

JOINT BUDGET COMMITTEE



INTERIM SUPPLEMENTAL BUDGET REQUEST, FY 2017-18

DEPARTMENT OF HUMAN SERVICES

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
ROBIN J. SMART, JBC STAFF
SEPTEMBER 20, 2018

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

CONTENTS

| | |
|-----------------------------------------------------------------------|---|
| Interim Supplemental Indirect Costs FY 2017-18 Overexpenditures | 1 |
| Letter to the Controller | 8 |

INTERIM SUPPLEMENTAL REQUESTS

ES4 FY 2017-18 INDIRECT COSTS OVEREXPENDITURES

| | REQUEST | RECOMMENDATION |
|----------------------|--------------------|------------------|
| TOTAL | \$1,800,692 | \$233,610 |
| FTE | 0.0 | 0.0 |
| General Fund | 204,247 | 233,610 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 1,596,445 | 0 |

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? **YES**
 [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests an increase of \$1,800,692 total funds including \$204,247 General Fund and \$1,596,445 reappropriated funds in FY 2018-19 to provide adequate spending authority in indirect cost pool line items restricted by the Office of the State Controller as a result of FY 2017-18 overexpenditures. The request includes the following adjustments to the FY 2018-19 appropriation:

SUMMARY REQUEST FOR DEPARTMENT OF HUMAN SERVICES INDIRECT COST POOL OVEREXPENDITURES FY 2018-19 APPROPRIATIONS

| DESCRIPTION | CURRENT APPROPRIATION | INTERIM SUPPLEMENTAL REQUEST | PROPOSED ADJUSTED APPROPRIATION |
|------------------------------------------------------------------------|--------------------------|------------------------------------|---------------------------------------|
| Department of Human Services | | | |
| <i>(1) Executive Director's Office (A) General Administration</i> | | | |
| Administrative Law Judge Services | <u>\$611,825</u> | <u>\$56,292</u> | <u>\$668,117</u> |
| General Fund | 343,687 | 0 | 343,687 |
| Reappropriated Funds | 268,138 | 56,292 | 324,430 |
| Injury Prevention Program | <u>\$106,755</u> | <u>\$17,530</u> | <u>\$124,285</u> |
| General Fund | 59,826 | 17,530 | 77,356 |
| Reappropriated Funds | 46,929 | 0 | 46,929 |
| Executive Director's Office, General Administration Subtotal | <u>\$718,580</u> | <u>\$73,822</u> | <u>\$792,402</u> |
| General Fund | 403,513 | 17,530 | 421,043 |
| Reappropriated Funds | 315,067 | 56,292 | 371,359 |
| <i>(2) Office of Information Technology (A) Information Technology</i> | | | |
| Micro Computer Leases | <u>\$539,344</u> | <u>\$11,004</u> | <u>\$550,348</u> |
| General Fund | 291,246 | 0 | 291,246 |
| Reappropriated Funds | 248,098 | 11,004 | 259,102 |
| County Financial Management System | <u>\$1,494,325</u> | <u>\$218,382</u> | <u>\$1,712,707</u> |
| General Fund | 806,936 | 0 | 806,936 |

