

**DEPARTMENT OF LAW  
FY 2010-11 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Tuesday, November 17, 2009  
1:30 pm – 3:30 pm**

**1:30-1:50      INTRODUCTIONS AND OPENING COMMENTS**

**1:50-2:00      WATER CASES**

1. How much does the Department spend in total on water cases and related matters, including amounts spent through the Legal Services to State Agencies program?

**2:00-2:15      DECISION ITEMS**

Decision Items 1 and 2, Additional FTE and spending authority for the Consumer Credit Units

2. What legal issues are potentially involved when the state takes an internet payday lender to court?
3. JBC staff mentioned a case involving more than 10,000 borrowers (the Security Finance Corporation of Colorado case). Please provide details on this case.

**2:15-3:00      OPTIONS FOR REDUCING GENERAL FUND APPROPRIATIONS**

Increased Fees for the Insurance Fraud Unit

4. JBC Staff has recommended that the Committee consider
  - a. Sponsoring legislation to increase the \$425 fee imposed by Section 10-3-207 (1) (e), C.R.S., to a level that will produce enough revenue to cover all the costs of operating the unit, including indirect costs and Pots allocations, or
  - b. Reducing the Insurance Fraud Unit's appropriation to a level consistent with the revenue raised by the \$425 fee, i.e. to a level that will allow the \$425 fee to cover all costs of operating the unit, including Pots and indirect costs.

What is the Department's opinion regarding the feasibility and desirability of these two funding alternatives?

5. If the Department believes the insurance fee should be increased, what is the appropriate level for the fee?
6. As an alternative to a fee set in statute, the fee could be automatically adjusted so that the revenue it produces covers the cost of operating the insurance fraud unit. If the Department believes the fee should be increased, what is its opinion of this alternative?

### Increased Fees for the Securities Fraud Unit

7. JBC Staff has recommended that the Committee consider refinancing the General Fund appropriation to the Securities Fraud Unit with an increased transfer from the Division of Securities Cash Fund. What is the Department's opinion regarding the feasibility and desirability of this funding alternative, bearing in mind that it will increase fees for those regulated by DORA's Division of Securities?

### Tipping Fees for the CERCLA Unit

8. JBC Staff has recommended that the Committee consider introducing a bill similar to S.B. 03-280 that would increase solid waste disposal fees ("tipping fees") by 3¢ to pay for the Department's CERCLA work. Staff further recommends that this increase be permanent. What is the Department's opinion regarding the feasibility and desirability of such a bill?

### Medicaid Fraud

9. What would be the impact of increasing the size of the Medicaid Fraud Unit? Would recoveries increase?
10. How much could the Medicaid Fraud Unit be expanded and still qualify for a federal match?
11. Provide a list of Medicaid fraud cases that produced financial recoveries in recent years. What fraudulent activities were discovered?

### Financing Consumer Protection from the Consumer Protection Custodial Cash Fund

12. Can more of the balance in the Consumer Protection Custodial Cash Fund be used to support consumer protection and/or antitrust work, given the restrictions that have been placed upon these funds? Is it desirable to increase funding for the Consumer Protection and Antitrust Unit from this source?

### **3:00-4:00 STATUS OF CURRENT LITIGATION**

13. What is the status of the Lobato case?
14. If a court finds in favor of plaintiffs in the Lobato case, what funding options will the state have? Given the state's constitutional limits on taxes and spending, how could it comply with an order that may require that billions be spent?
15. The state constitution requires that the General Assembly maintain a "thorough and uniform" system of free public education throughout the state. Leaving uniformity aside, can the state do anything statutory to alter the standard that a court could use to judge "thoroughness" in the Lobato case? Should the "thorough" standard be reduced to protect the state against a "thorough" claim?

16. What is the status of the Rothgery case and what are its implications for Colorado?
17. What is the status of the arbitration proceeding with participating tobacco manufacturers?
18. What is the status of the Republican River dispute?

**ADDENDUM: QUESTIONS REQUIRING ONLY A WRITTEN RESPONSE**

Questions Common to All Departments

Please provide:

1. Organizational charts for your department, showing divisions and subdivisions (with geographic locations).
2. Definitions of the roles and missions of your department, its divisions and subdivisions.
3. The number of current personnel and the number of assigned FTE by division and subdivision (with geographic locations), including all government employees and on-site contractors.
4. A specific list of names, salaries, and positions by division and subdivision of any salaried officer or employee making over \$95,000 per year in FY 2009-10.
5. A specific list of names, bonuses, and positions by division and subdivision of any salaried officer or employee making over \$95,000 per year who received any bonuses in FY 2008-09.
6. Numbers and locations of any buildings owned or rented by any division or subdivision (by location) and the annual energy costs of all buildings.
7. Any real property or land owned, managed, or rented by any division or subdivision (by geographic location).
8. List essential computer systems and databases used by the department, its divisions and subdivisions, with their actual FY 2008-09 expenditures.
9. Any actual FY 2008-09 expenditures over \$100,000 total from the department or from its divisions and subdivisions to any private contractor, identifying the contract, the project, and whether the contracts were sole-source or competitive bid.
10. The amount of actual FY 2008-09 expenditures for any lobbying, public relations, gifts, public advertising, or publications including:
  - a. expenditures for lobbying by public employees, contract lobbyists, or "think tanks;"
  - b. expenditures for lobbying purposes at other levels of government;

- c. expenditures for lobbying purposes from grants, gifts, scholarships, or tuition;
  - d. expenditures for publications or media used for lobbying purposes;
  - e. expenditures for gratuities, tickets, entertainment, receptions or travel for purposes of lobbying elected officials; or
  - f. expenditures for any public advertising. Include all advertising campaigns, including those that are not for public relations.
11. List of all boards, commissions, and study groups, including, actual FY 2008-09 expenditures, travel, per diem budgets and assigned FTEs.
  12. Suggest budget and staff reductions, including reductions in FTE and hours, by division and subdivision, that will reduce your department's total FY 2010-11 General Fund expenditures by 12.5% relative to FY 2009-10 appropriations before any adjustments that have been announced since the end of the 2009 session.
  13. Suggest budget and staff reductions, including reductions in FTE and hours, by division and subdivision, that will reduce your department's total FY 2010-11 General Fund expenditures by 25.0% relative to FY 2009-10 appropriations before any adjustments that have been announced since the end of the 2009 session.