

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM Craig Harper, JBC Staff (303-866-3481)
DATE January 27, 2017
SUBJECT Technical Staff Comeback for Department of Education S2 (Contingency Reserve)

During the Committee's discussion of Department of Education supplemental request S2 (Contingency Reserve, see the write-up beginning on page 14 of the supplemental document), the Committee approved a supplemental appropriation of \$1,235,956 total funds, including \$63,863 General Fund. The motion included approval of \$1,108,230 cash funds spending authority from the Contingency Reserve Fund, including \$1.0 million in spending authority intended to allow the Department to "re-spend" \$1.0 million that was granted to South Routt County School District in FY 2016-17 and is expected to be repaid this year. However, new information indicates that the \$1.0 million in spending authority is not necessary.

- The motion was based on staff's understanding (from the Governor's Office and the Department) that the additional cash funds spending authority was necessary to allow the Department to utilize the funds repaid by South Routt.
- However, the Department and Governor's Office have now confirmed that because the funds were seen as a loan and repaid by South Routt, the Department can utilize the repaid funds without additional spending authority. Thus, the \$1.0 million is not necessary to support S2.

Staff therefore recommends that the Committee revise the appropriation to eliminate \$1.0 million in cash funds spending authority and provide a supplemental appropriation of \$235,956 total funds, including the \$63,863 General Fund approved in the original motion. The revised recommendation will fully fund the anticipated requests from the six school districts involved in request S2.

| FY 2016-17 SUPPLEMENTAL S2 | | | |
|----------------------------|--------------------|----------------------|-----------------------|
| | ORIGINAL MOTION | COMEBACK CHANGE | REVISED STAFF REC. |
| Total | <u>\$1,235,956</u> | <u>(\$1,000,000)</u> | <u>\$235,956</u> |
| General Fund | 63,863 | 0 | 63,863 |
| Cash Funds | 1,108,230 | (1,000,000) | 108,230 |
| Reappropriated Funds | 63,863 | 0 | 63,863 |