives	

Real Estate, Transportation and Infrastructure

Appraisers	Non-consensual Towing
Architects	Off-road Charters
Children's Activity and Charter Buses, Limousines	Moving Companies
Electricians	Passenger Tramways
Engineers	Plumbers
Homeowners Associations	Public Highway Railroad Crossings
Investor-owned electric gas, steam and water	Rail Fixed Guideway (RFG)
Land Surveyors	Real Estate Brokers
Landscape Architects	Shuttles
	Some telecommunications services
	Taxis
	Transportation Network Companies

Healthcare, Wellness and Beauty

Acupuncturists	Nurses
Addiction Counselors	Nursing Home Administrators
Athletic Trainers	Occupational Therapists
Audiologists	Optometrists
Barber/Cosmetology Shops	Pharmacies
Barbers	Pharmacists
Chiropractors	Physical Therapy
	Physician Assistants
	Physicians (all types)
Dental Hygienists	Professional Counselors
Dentists	Psychiatric Technicians
Direct-entry Midwives	Psychologists
Estheticians	Respiratory Therapists
Hair Stylists	Social Workers
Hearing Aid Providers	Speech Language Pathologists
Marriage and Family Therapists	Surgical Assistants/Surgical Technologists
Massage Therapists	Veterinarians
Nail Technicians	

Other

Bail Bonds/Bail Bonds Agents	Non Transplant Tissue Bank
Boxing	Radon
Professionals	
Funeral Homes, Crematories	
Outfitters	

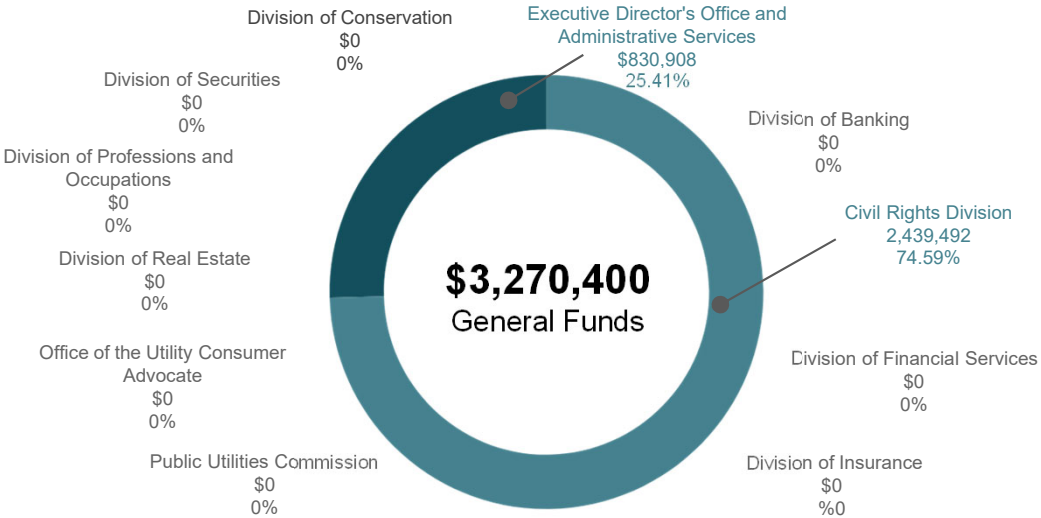
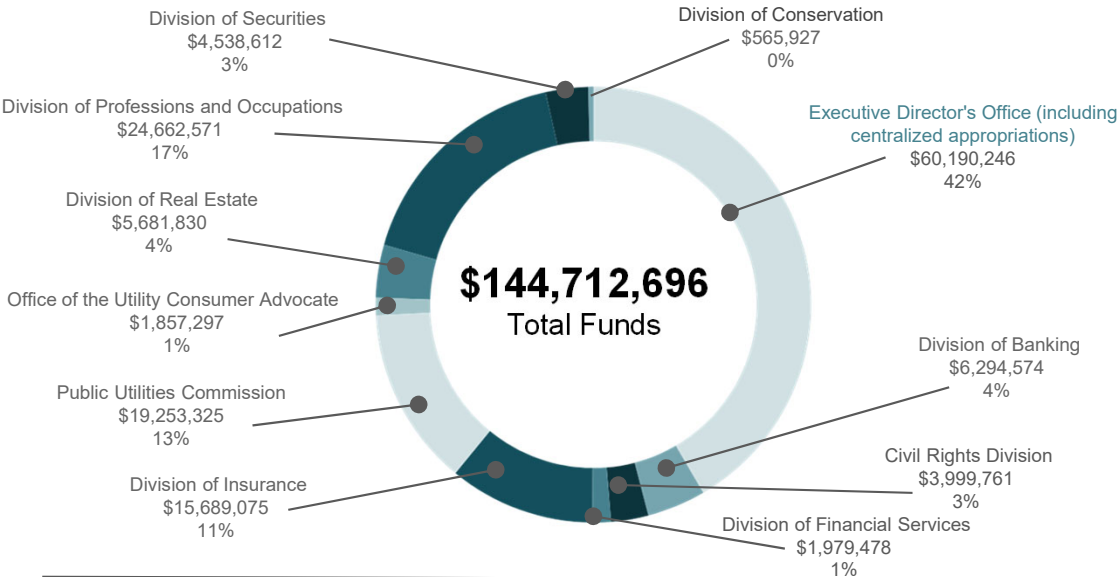
DORA FY 2026-27 Budget Request

FY 2026-27 Budget Snapshot

FY 2026-27 Total Funds: \$144.7M

FY 2026-27 General Fund: \$3.3M

FY 2026-27 FTE: 726.6



Responses to Discussion Questions

Public Utilities Commission

Division of Insurance

Closing



COLORADO
Department of
Regulatory Agencies

Department of Regulatory Agencies

FY 2026-27 Joint Budget

Committee Hearing

Monday, December 1, 2025

4:00pm – 5:00pm

Common question For Department Hearings (Written-only Response)

1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:

a. What is the total amount budgeted and expended on advertising and media placement type?

Response: No money is budgeted or expended on advertising and paid media in the current or prior fiscal year. The Agency focuses on earned and placed media in place of advertising and paid media placement. At times DORA will work in partnership with other entities that advertise and share our messaging, but paid media and advertising are not currently used or budgeted for DORA programs. The media partnerships and relationship building allows us to have media cover our programs and share our messaging without payment or media placement.

b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?

Response: Instead of focusing on paid media campaigns, the department has been focused on strengthening connections with stakeholders, industry partners, local government and consumers across the state. We have focused on utilizing and expanding earned media partnerships to become a resource for coverage that has a DORA or regulatory component. The media partnerships have allowed us to continue to get our messaging out without needing to put advertising or media placement dollars into messaging campaigns. We have found that earned media coverage grows more trust in DORA than advertising placement.

c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?

Response: No dollars were directed towards local media outlets.

d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?

Response: Not applicable, no advertising campaigns are planned.

e. If any portion of advertising is managed through third-party vendors (or 'partners'); or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?

Response: Not applicable as no such expenditures occur.

f. Monthly or quarterly reporting - how is reporting delivered?

Response: No monthly or quarterly reporting requirement exists for such spending in the Department, and no such spending is budgeted or expected to occur.