SUMMARY REQUEST FOR DEPARTMENT OF HUMAN SERVICES INDIRECT COST POOL OVEREXPENDITURES
FY 2018-19 APPROPRIATIONS

| DESCRIPTION | CURRENT APPROPRIATION | INTERIM SUPPLEMENTAL REQUEST | PROPOSED ADJUSTED APPROPRIATION |
|-------------------------------------------------------------------|--------------------------|------------------------------------|---------------------------------------|
| Reappropriated Funds | 687,389 | 218,382 | 905,771 |
| Client Index | <u>\$17,698</u> | <u>\$551</u> | <u>\$18,249</u> |
| General Fund | 9,557 | 0 | 9,557 |
| Reappropriated Funds | 8,141 | 551 | 8,692 |
| Payments to OIT | <u>\$29,294,897</u> | <u>\$1,172,842</u> | <u>\$30,467,739</u> |
| General Fund | 15,822,062 | 0 | 15,822,062 |
| Reappropriated Funds | 13,472,835 | 1,172,842 | 14,645,677 |
| Office of Information Technology, Information Technology Subtotal | <u>\$31,346,264</u> | <u>\$1,402,779</u> | <u>\$32,749,043</u> |
| General Fund | 16,929,801 | 0 | 16,929,801 |
| Reappropriated Funds | 14,416,463 | 1,402,779 | 15,819,242 |
| <i>(3) Office of Operations (A) Administration</i> | | | |
| Capital Complex Leased Space | <u>\$1,645,456</u> | <u>\$137,373</u> | <u>\$1,782,829</u> |
| General Fund | 925,087 | 0 | 925,087 |
| Reappropriated Funds | 720,369 | 137,373 | 857,742 |
| Utilities | <u>\$9,889,871</u> | <u>\$186,717</u> | <u>\$10,076,588</u> |
| General Fund | 5,191,515 | 186,717 | 5,378,232 |
| Reappropriated Funds | 4,698,356 | 0 | 4,698,356 |
| Office of Operations, Administration Subtotal | <u>\$11,535,327</u> | <u>\$324,090</u> | <u>\$11,859,417</u> |
| General Fund | 6,116,602 | 186,717 | 6,303,319 |
| Reappropriated Funds | 5,418,725 | 137,373 | 5,556,098 |
| TOTAL | <u>\$43,600,171</u> | <u>\$1,800,692</u> | <u>\$45,400,862</u> |
| GENERAL FUND | 23,449,916 | 204,247 | 23,654,163 |
| REAPPROPRIATED FUNDS | 20,150,255 | 1,596,445 | 21,746,699 |

STAFF RECOMMENDATION: Staff recommends that the Committee approve an increase of \$233,610 General Fund in FY 2018-19 as defined in the following table:

JBC STAFF RECOMMENDATION FOR DEPARTMENT OF HUMAN SERVICES INDIRECT COST POOL
OVEREXPENDITURES
FY 2018-19 APPROPRIATIONS

| DESCRIPTION | CURRENT APPROPRIATION | INTERIM SUPPLEMENTAL REQUEST | PROPOSED ADJUSTED APPROPRIATION |
|------------------------------------------------------------------------|--------------------------|------------------------------------|---------------------------------------|
| Department of Human Services | | | |
| <i>(1) Executive Director's Office (A) General Administration</i> | | | |
| Administrative Law Judge Services | <u>\$611,825</u> | <u>\$0</u> | <u>\$611,825</u> |
| General Fund | 343,687 | 0 | 343,687 |
| Reappropriated Funds | 268,138 | 0 | 268,138 |
| Injury Prevention Program | <u>\$106,755</u> | <u>\$17,530</u> | <u>\$124,285</u> |
| General Fund | 59,826 | 17,530 | 77,356 |
| Reappropriated Funds | 46,929 | 0 | 46,929 |
| Executive Director's Office, General Administration Subtotal | <u>\$718,580</u> | <u>\$17,530</u> | <u>\$736,110</u> |
| General Fund | 403,513 | 17,530 | 421,043 |
| Reappropriated Funds | 315,067 | 0 | 315,067 |
| <i>(2) Office of Information Technology (A) Information Technology</i> | | | |
| Micro Computer Leases | <u>\$539,344</u> | <u>\$0</u> | <u>\$539,344</u> |
| General Fund | 291,246 | 0 | 291,246 |
| Reappropriated Funds | 248,098 | 0 | 248,098 |
| County Financial Management System | <u>\$1,494,325</u> | <u>\$29,363</u> | <u>\$1,523,688</u> |
| General Fund | 806,936 | 29,363 | 836,299 |
| Reappropriated Funds | 687,389 | 0 | 687,389 |
| Client Index | <u>\$17,698</u> | <u>\$0</u> | <u>\$17,698</u> |

