FY 2027-28 Budget Briefing Summary

Regulatory Agencies

The Department of Regulatory Agencies is responsible for consumer protection, which is carried out through regulatory programs that license practitioners, 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. The Department's FY 2026-27 appropriation represents approximately 0.3 percent of statewide operating appropriations and 0.02 percent of statewide General Fund appropriations.

Summary of Request

Department of Regulatory Agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Appropriation						
HB 26-1410 (Long Bill)	$138,058,341	$3,028,462	$125,540,978	$7,481,175	$2,007,726	725.7
Other legislation	575,696	0	575,696	0	0	3.8
Total	$138,634,037	$3,028,462	$126,116,674	$7,481,175	$2,007,726	729.5
FY 2027-28 Requested Appropriation						
FY 2026-27 Appropriation	$138,634,037	$3,028,462	$126,116,674	$7,481,175	$2,007,726	729.5
R1 Fund expedited settlement and expert services	450,000	0	450,000	0	0	0.0
R2 PUC resources	497,161	0	497,161	0	0	2.5
R3 GF reduction in CCRD and DOI	-665,266	-97,954	-567,312	0	0	0.0
Employee comp. common policies	5,646,996	266,586	4,411,836	315,881	652,693	0.0
Operating common policies	1,968,101	-346,695	1,933,651	381,145	0	0.0
Impacts driven by other agencies	38,038	0	38,038	0	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Prior year actions	219,026	561,008	-353,748	100,639	-88,873	5.5
Total	$146,788,093	$3,411,407	$132,526,300	$8,278,840	$2,571,546	737.5
Increase/-Decrease	$8,154,056	$382,945	$6,409,626	$797,665	$563,820	8.0
Percentage Change	5.9%	12.6%	5.1%	10.7%	28.1%	1.1%

Changes are assumed to be ongoing unless otherwise noted.

R1 Fund expedited settlement and expert services: The Department requests dedicated funding for expedited settlement processes and expert services in the Division of Professions and Occupations.

- FY 2027-28: An increase of $450,000 spending authority from the Division of Professions and Occupations cash fund.

The request includes an increase of $930,600 to the Personal Services line with in the Division of Professions and Occupations (DPO). This increase is partially offset by a reduction of $483,600 from the Operating Expenses line item. The increase would be directed toward the Office of Expedited Settlement and to the purchase of expert services purchase orders. The Department indicates that this would be an increase in spending authority but do not project a need to increase revenue to the DPO cash fund.

R2 PUC resources: The Department requests additional spending authority to support work for the Public Utilities Commission (PUC).

- FY 2027-28: An increase of $497,161 from the PUC's Fixed Utility Fund to support 2.5 FTE.

The request is a response to increased need to provide oversight for regulated power utilities. The Department requests addition FTE to serve in advisory roles for the Public Utilities Commission as they navigate increased workload related to wildfire mitigation and resource adequacy issues. The Department assumes that increasing spending authority will necessitate increasing revenue to the Division.

R3 General Fund reductions from the CCRD and DOI [**legislation**]: The Department requests reductions to personal services in the CO Civil Rights Division and the Division of Insurance. The request includes additional legislation.

- FY 2027-28: A decrease of $97,954 General Fund and $567,312 from the Division of Insurance Cash Fund.

The request was submitted as a budget balancing option. The Division of Insurance and the Colorado Civil Rights Division (CCRD) are the only two areas within DORA that directly impact General Fund availability. The Department indicated that the requested reduction was based on executive branch policy and not on actual cost projections.

The request includes a legislative proposal that is estimated to replace $255,000 of the amount reduced from the Division of Insurance. The Department proposes legislation that would require insurance carriers to cover the cost of any contractors utilized during the rate review process for individual and small group health insurance coverage. Historically, the Department has covered the cost of these contractors, with spending ranging from $115,000 to $255,000 annually. The Department has indicated that several states already implement this policy and Colorado currently allows the DOI to bill for these services when considering rate filings for property and casualty insurance lines[1].

Employee compensation common policies: The request includes a net increase of $5.6 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

[1] Section 10-4-406(3.5), C.R.S.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	$2,892,721	$125,602	$2,241,187	$133,766	$392,166	0.0
Step plan	1,337,143	74,555	1,105,215	98,604	58,769	0.0
Salary survey	1,190,966	36,506	1,027,912	85,547	41,001	0.0
Unfunded liability amortization payments	219,328	25,279	62,126	-20,840	152,763	0.0
Paid family and medical leave insurance	11,087	1,165	3,874	-871	6,919	0.0
Short-term disability	1,724	181	603	-135	1,075	0.0
PERA direct distribution	-5,973	3,298	-29,081	19,810	0	0.0
Total	$5,646,996	$266,586	$4,411,836	$315,881	$652,693	0.0

