

JOINT BUDGET COMMITTEE



STAFF BUDGET BRIEFING FY 2024-25

DEPARTMENT OF THE TREASURY

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ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2022 and 2023 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report:
<https://leg.colorado.gov/sites/default/files/fy23-24apprept.pdf>

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

DEPARTMENT OF THE TREASURY

DEPARTMENT OVERVIEW

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury consists of three sections in the Long Bill: Administration, Unclaimed Property Program, and Special Purpose unit. Its primary responsibilities and programs include the following:

- **State banking services** – manages daily accounting of state cash funds including recording and reconciliation, disbursing, and investing funds in the state’s operating account.
- **Unclaimed Property Program** – locates owners of dormant or abandoned property and returns their property to them; this includes individuals, all types of companies and business entities, and public institutions or any other legal or commercial entity.
- **Debt administration and management services** – coordinates aspects of debt management related to the structuring of financial offerings on behalf of state departments, agencies, and other state entities; directs and issues certain short-term financing on behalf of school districts and for general cash flow needs; administers and makes payment for certain lease purchase agreements for Colorado public schools, higher education, and public charter schools.
- **Special Purpose Programs** – disburses funds and makes loans pursuant to statute for the Property Tax Deferral Program for Seniors and Active Military Personnel, the Senior Citizen and Disabled Veteran Property Tax Exemption Program, the Property Tax Reimbursement for Property Destroyed by Nature, and Highway Users Tax Funds.
- **Other** – administers the Colorado Loans for Increasing Main Street Business Economic Recovery Act (CLIMBER) Loan Program and the Colorado Secure Savings Program; distributes funds to the Colorado Public Employees Retirement Association to pay down unfunded liability (PERA).

ADMINISTRATION

In addition to overall management of the Department, the Administration section manages daily accounting, cash management, and investment priorities for the state. The Department is responsible for ensuring the safekeeping and management of public funds by maintaining sufficient funds in cash accounts to meet the state’s daily cash needs and depositing all funds received by state agencies in statutorily authorized investments. Income earned on state investments augments the state’s revenues from taxes and fees. The Department’s investment officers manage five investment portfolios with short, intermediate, and long-term fixed income goals.

UNCLAIMED PROPERTY DIVISION

The Unclaimed Property Division takes custody of dormant or abandoned property and returns the property to the rightful owners or heirs. The value of intangible property, excluding securities, is held in the Unclaimed Property Trust Fund (UPTF); and the value of securities is held in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). Funds from the UPTF support the administration of the Unclaimed Property Program and a portion of the Administration division’s personal services line item.

The UPTPTF is managed separately from the four remaining investment accounts, and pursuant to Section 38-13-116.7, C.R.S., 25.0 percent of earned interest on this fund goes to the Colorado State Fair Authority Cash Fund, 65.0 percent to the Agriculture Management Fund, and 10.0 percent to the Colorado Travel and Tourism Promotion Fund.

SPECIAL PURPOSE DIVISION

The Special Purpose Division programs, which are created in the State Constitution or statute, are appropriated in the Department of the Treasury section of the Long Bill, but are pass-through programs in which the Treasury disburses or transfers money but does not administer the programs. The Department disburses money to local governments and other authorized recipients of state funds for the following:

- Reimbursements to local governments from the state General Fund for the Senior Citizen and Disabled Veteran Property Tax Exemption;
- Reimbursements to local governments from the state General Fund for the Business Personal Property Tax Exemption;
- Disbursements of Highway Users Tax Fund proceeds to counties and municipalities in the state;
- Reimbursement of property taxes for property that has been destroyed in a natural disaster or by another cause beyond the control of the property owner; and
- Direct distribution of funds to the Public Employees' Retirement Association (PERA).

DEPARTMENT BUDGET: RECENT APPROPRIATIONS

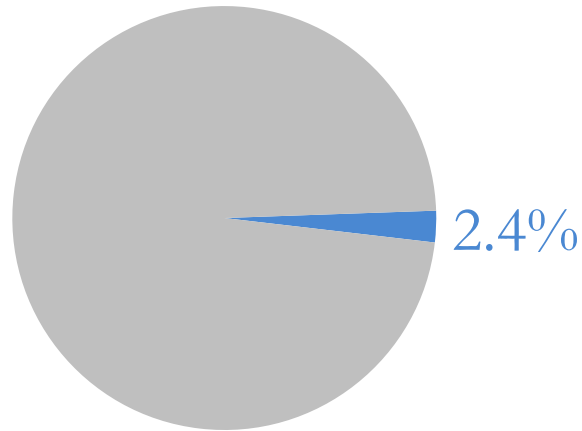
FUNDING SOURCE	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 *
General Fund	\$348,677,965	\$302,753,525	\$313,692,919	\$465,054,069
Cash Funds	422,223,881	631,903,150	436,788,516	498,770,168
Reappropriated Funds	74,992,867	48,715,392	31,067,969	81,818,953
TOTAL FUNDS	\$845,894,713	\$983,372,067	\$781,549,404	\$1,045,643,190
Full Time Equiv. Staff	41.8	64.8	55.0	61.5

*Requested appropriation.

Funding for the Department of the Treasury in FY 2023-24 consists of 40.1 percent General Fund, 55.9 percent cash funds, 4.0 percent reappropriated funds, and no federal funds.

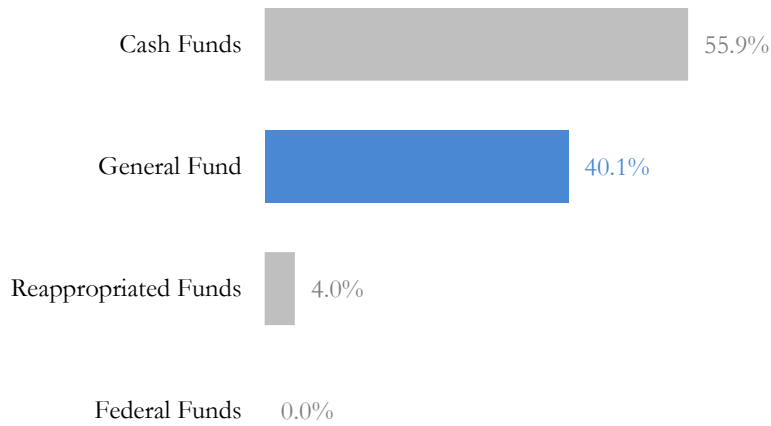
DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund



Based on the FY 2023-24 appropriation.

Department Funding Sources



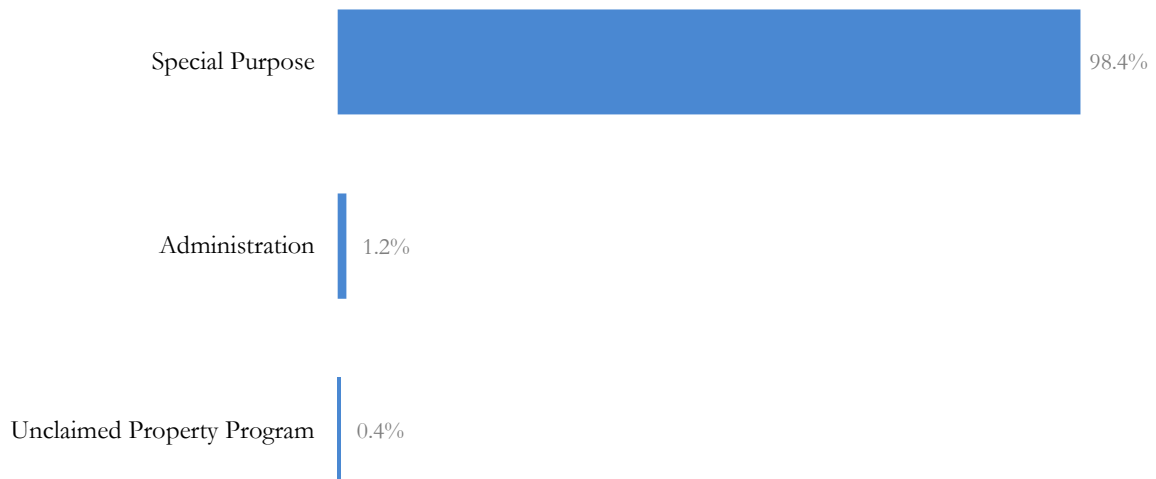
Based on the FY 2023-24 appropriation.

Distribution of General Fund by Division



Based on the FY 2023-24 appropriation.

Distribution of Total Funds by Division



Based on the FY 2023-24 appropriation.

CASH FUNDS DETAIL

The largest source of cash funds appropriated to the department, the Highway Users Tax Fund, is pass-through funding for reimbursements to counties and municipalities. The Department previously administered the PERA Payment Cash Fund which was repealed July 1, 2023, as part of S.B. 23-056 Compensatory Direct Distribution to PERA. See the Issue Brief on PERA for more information.