**JBC STAFF RECOMMENDATION FOR DEPARTMENT OF HUMAN SERVICES INDIRECT COST POOL
OVEREXPENDITURES
FY 2018-19 APPROPRIATIONS**

| DESCRIPTION | CURRENT APPROPRIATION | INTERIM SUPPLEMENTAL REQUEST | PROPOSED ADJUSTED APPROPRIATION |
|-------------------------------------------------------------------|--------------------------|------------------------------------|---------------------------------------|
| General Fund | 9,557 | 0 | 9,557 |
| Reappropriated Funds | 8,141 | 0 | 8,141 |
| Payments to OIT | <u>\$29,294,897</u> | <u>\$0</u> | <u>\$29,294,897</u> |
| General Fund | 15,822,062 | 0 | 15,822,062 |
| Reappropriated Funds | 13,472,835 | 0 | 13,472,835 |
| Office of Information Technology, Information Technology Subtotal | <u>\$31,346,264</u> | <u>\$29,363</u> | <u>\$31,375,627</u> |
| General Fund | 16,929,801 | 29,363 | 16,959,164 |
| Reappropriated Funds | 14,416,463 | 0 | 14,416,463 |
| <i>(3) Office of Operations (A) Administration</i> | | | |
| Capital Complex Leased Space | <u>\$1,645,456</u> | <u>\$0</u> | <u>\$1,645,456</u> |
| General Fund | 925,087 | 0 | 925,087 |
| Reappropriated Funds | 720,369 | 0 | 720,369 |
| Utilities | <u>\$9,889,871</u> | <u>\$186,717</u> | <u>\$10,076,588</u> |
| General Fund | 5,191,515 | 186,717 | 5,378,232 |
| Reappropriated Funds | 4,698,356 | 0 | 4,698,356 |
| Office of Operations, Administration Subtotal | <u>\$11,535,327</u> | <u>\$186,717</u> | <u>11,722,044</u> |
| General Fund | 6,116,602 | 186,717 | 6,303,319 |
| Reappropriated Funds | 5,418,725 | 0 | 5,418,725 |
| DEPARTMENT OF HUMAN SERVICES TOTAL | <u>\$43,600,171</u> | <u>\$233,610</u> | <u>\$43,833,781</u> |
| GENERAL FUND | 23,449,916 | 233,610 | 23,683,526 |
| REAPPROPRIATED FUNDS | 20,150,255 | 0 | 20,150,255 |

SUMMARY OF DEPARTMENT REQUEST AND STAFF RECOMMENDATION

- FY 2017-18 is the first fiscal year in which the Department of Human Services' Long Bill included line items for indirect cost assessments and appropriations (reappropriated funds) to indirect cost pool line items from those assessments.
- The total budget for Department's cost allocation plan in FY 2017-18 was \$110,038,320 total funds, including \$56,608,283 General Fund and \$53,429,937 reappropriated funds. Total expenditures in FY 2017-18 were \$108,527,322 total funds, including \$55,278,025 General Fund and \$53,249,297 reappropriated funds. The Department's Long Bill did not include transfer authority between indirect cost pool line items.
- The State Controller placed restrictions on FY 2018-19 indirect cost pool line item appropriations in which there were FY 2017-18 over expenditures (in both General Fund and reappropriated funds), thereby reducing the amount of funding available to cover FY 2018-19 Departmental expenses.
- The Joint Budget Committee does not have the authority to request that the Controller release the restriction on line items in the Department's FY 2018-19 budget; however the committee can approve an increase in the current fiscal year to offset a restriction that results in too little funding for the Department to meet its obligations prior the introduction of a supplemental bill that address the overexpenditures in FY 2017-18.
- The Department's amended interim supplemental budget request is for a FY 2018-19 increase of \$1,800,692 total funds including \$204,247 General Fund and \$1,596,445 reappropriated funds to provide adequate spending authority in indirect cost pool line items restricted by the Office of the State Controller as a result of FY 2017-18 overexpenditures.

