



JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Treasury

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury consists of three sections: Administration, Unclaimed Property Program, and Special Purpose. The Department's FY 2023-24 appropriation represents approximately 0.2 percent of statewide operating appropriations and 2.4 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND 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.

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.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

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.

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.

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).

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> 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 2023.