

# MEMORANDUM

**TO:** Joint Budget Committee

**FROM:** Craig Harper, JBC Staff (303-866-3481)

**SUBJECT:** Technical Staff Comeback - Department of Education Indirect Costs Excess Recovery Fund Balances

**DATE:** March 21, 2016

As of June 30, 2015, the Department of Education had accumulated a fund balance of \$2.4 million in the Indirect Costs Excess Recovery Fund as a result of prior year overcollections of indirect cost assessments. Those funds are available for appropriation as cash funds from the Indirect Costs Excess Recovery Fund to offset General Fund that would otherwise be required by the Department in FY 2016-17.

**Staff recommends offsetting a reduction of \$2.0 million General Fund previously approved for the Information Technology Services line item with an appropriation of \$2.0 million cash funds from the Indirect Costs Excess Recovery Fund for FY 2016-17.**

The recommendation will save \$2.0 million General Fund on a one-time basis in FY 2016-17. Please note, however, that the savings are one-time in nature and it will probably be necessary to restore the General Fund appropriation in FY 2017-18.

The following table shows the components of the staff recommendation.

<b>FY 2016-17 Indirect Costs Excess Recovery Fund Comeback - Information Technology Services Line Item</b>			
<b>Fund Source</b>	<b>Figure Setting Recommendation</b>	<b>Comeback Recommendation</b>	<b>Final Recommendation</b>
General Fund	\$3,425,355	(\$2,000,000)	\$1,425,355
Cash Funds	0	2,000,000	2,000,000
Reappropriated Funds	<u>626,463</u>	<u>0</u>	<u>626,463</u>
Total	\$4,051,818	\$0	\$4,051,818