-
- **JBC staff recommends that the committee approve a FY 2018-19 increase of \$233,610 General Fund to cover expenses in only those line items in which total FY 2018-19 funding is not sufficient to cover expenses through February 2019 when a FY 2017-18 supplemental bill can be introduced to true up the indirect cost pool line items.** JBC staff and the Department each calculated that the Department will need eight months of funding available to cover expenditures through the supplemental bill process. The difference between the Department's request and the JBC staff recommendation results from the application of the full twelve-month General Fund appropriation to the anticipated line item shortfall. The Department only applied eight months of the General Fund appropriation to the total amount needed.
 - The Department will submit a supplemental request in January 2019 to true up the FY 2017-18 line item/fund type appropriation resulting in a **net-zero** budgetary impact, and eliminating the need to make the \$233,610 adjustment to the FY 2018-19 line item appropriations.
 - A FY 2018-19 supplemental bill will also be necessary to true up the indirect cost pool and indirect cost assessment line items as well.

STAFF ANALYSIS:

The Department of Human Services (DHS) is required to prepare a Public Assistance Cost Allocation Plan (PACAP) for the U.S. Department of Health and Human Services (DHHS), Cost Allocation Services Section of the Program Support Center, pursuant to: 2 CFR Part 200 (Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards); Titles 7, 42, and 45 of the Code of Federal Regulations; and the DHHS Grants Administration Manual. The PACAP contains both state and federal programs administered by the Department and the procedures by which the Department's administrative costs are allocated to these programs. While the Department is required by the federal government to operate under a federally approved PACAP, prior to FY 2017-18, the indirect cost assessments had not been identified in the Long Bill. As a result of confusion surrounding indirect cost assessments, the Joint Budget Committee (JBC) approved new indirect cost assessment line items in the majority of the Department's Long Bill divisions beginning in FY 2017-18.

LONG BILL INDIRECT COST PLAN

During the 2018 session, the JBC approved the JBC staff recommendations for FY 2017-18, including a requirement that the indirect cost assessment applied to any cash fund be equivalent to the actual costs or the assessment as determined by the Department's public assistance cost allocation plan; and an increase of \$2.7 million total funds, including \$1.4 million General Fund to adjust fund splits to align with the requirement. Because FY 2017-18 was the first year the indirect cost plan was itemized in the Long Bill, the ratio of General Fund to all other fund types for most line items in the indirect cost pool was calculated across the board at 54 percent General Fund:46 percent other fund types. The exception to this is found in the Personal Services line item in the Office of Operations which was calculated at a 40/60 percent General Fund to other fund type ratio. This generalized fund split in FY 2017-18 resulted in General Fund and reappropriated funds overexpenditures in some indirect cost pool line items, and off-setting underexpenditures in other cost pool line items. The Department does not have the authority to transfer funds between line items during the year end close out process. Please see the table on page 7.

IMPACT OF FY 2017-18 OVEREXPENDITURES ON FY 2018-19 SPENDING AUTHORITY

It is expected that the Department will submit a request during the regular supplemental budget process to true up the indirect cost pool line items, resulting in a net-zero budgetary impact; however,

overexpenditures in the line items have resulted in the restriction of FY 2018-19 appropriations by the Office of the State Controller. As a result, the Department is requesting an increase in the FY 2018-19 appropriation to eight Long Bill line items in order to ensure that sufficient funds are available to cover projected FY 2018-19 expenditures. The Department's calculations are based on the difference between the FY 2018-19 appropriation by fund type less the restricted amount of each fund type and the projected costs of eight months of expenditures in each restricted line item. The Department did not apply the full General Fund appropriation to total overexpenditures in each line item.

Although the Department's over/under expenditure calculations were correct when applied to specific fund types, pursuant to Section 24-75-109 (1.5), C.R.S., "an overexpenditure includes any instance in which the total expenditures charged to a specific line item of appropriation are in excess of the total spending authority appropriated for that line item and any instance in which sufficient cash or cash-exempt reserves have not been earned to cover related expenditures and there is no statutory fund balance to cover such expenditures." As a result, JBC staff applied remaining General Fund appropriated in the FY 2018-19 Long Bill to anticipated General Fund or reappropriated funds overexpenditures in the same line item and determined that additional General Fund is only necessary in three indirect cost pool line items.