DEPARTMENT OF TREASURY CASH FUNDS APPROPRIATION DETAIL			
FUND NAME OR GROUP	FY 2023-24 APPROP.	PRIMARY SOURCES OF FUND REVENUE	PRIMARY USES IN THIS DEPARTMENT
Highway Users Tax Fund	\$429,171,089 ¹	Fines, license plate fees, driver's license fees, passenger-mile taxes, motor fuel taxes, vehicle registration fees, road safety surcharges, road usage fees, and retail delivery fees. Section 43-4-201 (1)(a), C.R.S.	Pass-through funding to counties and municipalities for transportation projects.
Unclaimed Property Trust Fund	3,767,147 ²	Principal consists of money from sales of unclaimed property; funds also include interest and investments, security custodian fees, and contract auditor revenues. Section 38-13-801 (1)(a), C.R.S.	Funds are primarily used to pay unclaimed property claim as well as for administration of the unclaimed property program. Funds not reserved for this purposes may be transmitted to the adult dental fund, the housing development grant fund, and to the general fund and will be subject to TABOR spending limits.
Public School Fund Interest	1,775,331	State Land Board rents and royalties; Public School Fund investment income. Section 22-54-114(1), C.R.S	Funding for the Public School Fund Investment Board and legal services pertaining to the management of the fund. Section 22-41-102.5, C.R.S.
Cash Management Transaction Fees	887,488	Assessed fees for eligible transactions performed by the treasurer on behalf of state departments and agencies. Deducted from the interest earnings attributable to the fund for which the transaction was performed. Section 24-36-120 C.R.S.	Operating costs.
Revenues Collected by Contract Auditors (I)	800,000	Contract auditor revenues. Section 38-13-116.5(2)(b), C.R.S.	Revenues collected by contract auditor services are continuously appropriated to the administrator for the payment of contract auditor services.
Various	387,461	State Public Financing Cash Fund (\$229,961); Section 24-36-121(7)(a), C.R.S. Law Enforcement Officers' and Firefighters' WRD Fund (\$150,000) Charter School Financing Administrative Cash Fund (\$7,500); Section 22-30.5-406(1)(c)(I)	Various purposes as stipulated in statute. The State Public Financing Cash Fund is continuously appropriated pursuant to Section 24-36-121 (7)(a), C.R.S.
Total	\$436,788,516		

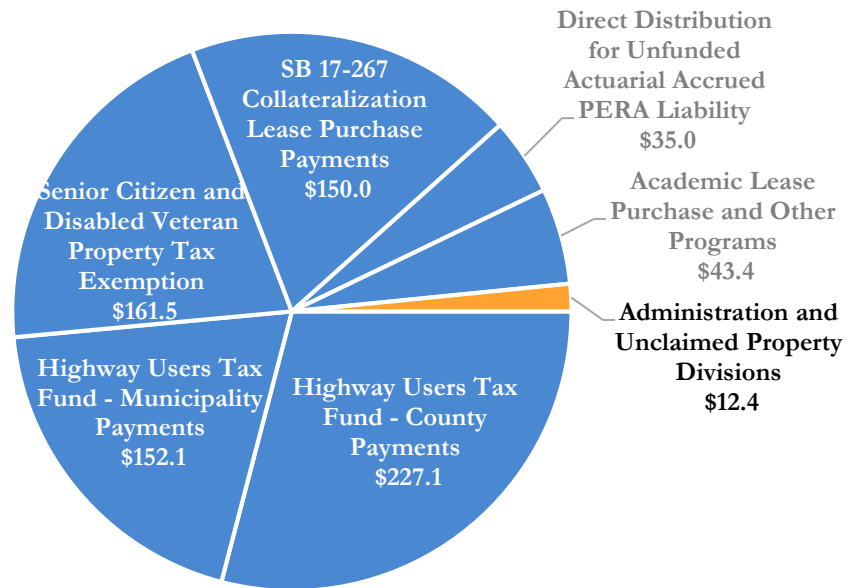
¹These amounts are estimated allocations and included for informational purposes and to comply with TABOR limitations.

²These amounts do not include the full balance of the Unclaimed Property Trust Fund balance which is TABOR exempt but only the portion of the fund appropriated to the Department for operation of the Unclaimed Property Program which is not TABOR exempt.

GENERAL FACTORS DRIVING THE BUDGET

The Department administers large appropriations of pass-through funding including reimbursements to counties and municipalities for property tax exemptions, reimbursements of Highway Users Tax Funds for local transportation projects, payments to the Public Employees’ Retirement Association for unfunded liability, and transactions pertaining to issuance of and payment for state financing. **Administration of funding for programs outside the Treasury drives workload for staff, impacting the Department’s budget needs.**

Almost all of Treasury appropriations are pass-through funds for outside programs.



Based on FY 2023-24 Appropriations (\$ in millions)

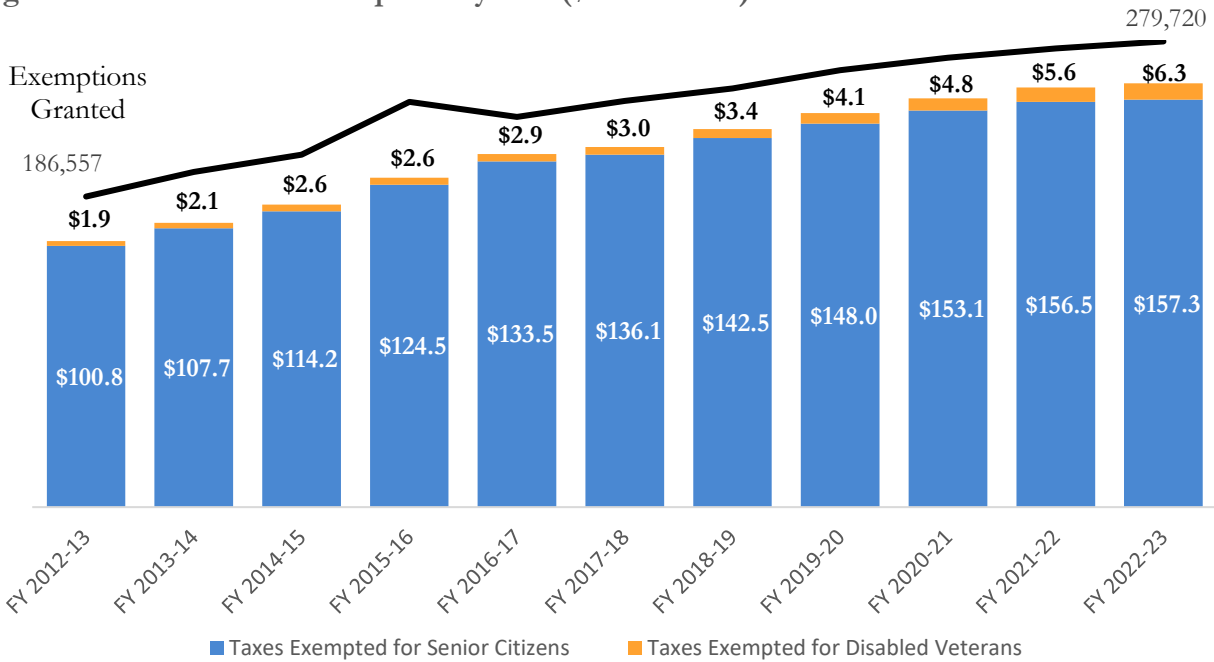
SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. An honorably discharged disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability on the assessment date. Property tax is exempted on 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer reimburses local governments for the resulting loss of property tax revenues. The Constitution grants the General Assembly the power to raise or lower the amount of residence value that is exempt from taxation.

As illustrated in the following chart, reimbursements increased from a total of \$116.9 million in FY 2014-15 to \$163.6 million in FY 2022-23. The senior exemption accounts for approximately 96.1

percent of annual reimbursements, with the disabled veteran exemption comprising approximately 3.9 percent. **Appropriations for the program in FY 2023-24 total \$161.5 million.**

Total exemptions granted have grown 50%, and reimbursements have grown almost 60% over the past 10 years. (\$ in millions)



Source: Department of Local Affairs, Div. of Property Taxation, *Fifty-Second Annual Report to the Governor and the General Assembly*

DIRECT DISTRIBUTION TO PERA FOR THE UNFUNDED LIABILITY

Section 24-51-414, C.R.S., as enacted in S.B. 18-200 (Eliminate Unfunded Liability in PERA), requires the State Treasurer to issue a warrant equal to \$225.0 million, except when stated otherwise, to PERA as a direct distribution to pay down the pension fund’s unfunded liability. Payment shall be made on July 1 of each year “until there are no unfunded actuarial accrued liabilities of any division of the association that receives the distribution.” Beginning in FY 2019-20, the total distribution amount attributable to this provision is included for informational purposes in the Long Bill. **The total reflected in FY 2023-24 in the Treasury Long Bill for PERA direct distribution includes \$35.0 million total funds.** Total appropriations were less than \$225.0 million due to the passage of H.B. 22-1029. See the Issue Brief on PERA Unfunded Liability for more information.

HIGHWAY USERS TAX FUND DISBURSEMENTS

The Department calculates, allocates, and distributes revenues from the Highway Users Tax Fund (HUTF) pursuant to statutory formulas to counties and municipalities for use on local transportation projects. Amounts anticipated to be distributed are estimated based on OSPB’s revenue forecast and as aligned with statute and are reflected as cash funds appropriations within the Special Purpose section of the Long Bill for informational purposes. The below table reflects remittances of HUTF to counties and municipalities over time, which holds mostly steady. For more information regarding

HUTF revenues and revenue distributions per statute, see the JBC Staff Briefing Document for the Department of Transportation.