Operating common policies: The request includes a net increase of $2.0 million for operating common policies.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	$835,984	$17,583	$818,401	$0	$0	0.0
Departmental indirect cost adjustment	797,668	0	797,668	0	0	0.0
Risk management & property	173,366	5,813	158,979	8,574	0	0.0
Vehicle lease payments	104,800	0	104,800	0	0	0.0
Administrative law judge services	47,869	1,233	46,636	0	0	0.0
NP Statewide training system	12,791	529	11,480	782	0	0.0
NP DPA Personnel Board	10,372	429	9,309	634	0	0.0
State accounting system (CORE)	1,120	46	1,006	68	0	0.0
Statewide indirect cost adjustment	0	-371,847	0	371,847	0	0.0
Workers' compensation	-15,869	-481	-14,628	-760	0	0.0
Total	$1,968,101	-$346,695	$1,933,651	$381,145	$0	0.0

Impacts driven by other agencies: The request includes an increase of $0.4 million cash funds to cover cost sharing with the Department of Law.

Technical adjustments: The request includes a net neutral technical adjustment related to changes in federal funding.

Prior year actions: The request includes a net increase of $0.2 million for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-162 Railroad safety requirements	$795,746	$0	$795,746	$0	$0	3.0
HB 26-1425 Applied behavior analysis	187,723	0	187,723	0	0	2.8
HB 26-1326 Sunset PUC	79,628	0	79,628	0	0	0.4
SB 24-141 Out-of-state telehealth	47,925	0	47,925	0	0	0.6
FY 26-27 IT accessibility	1,484	0	1,484	0	0	0.0
FY 26-27 Step Plan	0	0	0	0	0	0.0
Federal funds refinance	0	0	-91,178	145,877	-54,699	0.0
Restore FY27 GF refinance	0	465,598	-465,598	0	0	0.0
FY 26-27 Leased space red.	-759,458	95,410	-775,456	-45,238	-34,174	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1370 Natural gas cost	-115,041	0	-115,041	0	0	-1.0
SB 25-165 Electrician licensure	-11,274	0	-11,274	0	0	-0.2
SB 26-006 Parity for non-opioids	-7,707	0	-7,707	0	0	-0.1
Total	$219,026	$561,008	-$353,748	$100,639	-$88,873	5.5

Other Executive Proposals

The Executive budget submission also included the following proposal related to the Department. The executive branch does not expect the JBC to take votes on this proposal.

Statewide R12 Pinnacol Conversion [legislation]: Pinnacol is a quasi-state agency that provides workers' compensation insurance in Colorado. While the company has been mostly spun off into a mutual insurance provider, it remains statutorily required to act as the state's insurance provider of last resort. Additionally, statute specifies the scope of insurance the company can provide and limits them to employers whose workforce resides entirely in Colorado. Despite continuing to be the largest workers' compensation insurer in the state, these statutory limitations have contributed to loss of market share. The Office of State Budgeting and Planning (OSPB) suggests that proceeds from the conversion could be between $200.0 million and $400.0 million. The budget submission letter recommends that this revenue be used as follows:

- $200.0 million toward the General Fund reserve;
- $100.0 million to the State Education Fund
- $100.0 million to the Colorado Child Care Assistance Program.

For the current budget cycle, the executive submission does not seek a JBC vote about this policy decision. For more information about Pinnacol valuation and staff analysis of prior requests, see the FY 2026-27 Staff Budget Briefing for DORA.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

R1 – Fund Expedited Settlement and Expert Services - One of the primary functions of the Division of Professions and Occupations within DORA is to investigate consumer complaints and determine the need for and degree of corrective action. Although some of these complaints may be elevated to litigation, a portion could be settled through the expedited settlement process without the need to utilize legal services from the Department of Law.

Health Insurance Affordability Enterprise Update - The Health Insurance Affordability Enterprise is charged with addressing the affordability of health insurance plans on the state's Affordable Care Act (ACA) marketplace, Connect for Health Colorado. The Division of Insurance is scheduled for a presentation in January to discuss options for programming changes that could control costs while maintaining premium relief for Coloradans.

Sunrise and Sunset - The Colorado Office of Policy, Research, and Regulatory Reform (COPRRR) conducts statutory sunset reviews for existing programs and requested sunrise reviews for programs that seek to regulate

professions and occupations that are presently unregulated. In the last five years, the General Assembly has taken action that implemented 84.8 percent of recommendations made by the Office.

Budget Reduction Options - The Executive budget request includes reductions of $97,954 General Fund and $567,312 in the Division of Insurance cash fund for the Department of Regulatory Agencies. The Division of Insurance Cash Fund directly impacts General Fund revenue because it diverts insurance premium taxes from the General Fund. This issue brief reviews these proposals and additional options identified by staff.

For More Information

JBC Staff Analyst:

Michelle Curry

(303) 866-2062

first.last@coleg.gov

To read the entire briefing: Go to content.leg.colorado.gov/content/budget#budget-documents-section 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 2026.