| JBC STAFF RECOMMENDATION BY LONG BILL LINE ITEM | | | | | | | | |
|-------------------------------------------------|----------------------------------------|---------------------------|------------------------------------------------------|------------------------------|-------------------------|-----------------------------|---------------------------------|-----------------------------|
| DESCRIPTION | EXECUTIVE DIRECTOR'S OFFICE LINE ITEMS | | OFFICE OF INFORMATION TECHNOLOGY SERVICES LINE ITEMS | | | | OFFICE OF OPERATIONS LINE ITEMS | |
| | ADMIN. LAW JUDGE SERVICES | INJURY PREVENTION PROGRAM | MICRO COMPUTER LEASES | COUNTY FINANCIAL MGMT SYSTEM | CLIENT INDEX | PAYMENTS TO OIT | CAPITAL COMPLEX LEASE SPACE | UTILITIES |
| FY 2018-19 APPROPRIATION | <u>\$611,825</u> | <u>\$106,755</u> | <u>\$539,344</u> | <u>\$1,494,325</u> | <u>\$17,698</u> | <u>\$29,294,897</u> | <u>\$1,645,456</u> | <u>\$9,889,871</u> |
| General Fund (12 months) | 343,687 | 59,826 | 291,246 | 806,936 | 9,557 | 15,822,062 | 925,087 | 5,191,515 |
| Reappropriated Funds (12 months) | 268,138 | 46,929 | 248,098 | 687,389 | 8,141 | 13,472,835 | 720,369 | 4,698,356 |
| FY 2017-18 OVEREXPENDITURE/ RESTRICTION | <u>(\$145,671)</u> | <u>(\$37,472)</u> | <u>(\$93,704)</u> | <u>(\$447,512)</u> | <u>(\$3,264)</u> | <u>(\$5,663,787)</u> | <u>(\$377,496)</u> | <u>(\$1,917,222)</u> |
| General Fund | 0 | (37,472) | 0 | 0 | 0 | 0 | 0 | (1,917,222) |
| Reappropriated Funds | (145,671) | 0 | (93,704) | (447,512) | (3,264) | (5,663,787) | (377,496) | 0 |
| AVAILABLE FY 2018-19 APPROPRIATION | <u>\$425,332</u> | <u>\$53,640</u> | <u>\$394,175</u> | <u>\$966,854</u> | <u>\$12,808</u> | <u>\$21,028,094</u> | <u>\$1,153,669</u> | <u>\$6,406,530</u> |
| General Fund (12 months) | 343,687 | 22,354 | 291,246 | 806,936 | 9,557 | 15,822,062 | 925,087 | 3,274,293 |
| Reappropriated Funds (8 months) | 81,645 | 31,286 | 102,929 | 159,918 | 3,251 | 5,206,032 | 228,582 | 3,132,237 |
| PROJECTED FY 2018-19 EXPENDITURES | <u>\$407,883</u> | <u>\$71,170</u> | <u>\$359,563</u> | <u>\$996,217</u> | <u>\$11,799</u> | <u>\$19,529,931</u> | <u>\$1,096,971</u> | <u>\$6,593,247</u> |
| General Fund (8 months) | 229,125 | 39,884 | 194,164 | 537,957 | 6,371 | 10,548,041 | 616,725 | 3,461,010 |
| Reappropriated Funds (8 months) | 178,759 | 31,286 | 165,399 | 458,259 | 5,427 | 8,981,890 | 480,246 | 3,132,237 |
| (OVER)/UNDER EXPENDITURES, TOTAL FUNDS | <u>\$17,448</u> | <u>(\$17,530)</u> | <u>\$34,613</u> | <u>(\$29,363)</u> | <u>\$1,010</u> | <u>\$1,498,163</u> | <u>\$56,698</u> | <u>(\$186,717)</u> |
| INCREASE IN APPROPRIATION BY LINE ITEM | 0 | 17,530 | 0 | 29,363 | 0 | 0 | 0 | 186,717 |

| JBC STAFF RECOMMENDATION BY LONG BILL LINE ITEM | | | | | | | | |
|-------------------------------------------------|----------------------------------------|-------------------------------|------------------------------------------------------|------------------------------|--------------|-----------------|---------------------------------|-----------|
| DESCRIPTION | EXECUTIVE DIRECTOR'S OFFICE LINE ITEMS | | OFFICE OF INFORMATION TECHNOLOGY SERVICES LINE ITEMS | | | | OFFICE OF OPERATIONS LINE ITEMS | |
| | ADMIN. LAW JUDGE SERVICES | INJURY PREVENTION PROGRAM | MICRO COMPUTER LEASES | COUNTY FINANCIAL MGMT SYSTEM | CLIENT INDEX | PAYMENTS TO OIT | CAPITAL COMPLEX LEASE SPACE | UTILITIES |
| TOTAL RECOMMENDATION | | \$233,610 General Fund | | | | | | |