SPECIAL PROGRAMS, NEW PROGRAMS, AND EXPANDED PROGRAMS

The Department administers, oversees, or facilitates multiple other programs which do not receive large appropriations but which drive workload including the Unclaimed Property program for which it employs an entire division, the Colorado Loans for Increasing Main Street Business Economic Recovery (H.B. 20-1413) loan program, the Colorado Secure Savings Program (S.B. 19-173), the Charter School Intercept and Moral Obligation Program, the K-12 School District Intercept Program, the Higher Education Intercept Program, the Colorado Household Financial Recovery Pilot Program (H.B. 22-1359), and the Continuation of Benefits Board (S.B. 18-247 and H.B. 23-1305). Additionally, S.B. 22-220 (Property Tax Deferral Program) expanded the Colorado Property Tax Deferral program as of January 1, 2023 to allow those who do not qualify for the senior or military personnel program to defer a portion of their real property taxes if they exceed the property tax-growth cap of 4%, averaged from the preceding two years. This expansion has increased the department’s workload.

SUMMARY: FY 2023-24 APPROPRIATION & FY 2024-25 REQUEST

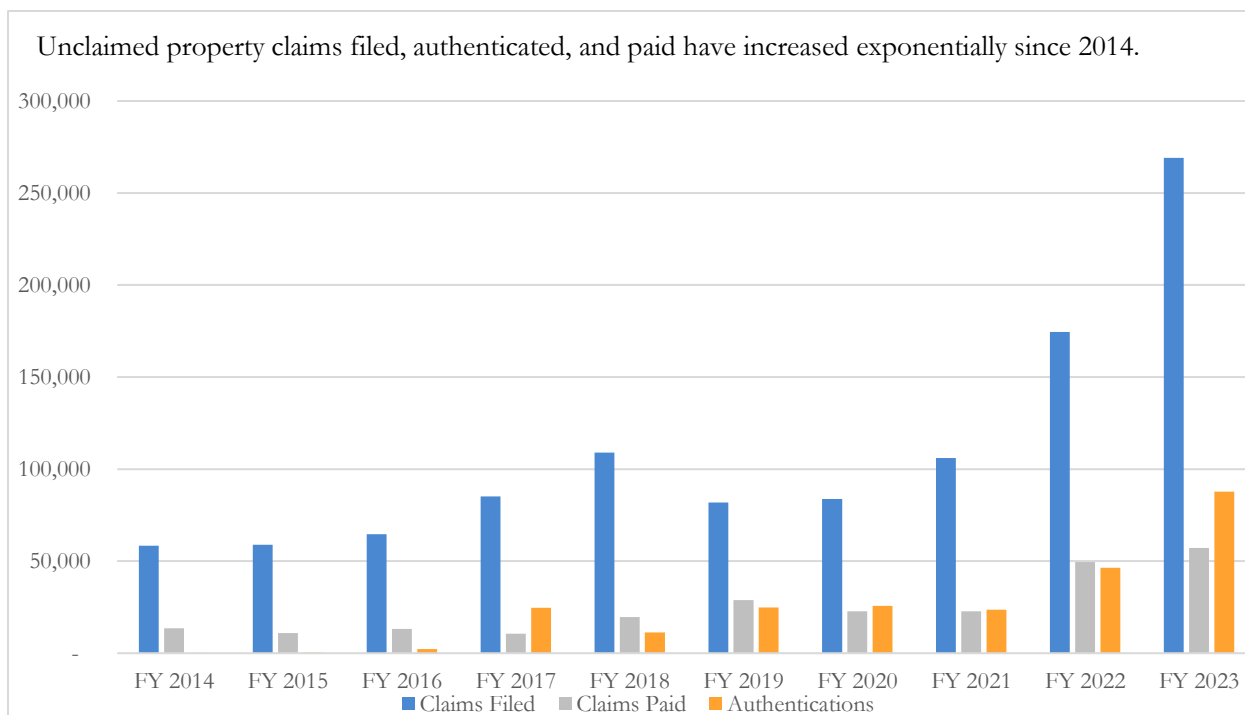
DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$781,399,404	\$313,692,919	\$436,638,516	\$31,067,969	0	55.0
Other legislation	150,000	0	150,000	0	0	0.0
TOTAL	\$781,549,404	\$313,692,919	\$436,788,516	\$31,067,969	\$0	55.0
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$781,549,404	\$313,692,919	\$436,788,516	\$31,067,969	\$0	55.0
R1 Administrative division staffing	455,294	455,294	0	0	0	4.5
R2 Unclaimed Property division staffing	348,455	0	348,455	0	0	2.0
R3 Administration division technology	101,751	56,051	45,700	0	0	0.0
R4 Unclaimed Property division technology	583,436	0	583,436	0	0	0.0
Annualize prior year legislation	190,000,000	139,252,072	0	50,747,928	0	0.0
Technical adjustment	72,377,913	11,304,223	61,070,634	3,056	0	0.0
Non-prioritized decision item	621,805	313,180	308,625	0	0	0.0
Annualize prior year budget actions	(305,461)	(106,469)	(198,992)	0	0	0.0
Centrally appropriated line items	(89,407)	86,799	(176,206)	0	0	0.0
TOTAL	\$1,045,643,190	\$465,054,069	\$498,770,168	\$81,818,953	\$0	61.5
INCREASE/(DECREASE)	\$264,093,786	\$151,361,150	\$61,981,652	\$50,750,984	\$0	6.5
Percentage Change	33.8%	48.3%	14.2%	163.4%	0.0%	11.8%

R1 ADMINISTRATION DIVISION STAFFING: The request includes an increase of \$455,294 General Fund and 4.5 FTE for FY 2024-25 primarily to address staffing needs in accounting, the deferred property tax unit, human resources, and general administrative support. Included in the request is

funding to increase salaries for the Deputy Treasurer and the Department’s Chief Financial/Operating Officer as well as staff training and travel.

The Department received one FTE to oversee the expansion of the Deferred Property Tax Program to all Coloradans in FY 2022-23. The expansion of the program doubled the number of participants in its first year prompting the department to borrow an accountant for the program from a different division within the Department to fulfill program requirements. The Department indicates the need for an additional FTE for this program is extraordinary and intends to submit a supplemental request for FY 2023-24 in an attempt to fill the position quickly.

R2 UNCLAIMED PROPERTY DIVISION STAFFING: The request includes an increase of \$348,455 cash funds from the UPTF and 2.0 FTE for FY 2024-25 to hire a deputy director and a fraud analyst for the Unclaimed Property Division. The request also includes funding for promotions for four positions as well as training for staff in the division. The chart on the next page demonstrates the growth in claims since 2014.



R3 ADMINISTRATION DIVISION TECHNOLOGY: The request includes an increase of \$101,751 total funds, including \$56,051 General Fund and \$45,700 cash funds for FY 2024-25 for three software applications for department operations including Kronos Timekeeping, Cornerstone Learning and Development, and Cornerstone Performance Management. The request also includes one-time funds to conduct a third round of cybersecurity testing and analysis.

The Department indicates the requested systems are supported through OIT and, in the case of Kronos Timekeeping, will bring it into compliance with state requirements. For the cybersecurity testing and analysis, staff intends to work with the Department to investigate industry standards regarding cybersecurity testing and determine whether this should be an ongoing request.

R4 UNCLAIMED PROPERTY DIVISION TECHNOLOGY: The request includes an increase of \$583,436 cash funds from the UPTF for FY 2024-25 for four technology applications for the Unclaimed Property Program, including enhancements to two existing applications, KAPS and Lexis Nexis, and adds two new applications including a credit card payment gateway and website translation services.

The Department has relied on a system called KAPS for seven years to facilitate administration of the unclaimed property program. In FY 2023-24, the General Assembly provided funds for a five-year contract with KAPS; however, the Department later discovered that the contract was not written to fully address the needs of the Division and that it required revision. The Department indicates additional funds for the contract are necessary to fully meet the needs of the program.

NON-PRIORITIZED DECISION ITEMS: The request includes an increase of \$621,805 total funds including \$313,180 General Fund and \$308,625 cash funds for FY 2024-25 to reflect the impact of a request made by the Department of Personnel on this department as outlined in the following table.

NON-PRIORITIZED DECISION ITEM				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
NP Central Services Omnibus Request	\$621,805	\$313,180	\$308,625	0.0
TOTAL	\$621,805	\$313,180	\$308,625	0.0

TECHNICAL ADJUSTMENTS: The request includes an increase of \$72.4 million total funds including \$11.3 million General Fund and \$61.1 million cash funds for FY 2024-25 for technical adjustments. These adjustments include changes to expected reimbursements to counties and municipalities for the Homestead Exemption and distributions from the Highway Users Tax Fund as projected in the September revenue forecast from the Office of State Planning and Budgeting. Additionally, included is an adjustment to the amount received from the Department of Higher Education for lease-purchase payments. Both are highlighted in the table below.

TECHNICAL ADJUSTMENT					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
OSPB September Forecast Adjustments	\$72,374,857	\$11,304,223	\$61,070,634	\$0	0.0
Lease Purchase COP Adjustment	3,056	0	0	3,056	0.0
TOTAL	\$72,377,913	\$11,304,223	\$61,070,634	\$3,056	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes a decrease of \$89,407 total funds including an increase of \$86,799 General Fund and a decrease of \$176,206 cash funds for FY 2024-25 for adjustments to centrally appropriated line items as outlined in the following table.

CENTRALLY APPROPRIATED LINE ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
Salary survey	\$256,549	\$157,780	\$98,769	0.0
PERA Direct Distribution	66,552	43,201	23,351	0.0
Payments to OIT	20,211	3,968	16,243	0.0
Capitol Complex leased space	20,188	12,340	7,848	0.0
Paid Family and Medical Leave Insurance	19,661	12,791	6,870	0.0
AED	14,000	9,134	4,866	0.0
SAED	14,000	9,134	4,866	0.0
Short-term disability	403	263	140	0.0
Legal services	(314,685)	(83,297)	(231,388)	0.0

CENTRALLY APPROPRIATED LINE ITEMS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
CORE adjustment	(159,016)	(71,557)	(87,459)	0.0
Health, life, dental	(22,757)	(2,445)	(20,312)	0.0
Workers' compensation	(4,513)	(4,513)	0	0.0
TOTAL	(\$89,407)	\$86,799	(\$176,206)	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$190.0 million total funds including an increase of \$139.3 million General Fund and an increase of \$50.7 million cash funds for FY 2024-25 to reflect the out-year impact of legislation enacted in previous years. For FY 2024-25, this change pertains to S.B. 18-200 PERA unfunded liability payments. See the Issue Brief on PERA for more information.

ANNUALIZE PRIOR YEAR LEGISLATION				
	TOTAL FUNDS	GENERAL FUND	REAPPROPRIATED FUNDS	FTE
SB18-200 PERA unfunded liability	\$190,000,000	\$139,252,072	\$50,747,928	0.0
TOTAL	\$190,000,000	\$139,252,072	\$50,747,928	0.0

ANNUALIZE PRIOR YEAR FUNDING: The request includes a decrease of \$305,461 total funds including a decrease of \$106,469 General Fund and \$198,992 cash funds for FY 2024-25 to reflect the second year impact of prior year funding decisions as outlined in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
FY 2023-24 DPT program	\$104,636	\$104,636	\$0	0.0
FY 2023-24 Unclaimed Property division needs	8,112	0	8,112	0.0
FY 2023-24 IT accessibility	(334,209)	(167,105)	(167,104)	0.0
FY 2023-24 Cybersecurity testing, phase II	(50,000)	(25,000)	(25,000)	0.0
FY 2023-24 Administration division needs	(34,000)	(19,000)	(15,000)	0.0
TOTAL	(\$305,461)	(\$106,469)	(\$198,992)	0.0

INFORMATIONAL ISSUE BRIEF: PERA UNFUNDED LIABILITY

Included in the Department of Treasury budget submission is a \$190.0 million annualization of PERA unfunded liability. This request, in addition to current appropriations, satisfies the statutory requirement to pay down the unfunded PERA liability.

SUMMARY

- Statute requires the state to issue warrants for direct distribution to the Public Employees' Retirement Association of Colorado (PERA) to pay down unfunded liabilities of the state, judicial, school and Denver Public Schools divisional trusts.
- The Department's request adds \$190.0 million total funds, including \$139.3 million General Fund, to annualize the prior year appropriation for direct distributions to PERA, bringing the total appropriation back to \$225.0 million as required by statute.

DISCUSSION

Section 24-51-414, C.R.S., as enacted in S.B. 18-200 (Eliminate Unfunded Liability in PERA), requires the State Treasurer to issue a warrant equal to \$225.0 million, except when stated otherwise, to PERA as a direct distribution to pay down the unfunded liabilities of the state, judicial, school, and Denver Public Schools divisional trusts. Payroll reports for each of the divisions determine proportional distribution of the funds. Historically, General Fund has been appropriated for this purpose, but appropriations may also be made from cash funds, reappropriated funds, and federal funds.

Legislative actions taken over the past four years changed the distribution and its calculation. In the 2020 legislative session, H.B. 20-1370 (Transfers from Unclaimed Property Trust Fund) suspended payment as part of budget balancing actions taken for FY 2020-21. In the 2022 legislative session, H.B. 22-1029 (Compensatory Direct Distribution to PERA) directed an additional distribution of \$380.0 million to PERA through the state's PERA Payment Cash Fund in FY 2022-23 to make up for the suspended direct payment in July 2020. Additionally, the bill provided \$155.0 million to reduce two future direct distributions depending on interest accrual on the \$155.0 million. SB 23-056 repealed the PERA Payment Cash Fund and appropriated \$14.5 million to compensate PERA for the balance of the cash fund plus \$10.0 million in General Fund for lost interest earnings.

Actuarial soundness has improved as a result of the direct distributions and other legislative changes to PERA since 2018. The goal of a pension system is to ensure sufficient revenue to pay for current and projected plan liabilities over a maximum amortization period of 30 years per standards set by the Governmental Accounting Standards Board and state law. As of December 31, 2022, PERA's total unfunded liability is \$26.3 billion, and its funded status is 69.9%. Its funding percent is up from 67.8 percent in 2021 and from 62.8 percent in 2020. Due to performance over time and legislative action, PERA now reports that it is on schedule to meet its long-term funding goals.

For more information and pertinent legislative history, see the "Overview of Colorado PERA" memo published June 23, 2023, as part of the Pension Review Commission meeting materials: <https://leg.colorado.gov/content/ipensionreview2023ascheduleandmeetingmaterialsly>.

INFORMATIONAL ISSUE BRIEF: STATEWIDE CERTIFICATES OF PARTICIPATION OBLIGATIONS

The State of Colorado continues to pay down Certificates of Participation which are the financing tool for capital projects across the state. **In FY 2023-24, the State appropriated approximately \$347.2 million in service of outstanding COP funded projects.**

SUMMARY

- A Certificate of Participation (COP) is a tax-exempt lease-financing agreement utilized by the State to finance capital projects over time.
- Article XI, Section 3, of the Colorado Constitution prohibits the issuance of long-term state debt; however, because the government may discontinue the lease at any time, a COP does not constitute long-term debt.
- The State primarily utilizes cash funds for the payment of COPs; however, the cash funds often originate from General Fund, and in at least one instance, the legislature has made repayment to cash funds with General Funds.

DISCUSSION

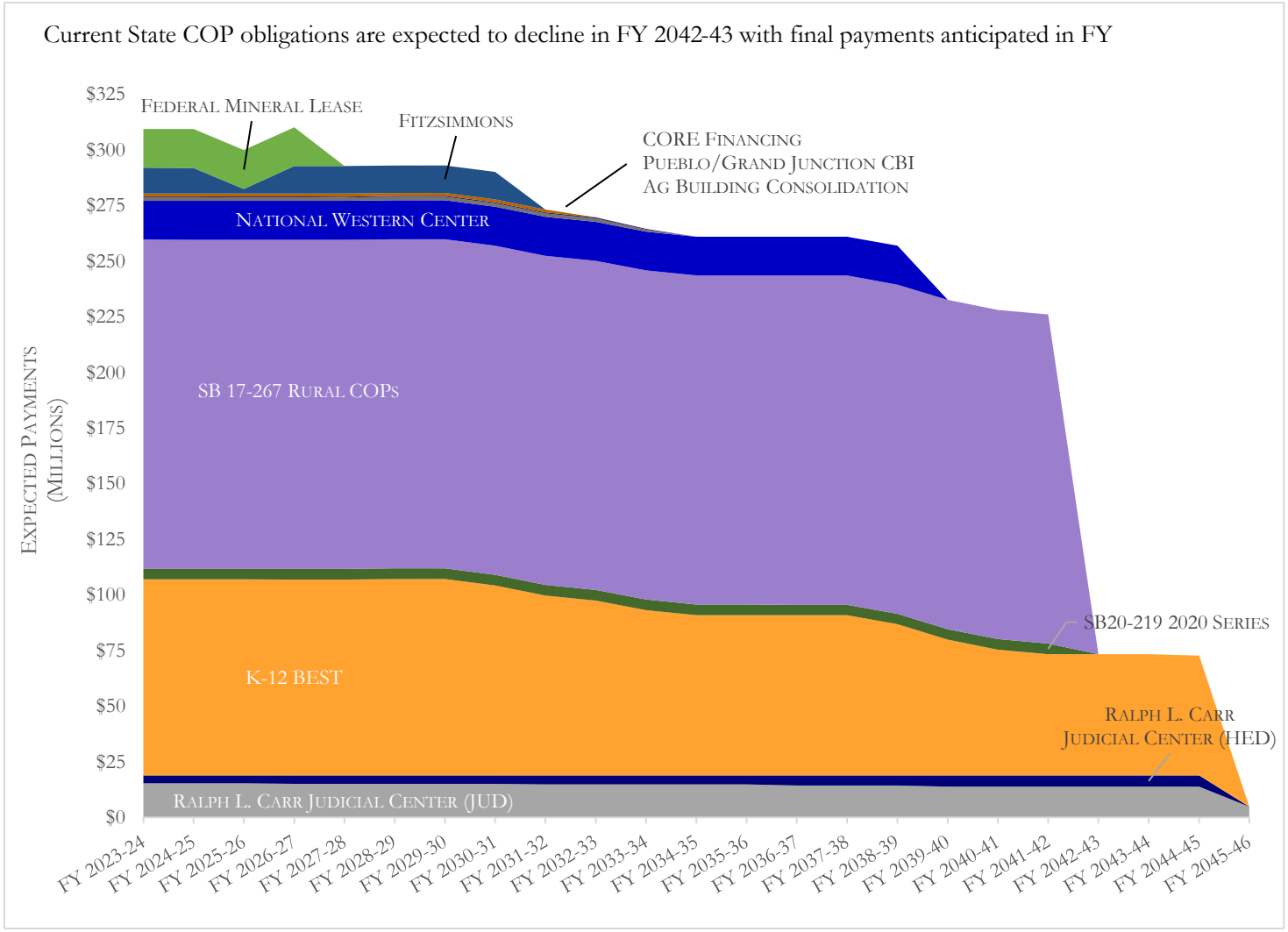
Colorado first issued Certificates of Participation (COPs) to finance the construction of regional facilities for the developmentally disabled in 1979, issuing eight more between that time and 2002 and repaying most of them with statewide lottery proceeds. Since 2005, the State issued an additional 12 COPs, ten of which are still ongoing. Each of the projects is listed below:

- Department of Agriculture – Building Consolidation;
- Department of Public Safety – Pueblo & Grand Junction CO Bureau of Investigation Facility Improvement;
- Department of Higher Education – Fitzsimons;
- Department of Higher Education – Federal Mineral Lease;
- Department of Higher Education – S.B. 20-219 Capital Construction;
- Department of Higher Education – National Western Center;
- Department of Higher Education and Judicial Department – Ralph L. Carr Judicial Center;
- Department of Education – K-12 BEST;
- Department of Transportation – Rural COPs; and
- Department of Personnel and Administration – CORE Financing.

Despite the use of Certificates of Participation as a mechanism to finance state capital projects over time, the Colorado Supreme Court ruled on two separate occasions that the use of COPs does not violate the constitution primarily because the parties to the COP are not bound to renew the lease annually. Additionally, the General Assembly may choose, without legal repercussion, to not appropriate funds to make payment on a leased property; however, if the state chooses to terminate the lease and payments by not making an appropriation for the project, the property would forfeit to the investors.

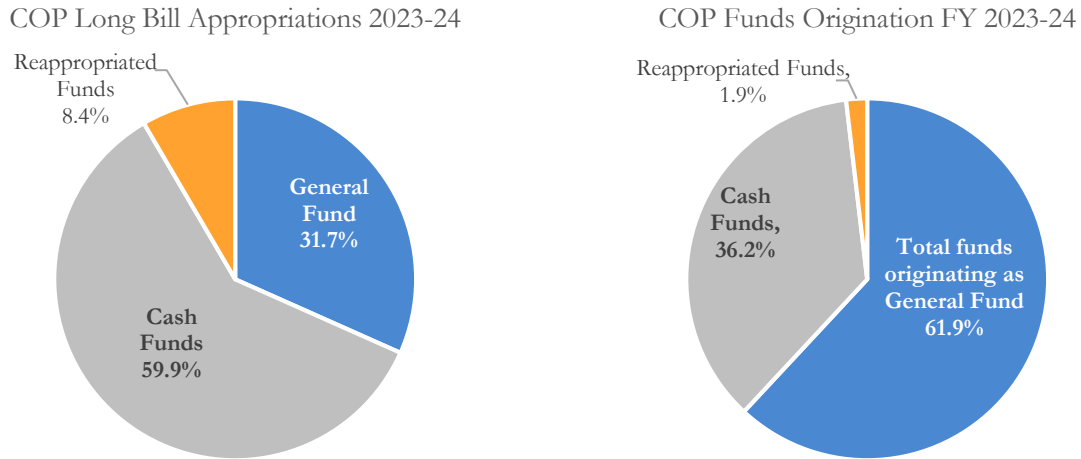
TOTAL YEARLY OBLIGATIONS

The following chart shows anticipated COP obligations from FY 2023-24 through FY 2045-46 when current outstanding COPs fully mature. COPs generally have fixed interest rates and are constructed to maintain relatively flat repayment schedules over time with varying proportions of interest and principal. Total obligations may fluctuate over time due to changes in the K-12 BEST program, refinancing of certificates, and/or repayment.



FUND SOURCES FOR CERTIFICATE OF PARTICIPATION PAYMENTS IN FY 2023-24

According to Long Bill appropriations, COP obligations are primarily funded with cash funds; however, when taking into account fund origination, over two thirds of funding originates from the General Fund as shown below:



COPs paid using cash funds that originate as General Fund include the Higher Ed Fitzsimons COPs, the National Western Center, and a portion of funds from the Judicial Department that go toward the Ralph L. Carr Judicial Center. Additionally, the S.B. 17-267 Rural Transportation COPs funded with Transportation Commission Funds have typically been “made whole” with General Fund reimbursement.

HIGHER EDUCATION

In addition to state-issued COPs which may benefit higher education institutions, the higher education institutions also issue bonds under their authority as state enterprises. Some of these obligations take the form of intercept bonds which are issued by institutions using the State’s credit rating allowing institutions to borrow at a lower interest rate. In the event that an institution is unable to repay its intercept bonds, the State would be required to repay them and collect the funds from the institution in return.

The Department of Treasury issues a report each year regarding the fiscal health of Colorado’s Higher Education Institutions, including debt service amounts for outstanding intercept and non-intercept bond obligations. In 2022, the General Assembly passed SB 22-121 which permits all public higher education governing boards to pledge up to 100% of tuition revenue to bondholders. The Department maintains oversight of issuances and determines whether and when cost savings may be achieved through refinancing. **As of June 30, 2023, nine institutions of higher education were participating in the program with an outstanding par value of \$1.4 billion and debt service on intercept bonds total \$111.1 million for FY 2024.**

ISSUE BRIEF: ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS

During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of the Treasury that included \$211,320,883 originating as state General Fund and \$203,207 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

SUMMARY

- The General Assembly allocated \$211.3 million one-time General Fund and \$0.2 million federal ARPA funds to this department during the 2021 and 2022 legislative sessions.
- Almost all funds received by the Department did not remain under its management as actions taken by the General Assembly impacted programs in other areas of the state.

RECOMMENDATION

Staff recommends that the Committee seek updates from all departments during their budget hearings on the use of significant one-time allocations of federal and state funding. The Department received a very small amount of ARPA funding to manage the ARPA Cash Fund; other appropriations made to the Department are pass-through for programs outside of the Treasury.

DISCUSSION

During the 2021 and 2022 legislative sessions, the General Assembly allocated \$211,524,090 in one-time funding to the Department of the Treasury through appropriations and transfers. To assist the Committee in tracking the use of these funds, the tables below show the sum of allocations provided for FY 2021-22 and FY 2022-23 and expenditures through FY 2022-23 by the original source of the funds (General Fund, federal Coronavirus State Fiscal Recovery Funds, and other funds).

ALLOCATION AND EXPENDITURE OF ONE-TIME GENERAL FUND

DEPARTMENT OF THE TREASURY ONE-TIME GENERAL FUND			
BILL NUMBER AND SHORT TITLE	APPROPRIATION/ TRANSFER OF FUNDS	ACTUAL EXPENDITURE OF FUNDS THROUGH FY 2023**	BRIEF DESCRIPTION OF PROGRAM AND ANTICIPATED USE OF THE FUNDS
S.B. 22-036 State Old Hire Death, Disability	\$6,650,000	\$6,650,000	Provides funding for a state obligation to the Fire and Police Pension Association's Statewide Death and Disability Trust Fund. These funds were administered by the Fire and Police Pension Association.
S.B. 22-214 General Fund transfer to PERA	198,470,883	198,470,883	Transfers \$198.5 million GF to the PERA Payment Cash Fund. These funds were administered by the Colorado PERA.
S.B. 22-232 Creation of CO Workforce Housing	1,000,000	1,000,000	Creates the Middle Income Housing Authority as an independent special purpose authority for promoting affordable rental housing projects for middle-income workforce housing. Funds are administered by the Middle Income Housing Authority.
H.B. 22-1359 Household Recovery	5,200,000	5,000,000	Established the household financial recovery pilot program to facilitate lending to individuals and households impacted by the COVID-19 pandemic who have difficulty accessing affordable loans. This program is facilitated by the Department of the Treasury.
TOTAL	\$211,320,883	\$211,120,883	

** Treasury is not the final destination of these funds but rather is directed by statute to issue warrants or complete transfers of these amounts to different funds, and the money is allocated from those funds.

ALLOCATION AND EXPENDITURE OF ONE-TIME FEDERAL CORONAVIRUS STATE
FISCAL RECOVERY FUNDS (ARPA FUNDS)

DEPARTMENT OF THE TREASURY ONE-TIME FEDERAL ARPA FUNDS			
BILL NUMBER AND SHORT TITLE	APPROPRIATION/ TRANSFER OF FUNDS	ACTUAL EXPENDITURE OF FUNDS THROUGH FY 2023	BRIEF DESCRIPTION OF PROGRAM AND ANTICIPATED USE OF THE FUNDS
S.B. 21-288 American Rescue Plan Act of 2021 Cash Fund	\$203,207	\$ 47,207	To be used for fund management. The remainder of the funding was reverted to the State.
TOTAL	\$203,207	\$47,207	

APPENDIX A NUMBERS PAGES

Appendix A details actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source.

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
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DEPARTMENT OF THE TREASURY

Dave Young, State Treasurer

(1) ADMINISTRATION

ng Administrative Cash Fund.

Personal Services	<u>2,062,221</u>	<u>3,003,415</u>	<u>4,197,413</u>	<u>4,745,033</u> *
FTE	19.6	25.2	33.0	37.5
General Fund	1,109,265	1,897,923	3,091,921	3,639,541
Cash Funds	952,956	1,105,492	1,105,492	1,105,492
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Health, Life, and Dental	<u>288,546</u>	<u>370,634</u>	<u>610,589</u>	<u>654,249</u> *
General Fund	159,173	244,827	348,249	391,921
Cash Funds	129,373	125,807	262,340	262,328
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Short-term Disability	<u>3,367</u>	<u>4,515</u>	<u>6,151</u>	<u>7,476</u> *
General Fund	2,062	3,077	4,001	4,772
Cash Funds	1,305	1,438	2,150	2,704
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
S.B. 04-257 Amortization Equalization Disbursement	<u>113,642</u>	<u>149,491</u>	<u>204,450</u>	<u>247,270</u> *
General Fund	70,415	101,323	132,987	158,005
Cash Funds	43,227	48,168	71,463	89,265

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>112,776</u>	<u>149,491</u>	<u>204,450</u>	<u>247,270</u> *	
General Fund	70,415	101,323	132,987	158,005	
Cash Funds	42,361	48,168	71,463	89,265	
PERA Direct Distribution	<u>55,339</u>	<u>20,103</u>	<u>9,550</u>	<u>76,102</u>	
General Fund	34,051	0	6,310	49,511	
Cash Funds	21,288	20,103	3,240	26,591	
Salary Survey	<u>74,044</u>	<u>90,193</u>	<u>285,111</u>	<u>256,549</u>	
General Fund	45,560	58,150	188,824	157,780	
Cash Funds	28,484	32,043	96,287	98,769	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Paid Family and Medical Leave Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,256</u> *	
General Fund	0	0	0	14,221	
Cash Funds	0	0	0	8,035	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Workers' Compensation and Payment to Risk Management and Property Funds	<u>14,760</u>	<u>29,036</u>	<u>31,099</u>	<u>26,586</u>	
General Fund	14,760	29,036	31,099	26,586	
Operating Expenses	<u>187,981</u>	<u>1,976,543</u>	<u>2,225,977</u>	<u>2,192,234</u> *	
General Fund	187,981	1,976,543	2,225,977	2,192,234	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
Information Technology Asset Maintenance	<u>12,568</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	
General Fund	6,284	9,000	9,000	9,000	
Cash Funds	6,284	9,000	9,000	9,000	
Legal Services	<u>308,671</u>	<u>355,278</u>	<u>440,154</u>	<u>125,469</u>	
General Fund	95,327	122,102	124,629	41,332	
Cash Funds	213,344	233,176	315,525	84,137	
Capitol Complex Leased Space	<u>65,590</u>	<u>62,925</u>	<u>61,119</u>	<u>81,307</u>	
General Fund	65,590	37,755	36,444	48,784	
Cash Funds	0	25,170	24,675	32,523	
Payments to OIT	<u>165,472</u>	<u>210,773</u>	<u>215,395</u>	<u>235,606</u>	
General Fund	82,737	124,389	137,396	141,364	
Cash Funds	82,735	86,384	77,999	94,242	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
CORE Operations	<u>315,383</u>	<u>379,703</u>	<u>434,192</u>	<u>275,176</u> *	
General Fund	141,922	170,866	195,386	123,829	
Cash Funds	173,461	208,837	238,806	151,347	
Charter School Facilities Financing Services	<u>8,256</u>	<u>8,524</u>	<u>7,500</u>	<u>7,500</u>	
Cash Funds	8,256	8,524	7,500	7,500	
Discretionary Fund	<u>726</u>	<u>2,649</u>	<u>5,000</u>	<u>5,000</u>	
General Fund	726	2,649	5,000	5,000	

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
DPA Administration Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,279</u>	*
General Fund	0	0	0	4,367	
Cash Funds	0	0	0	2,912	
DHR State Agency Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,566</u>	*
General Fund	0	0	0	3,940	
Cash Funds	0	0	0	2,626	
DHR Labor Relations Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,056</u>	*
General Fund	0	0	0	4,834	
Cash Funds	0	0	0	3,222	
DHR Training Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>868</u>	*
General Fund	0	0	0	521	
Cash Funds	0	0	0	347	
Financial Ops and Reporting Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>369,932</u>	*
General Fund	0	0	0	184,966	
Cash Funds	0	0	0	184,966	
Procurement and Contracts Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>229,104</u>	*
General Fund	0	0	0	114,552	
Cash Funds	0	0	0	114,552	
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Colorado Secure Savings Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (1) Administration	3,789,342	6,831,273	8,956,150	9,844,888	9.9%
<i>FTE</i>	<u>19.6</u>	<u>25.2</u>	<u>33.0</u>	<u>37.5</u>	<u>13.6%</u>
General Fund	2,086,268	4,878,963	6,670,210	7,475,065	12.1%
Cash Funds	1,703,074	1,952,310	2,285,940	2,369,823	3.7%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
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(2) UNCLAIMED PROPERTY PROGRAM

This program collects unclaimed property and attempts to locate and return it to the legal owners or heirs. Funding source is the Unclaimed Property Trust Fund.

Personal Services	<u>956,902</u>	<u>1,119,145</u>	<u>1,511,921</u>	<u>1,900,442</u> *
FTE	14.6	14.3	22.0	24.0
Cash Funds	956,902	1,119,145	1,511,921	1,900,442
Operating Expenses	<u>555,852</u>	<u>584,180</u>	<u>909,566</u>	<u>1,348,180</u> *
Cash Funds	555,852	584,180	909,566	1,348,180
Promotion and Correspondence	<u>149,991</u>	<u>150,777</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	149,991	150,777	200,000	200,000
Contract Auditor Services	<u>540,533</u>	<u>544,034</u>	<u>800,000</u>	<u>800,000</u>
Cash Funds	540,533	544,034	800,000	800,000
Leased Space	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

TOTAL - (2) Unclaimed Property Program	2,203,278	2,398,136	3,421,487	4,248,622	24.2%
FTE	<u>14.6</u>	<u>14.3</u>	<u>22.0</u>	<u>24.0</u>	<u>9.1%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	2,203,278	2,398,136	3,421,487	4,248,622	24.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
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(3) SPECIAL PURPOSE

yed in a natural disaster. The General Fund appropriation for the Senior Citizen and Disabled Veteran Property Tax Exemption is exempt from the statutory limits on General Fund appropriations.

Senior Citizen and Disabled Veteran Property Tax

Exemption	<u>1,300,087</u>	<u>75,997</u>	<u>161,499,803</u>	<u>174,238,984</u>
General Fund	1,300,087	75,997	161,499,803	174,238,984

Household Financial Recovery Program

General Fund	<u>0</u>	<u>5,200,000</u>	<u>200,000</u>	<u>200,000</u>
	0	5,200,000	200,000	200,000

Business Personal Property Tax Exemption

General Fund	<u>0</u>	<u>16,645,593</u>	<u>18,203,831</u>	<u>16,768,873</u>
	0	16,645,593	18,203,831	16,768,873

Highway Users Tax Fund - County Payments

Cash Funds	<u>223,362,557</u>	<u>218,516,742</u>	<u>227,089,806</u>	<u>258,552,287</u>
	223,362,557	218,516,742	227,089,806	258,552,287

Highway Users Tax Fund - Municipality Payments

Cash Funds	<u>156,412,196</u>	<u>153,555,724</u>	<u>152,081,283</u>	<u>181,689,436</u>
	156,412,196	153,555,724	152,081,283	181,689,436

Property Tax Reimbursement for Property Destroyed by

Natural Cause	<u>3,803,618</u>	<u>3,628</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	3,803,618	3,628	1,000,000	1,000,000

Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.

Reappropriated Funds	<u>17,433,244</u>	<u>17,439,900</u>	<u>17,432,169</u>	<u>17,437,100</u>
	17,433,244	17,439,900	17,432,169	17,437,100

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
Lease Purchase of Academic Facilities Pursuant to Section 24-82-803, C.R.S.	<u>0</u>	<u>4,746,375</u>	<u>4,754,875</u>	<u>4,753,000</u>	
Reappropriated Funds	0	4,746,375	4,754,875	4,753,000	
Public School Fund Investment Board Pursuant to Section 22-41-102.5 C.R.S.	<u>1,098,455</u>	<u>1,280,147</u>	<u>1,760,000</u>	<u>1,760,000</u>	
Cash Funds	1,098,455	1,280,147	1,760,000	1,760,000	
S.B. 17-267 Collateralization Lease Purchase Payments	<u>74,999,965</u>	<u>147,969,143</u>	<u>150,000,000</u>	<u>150,000,000</u>	
General Fund	13,000,000	97,969,143	100,000,000	100,000,000	
Cash Funds	61,999,965	50,000,000	50,000,000	50,000,000	
Direct Distribution for Unfunded Actuarial Accrued PERA Liability	<u>225,000,000</u>	<u>605,000,000</u>	<u>35,000,000</u>	<u>225,000,000</u>	
General Fund	167,440,377	0	26,119,075	165,371,147	
Cash Funds	0	578,470,883	0	0	
Reappropriated Funds	57,559,623	26,529,117	8,880,925	59,628,853	
Law Enforcement Officers' and Firefighters' Continuation of Health Benefits Program	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>	
Cash Funds	0	0	150,000	150,000	
Distributions to Fire and Police Pension Association	<u>0</u>	<u>6,650,000</u>	<u>0</u>	<u>0</u>	
General Fund	0	6,650,000	0	0	

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2024-25 Request	Request vs. Appropriation
Payment to the Middle-income Housing Authority	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to the Colorado Housing and Finance Authority	<u>205,000</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	
General Fund	205,000	1,000,000	0	0	
PERA Payments Cash Fund	<u>0</u>	<u>198,470,883</u>	<u>0</u>	<u>0</u>	
General Fund	0	198,470,883	0	0	
Business Personal Property Tax Exemption	<u>16,735,598</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	16,735,598	0	0	0	
TOTAL - (3) Special Purpose	720,350,720	1,376,554,132	769,171,767	1,031,549,680	34.1%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	202,484,680	326,015,244	307,022,709	457,579,004	49.0%
Cash Funds	442,873,173	1,001,823,496	431,081,089	492,151,723	14.2%
Reappropriated Funds	74,992,867	48,715,392	31,067,969	81,818,953	163.4%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of the Treasury	726,343,340	1,385,783,541	781,549,404	1,045,643,190	33.8%
<i>FTE</i>	<u>34.2</u>	<u>39.5</u>	<u>55.0</u>	<u>61.5</u>	<u>11.8%</u>
General Fund	204,570,948	330,894,207	313,692,919	465,054,069	48.3%
Cash Funds	446,779,525	1,006,173,942	436,788,516	498,770,168	14.2%
Reappropriated Funds	74,992,867	48,715,392	31,067,969	81,818,953	163.4%
Federal Funds	0	0	0	0	0.0%

APPENDIX B FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2023 Long Bill (S.B. 23-214) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/sb23-214>. The Long Bill footnotes relevant to this document are listed below.

The Department had no footnotes in the FY 2023-24 Long Bill.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, other elected officials, and the Chief Justice. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as an Appendix in the annual Appropriations Report (Appendix H in the FY 2023-24 Report):

<https://leg.colorado.gov/sites/default/files/fy23-24apprept.pdf>. The requests for information relevant to this document are listed below.

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 All Departments -- The Departments are requested to provide by November 1 of each fiscal year Schedule 9 reports for every annually and continuously appropriated cash fund administered by the Department as part of the standard November 1 budget submission. The Office of State Planning and Budgeting, in coordination with the Office of the State Controller, the Department of the Treasury, and the independent agencies, is further requested to provide by November 1 of each fiscal year a consolidated report that includes the following information for all continuously appropriated cash funds:
 - The name of the fund;
 - The statutory citation for the fund;
 - The year the fund was created;
 - The department responsible for administering the fund;
 - The total cash balance as of July 1, 2023;
 - The unobligated cash balance as of July 1, 2023; and
 - The unencumbered cash balance as of July 1, 2023.

COMMENT: All departments were asked to provide information for the 2024-25 fiscal year. The Department included its response as part of the budget submission. The schedule is included in Appendix D.

DEPARTMENT OF THE TREASURY

- 1 Department of the Treasury, Administration – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the State's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted on November 1 of each fiscal year.

COMMENT: The Department submitted this report with its budget submission. The full report can be viewed in the Treasury's budget request document at the following link:

<https://treasury.colorado.gov/sites/treasury/files/BudgetRequest25%20%281%29.pdf>.

- 2 Department of the Treasury, Special Purpose – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the status of the State's debt obligations for all certificates of participation managed by the State Treasurer. The report should include the current state fiscal year payments, the upcoming state fiscal year obligations, schedules of each certificate of participation reported on, and historical and current interest rates that the State is paying on each certificate of participation. The report should be submitted on November 1 of each fiscal year

COMMENT: The Department submitted this report with its budget submission. The full report can be viewed in the Treasury's budget request document at the following link:

<https://treasury.colorado.gov/sites/treasury/files/BudgetRequest25%20%281%29.pdf>

APPENDIX C

DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of the Treasury is required to publish an **Annual Performance Report** for the *previous state fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2024-25 budget request, the FY 2022-23 Annual Performance Report and the FY 2023-24 Performance Plan can be found at the following link:

<https://www.colorado.gov/pacific/performancemanagement/department-performance-plans>

APPENDIX D
REQUESTS FOR INFORMATION

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 Charter School Financing Administrative Cash Fund - 17F0
 22-30.5-406 (1)(c)(I) C.R.S.

Cash Flow Summary					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Total	\$30,438	\$29,854	\$30,438	\$30,250	\$30,250
Fees	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Local Government - Nongrant Funds	\$30,438	\$29,854	\$30,438	\$30,250	\$30,250
Expenses Total	\$8,256	\$8,524	\$8,780	\$9,043	\$9,314
Cash Expenditures	\$8,256	\$8,524	\$8,780	\$9,043	\$9,314
Change Requests (If Applicable)	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$22,182	\$21,330	\$21,658	\$21,207	\$20,936
Cash Fund Reserve Balance					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets and previously appropriated funds; calculated based on % of revenue from fees)	\$0	\$0	\$0	\$0	\$0
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$1,362	\$1,406	\$1,449	\$1,492	\$1,537
Excess Uncommitted Fee Reserve Balance	\$0	\$0	\$0	\$0	\$0
Compliance Plan (narrative)					

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 Charter School Financing Administrative Cash Fund - 17F0
 22-30.5-406 (1)(c)(I) C.R.S.

Cash Fund Narrative Information	
Purpose/Background of Fund	Continuously appropriated to the state treasurer for the direct and indirect costs of the administration of the charter school intercept program
Fee Sources	N/A
Non-Fee Sources	Annual administrative costs paid by all participating charter schools
Long Bill Groups Supported by Fund	WAA

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 Public School Income Fund - 7050
 22-41-101 C.R.S.

	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Year Beginning Fund Balance (A)	\$5,958,998	\$6,008,699	\$7,131,596	\$7,131,596	\$7,131,596
Changes in Cash Assets	\$8,244,786	\$17,724	\$0	\$0	\$0
Changes in Non-Cash Assets	\$49,701	\$1,122,896	\$0	\$0	\$0
Changes in Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Changes in Total Liabilities	(\$8,244,786)	\$8,014,111	\$0	\$0	\$0
TOTAL CHANGES TO FUND BALANCE	\$49,701	\$9,154,732	\$0	\$0	\$0
Assets Total	\$14,557,340	\$7,666,124	\$7,666,124	\$7,666,124	\$7,666,124
Cash (B)	\$8,548,640	\$534,529	\$534,529	\$534,529	\$534,529
Other Assets(Detail as necessary)	\$0	\$0	\$0	\$0	\$0
Interest Receivable	\$6,008,699	\$7,131,596	\$7,131,596	\$7,131,596	\$7,131,596
Liabilities Total	\$8,548,640	\$534,529	\$534,529	\$534,529	\$534,529
Cash Liabilities (C)	\$8,548,640	\$534,529	\$534,529	\$534,529	\$534,529
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance (D)	\$6,008,699	\$7,131,596	\$7,131,596	\$7,131,596	\$7,131,596
Net Cash Assets - (B-C)	\$0	\$0	\$0	\$0	\$0
Change from Prior Year Fund Balance (D-A)	\$49,701	\$1,122,896	\$0	\$0	\$0

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 Public School Income Fund - 7050
 22-41-101 C.R.S.

Cash Flow Summary					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Total	\$224,471,846	\$282,704,884	\$274,731,481	\$279,250,165	\$284,220,717
Fees	\$0	\$0	\$0	\$0	\$0
Interest	\$32,473,028	\$41,078,941	\$45,186,835	\$49,705,518	\$54,676,070
SLB Rents & Royalties	\$191,998,817	\$241,625,944	\$229,544,647	\$229,544,647	\$229,544,647
Expenses Total	\$224,422,144	\$281,581,988	\$274,731,481	\$279,250,165	\$284,220,717
Cash Expenditures	\$224,422,144	\$281,581,988	\$274,731,481	\$279,250,165	\$284,220,717
Change Requests (If Applicable)	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$49,701	\$1,122,896	\$0	\$0	\$0
Cash Fund Reserve Balance					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets and previously appropriated funds; calculated based on % of revenue from fees)	\$0	\$0	\$0	\$0	\$0
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$37,029,654	\$46,461,028	\$45,330,694	\$46,076,277	\$46,896,418
Excess Uncommitted Fee Reserve Balance	\$0	\$0	\$0	\$0	\$0
Compliance Plan (narrative)					

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 Public School Income Fund - 7050
 22-41-101 C.R.S.

Cash Fund Narrative Information	
Purpose/Background of Fund	Collect and distribute school trust revenue according to statute
Fee Sources	N/A
Non-Fee Sources	State Land Board rents and royalties revenue & Public School Permanent Fund investment income
Long Bill Groups Supported by Fund	WAA & WBF

Schedule 9: Cash Funds Reports
Department of Treasury
FY 2024-25 Budget Request
State Public Financing Cash Fund - 26TO
24-36-121 (7)(a) C.R.S.

	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Year Beginning Fund Balance (A)	\$710,902	\$654,847	\$451,451	\$165,451	\$44,666
Changes in Cash Assets	(\$60,361)	(\$209,431)	(\$286,000)	(\$120,785)	(\$120,785)
Changes in Non-Cash Assets	\$0	\$0	\$0	\$0	\$0
Changes in Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Changes in Total Liabilities	\$4,306	\$6,029	\$0	\$0	\$0
TOTAL CHANGES TO FUND BALANCE	(\$56,056)	(\$203,402)	(\$286,000)	(\$120,785)	(\$120,785)
Assets Total	\$663,882	\$454,451	\$168,451	\$47,666	(\$73,119)
Cash (B)	\$663,882	\$454,451	\$168,451	\$47,666	(\$73,119)
Other Assets(Detail as necessary)	\$0	\$0	\$0	\$0	\$0
Receivables	\$0	\$0	\$0	\$0	\$0
Liabilities Total	\$9,036	\$3,000	\$3,000	\$3,000	\$3,000
Cash Liabilities (C)	\$9,036	\$3,000	\$3,000	\$3,000	\$3,000
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance (D)	\$654,847	\$451,451	\$165,451	\$44,666	(\$76,119)
Net Cash Assets - (B-C)	\$654,847	\$451,451	\$165,451	\$44,666	(\$76,119)
Change from Prior Year Fund Balance (D-A)	(\$56,056)	(\$203,396)	(\$286,000)	(\$120,785)	(\$120,785)

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 State Public Financing Cash Fund - 26T0
 24-36-121 (7)(a) C.R.S.

Cash Flow Summary					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Total	\$317,886	\$45,208	\$7,604	\$0	\$0
Fees	\$0	\$0	\$0	\$0	\$0
Interest	\$6,741	\$15,208	\$7,604	\$0	\$0
Issuance Proceeds	\$311,145	\$30,000	\$0	\$0	\$0
Expenses Total	\$373,942	\$248,604	\$293,604	\$120,785	\$120,785
Cash Expenditures	\$373,942	\$248,604	\$293,604	\$120,785	\$120,785
Change Requests (If Applicable)	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$56,056)	(\$203,396)	(\$286,000)	(\$120,785)	(\$120,785)
Cash Fund Reserve Balance					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets and previously appropriated funds; calculated based on % of revenue from fees)	\$0	\$0	\$0	\$0	\$0
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$61,700	\$41,020	\$48,445	\$19,930	\$19,930
Excess Uncommitted Fee Reserve Balance	\$0	\$0	\$0	\$0	\$0
Compliance Plan (narrative)					

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 State Public Financing Cash Fund - 26T0
 24-36-121 (7)(a) C.R.S.

Cash Fund Narrative Information

Purpose/Background of Fund	Continuously appropriated to the state treasurer to reimburse verifiable costs incurred in performing or overseeing the State's primary issuance complicity and post-issuance compliance responsibilities
Fee Sources	N/A
Non-Fee Sources	Financial obligation issuance proceeds
Long Bill Groups Supported by Fund	WAA & WC1

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 Unclaimed Property Trust Fund - 8270 & 82A0
 38-13-801 (1)(a) C.R.S.

	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Year Beginning Fund Balance (A)	\$312,832,493	\$402,915,203	\$511,801,435	\$588,658,201	\$662,718,301
Changes in Cash Assets	\$118,233,667	\$138,361,691	\$104,641,248	\$104,623,029	\$105,751,259
Changes in Non-Cash Assets	(\$2,755)	\$575	\$0	\$0	\$0
Changes in Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Changes in Total Liabilities	(\$28,148,202)	(\$29,476,035)	(27,784,481)	(30,562,930)	(33,619,222)
TOTAL CHANGES TO FUND BALANCE	\$90,082,710	\$108,886,232	\$76,856,766	\$74,060,100	\$72,132,037
Assets Total	\$655,994,400	\$794,356,666	\$898,997,914	\$1,003,620,943	\$1,109,372,202
Cash (B)	\$655,994,400	\$794,356,666	\$898,997,914	\$1,003,620,943	\$1,109,372,202
Other Assets(Detail as necessary)	\$0	\$0	\$0	\$0	\$0
Receivables	\$0	\$0	\$0	\$0	\$0
Liabilities Total	\$253,079,197	\$282,555,232	\$310,339,713	\$340,902,643	\$374,521,865
Cash Liabilities (C)	\$253,079,197	\$282,555,232	\$310,339,713	\$340,902,643	\$374,521,865
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance (D)	\$402,915,203	\$511,801,435	\$588,658,201	\$662,718,301	\$734,850,337
Net Cash Assets - (B-C)	\$402,915,203	\$511,801,435	\$588,658,201	\$662,718,301	\$734,850,337
Change from Prior Year Fund Balance (D-A)	\$90,082,710	\$108,886,232	\$76,856,766	\$74,060,100	\$72,132,037

Schedule 9: Cash Funds Reports
Department of Treasury
FY 2024-25 Budget Request
Unclaimed Property Trust Fund - 8270 & 82A0
38-13-801 (1)(a) C.R.S.

Cash Flow Summary					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Total	\$187,874,232	\$221,872,958	\$183,497,675	\$184,572,179	\$185,700,409
Fees	\$7,925	\$4,880	\$4,880	\$4,880	\$4,880
Interest	\$6,818,526	\$20,466,754	\$21,490,092	\$22,564,596	\$23,692,826
Holder Revenue	\$181,047,781	\$201,401,324	\$162,002,703	\$162,002,703	\$162,002,703
Expenses Total	\$70,943,029	\$83,122,956	\$78,856,427	\$79,949,150	\$79,949,150
Cash Expenditures	\$2,945,050	\$3,457,085	\$4,567,147	\$5,659,870	\$5,659,870
Claims Paid	\$46,242,372	\$53,152,776	42,367,659	42,367,659	42,367,659
Transfers to Adult Dental Fund	\$21,755,607	\$26,513,094	\$31,921,621	\$31,921,621	\$31,921,621
Net Cash Flow	\$116,931,204	\$138,750,003	\$104,641,248	\$104,623,029	\$105,751,259
Cash Fund Reserve Balance					
	Actual	Actual	Projected	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets and previously appropriated funds; calculated based on % of revenue from fees)	\$22,910	\$14,810	\$0	\$0	\$0
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$11,705,600	\$13,715,288	\$13,011,310	\$13,191,610	\$13,191,610
Excess Uncommitted Fee Reserve Balance	\$0	\$0	\$0	\$0	\$0
Compliance Plan (narrative)					

Schedule 9: Cash Funds Reports
Department of Treasury
FY 2024-25 Budget Request
Unclaimed Property Trust Fund - 8270 & 82A0
38-13-801 (1)(a) C.R.S.

Cash Fund Narrative Information	
Purpose/Background of Fund	Receives dormant or abandoned property and returns such property to its rightful owner or heir
Fee Sources	Unclaimed Property List Sales
Non-Fee Sources	Holder Remittances
Long Bill Groups Supported by Fund	WA1, WA6, WAA, & WBS

Schedule 9: Cash Funds Reports
Department of Treasury
FY 2024-25 Budget Request
PERA Payment Cash Fund - PPCF
24-51-416 (1) C.R.S. - repealed

	Actual	Actual	Appropriated	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Year Beginning Fund Balance (A)	\$380,129,757	\$384,449,342	\$4,561,045	\$0	\$0
Changes in Cash Assets	\$4,319,585	(\$379,888,297)	(\$4,561,045)	\$0	\$0
Changes in Non-Cash Assets	\$0	\$0	\$0	\$0	\$0
Changes in Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Changes in Total Liabilities	\$0	\$0	\$0	\$0	\$0
TOTAL CHANGES TO FUND BALANCE	\$4,319,585	(\$379,888,297)	(\$4,561,045)	\$0	\$0
Assets Total	\$384,449,342	\$4,561,045	\$0	\$0	\$0
Cash (B)	\$384,449,342	\$4,561,045	\$0	\$0	\$0
Other Assets(Detail as necessary)	\$0	\$0	\$0	\$0	\$0
Receivables	\$0	\$0	\$0	\$0	\$0
Liabilities Total	\$0	\$0	\$0	\$0	\$0
Cash Liabilities (C)	\$0	\$0	\$0	\$0	\$0
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance (D)	\$384,449,342	\$4,561,045	\$0	\$0	\$0
Net Cash Assets - (B-C)	\$384,449,342	\$4,561,045	\$0	\$0	\$0
Change from Prior Year Fund Balance (D-A)	\$4,319,585	(\$379,888,297)	(\$4,561,045)	\$0	\$0

Schedule 9: Cash Funds Reports
 Department of Treasury
 FY 2024-25 Budget Request
 PERA Payment Cash Fund - PPCF
 24-51-416 (1) C.R.S. - repealed

Cash Flow Summary					
	Actual	Actual	Appropriated	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue Total	\$4,319,585	\$198,582,586	\$0	\$0	\$0
Fees	\$0	\$0	\$0	\$0	\$0
Interest	\$4,319,585	\$111,703	\$0	\$0	\$0
Transfer from the General Fund		\$198,470,883			
Expenses Total	\$0	\$578,470,883	\$4,561,045	\$0	\$0
Cash Expenditures	\$0	\$578,470,883	\$4,561,045	\$0	\$0
Change Requests (If Applicable)	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$4,319,585	(\$379,888,297)	(\$4,561,045)	\$0	\$0
Cash Fund Reserve Balance					
	Actual	Actual	Appropriated	Projected	Projected
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets and previously appropriated funds; calculated based on % of revenue from fees)	\$0	\$0	\$0	\$0	\$0
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$0	\$95,447,696	\$752,572	\$0	\$0
Excess Uncommitted Fee Reserve Balance	\$0	\$0	\$0	\$0	\$0
Compliance Plan (narrative)					

Schedule 9: Cash Funds Reports
Department of Treasury
FY 2024-25 Budget Request
PERA Payment Cash Fund - PPCF
24-51-416 (1) C.R.S. - repealed

Cash Fund Narrative Information	
Purpose/Background of Fund	To make any funds appropriated or transferred by the General Assembly available to be used by the State for any employer contribution or disbursement to PERA
Fee Sources	N/A
Non-Fee Sources	General Fund Transfers
Long Bill Groups Supported by Fund	WBF