JBC STAFF INTERIM SUPPLEMENTAL RECOMMENDATION

JBC staff recommends an increase of \$233,610 General Fund as identified in the above table. This recommendation is specific to an amended request submitted by the Office of State Planning and Budget to address the immediate need of the Department. The Department used its statutory authority as identified in Section 24-75-109 (1)(b), C.R.S., to overspend in the above line items, however, total overexpenditures exceed the \$1.0 million limit identified in the law. Whether or not the Controller’s Office has approved the overexpenditure, a restriction is placed on the line items in which overexpenditures occurred. Statute allows the Department to submit a request for an adjustment to the appropriation in the year in which the overexpenditure occurred, and while this interim supplemental addresses the overexpenditures in some line items, it does not address them in every line item that was overspent, because it was determined that the Department will have sufficient funding in the other line items to cover expenses up to the point that a supplemental bill can be introduced.

Statute does not provide the Joint Budget Committee with the authority to release a restriction placed on the current year appropriation as a result of the Department’s previous fiscal year’s overexpenditures. It does, however, provide authority for the Joint Budget Committee to “introduce a supplemental appropriation for the fiscal year in which the overexpenditure occurred for the amount of any overexpenditure allowed pursuant to this section. If a supplemental appropriation is enacted for the overexpenditure or some portion thereof, the restriction on the succeeding fiscal year’s appropriation shall be released in the amount of the supplemental appropriation enacted” [Section 24-75-111 (5), C.R.S.] In order to more appropriately address the imbalance in indirect cost pool line item over/under expenditures and fund splits, during the upcoming January supplemental process, JBC staff will recommend that JBC introduce a bill that adjusts all over and underspent indirect cost pool line items in FY 2017-18, resulting in a net zero budgetary impact. This will eliminate the need for the FY 2018-19 appropriation to the Department of Human Services to be increased by a total of \$233,610. The Department will submit a FY 2017-18 supplemental budget request to true up the indirect cost pool line items.

DEPARTMENT OF HUMAN SERVICES FY 2017-18 INDIRECT COST PLAN

| LINE ITEM | TOTAL BUDGET | TOTAL EXPENSES | UNDER/ (OVER) BUDGET | GENERAL FUND BUDGET | GENERAL FUND EXPENSES | GENERAL FUND UNDER/ (OVER) BUDGET | REAPP. FUNDS BUDGET | REAPP. FUNDS EXPENSES | REAPP. FUNDS UNDER/ (OVER) BUDGET | GENERAL FUND ADJUST. | REAPP. FUNDS ADJUST. | NET CHANGE |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|-----------------------------------|---------------------|-----------------------|-----------------------------------|----------------------|----------------------|------------|
| (1) Executive Director's Office (A) General Administration | | | | | | | | | | | | |
| Personal Services | \$2,472,111 | \$2,464,176 | \$7,935 | \$1,338,794 | \$1,317,893 | \$20,901 | \$1,133,317 | \$1,146,283 | (\$12,966) | (\$12,966) | \$12,966 | \$0 |
| Operating Expenses | 499,761 | 492,816 | 6,945 | 269,871 | 194,671 | 75,200 | 229,890 | 298,145 | (68,255) | (68,255) | 68,255 | 0 |
| Workers' Comp | 8,676,146 | 8,676,146 | 0 | 4,685,119 | 4,659,687 | 25,432 | 3,991,027 | 4,016,459 | (25,432) | (25,432) | 25,432 | 0 |
| Legal Services | 2,263,270 | 2,261,668 | 1,602 | 1,680,884 | 1,328,141 | 352,743 | 582,386 | 933,528 | (351,142) | (351,142) | 351,142 | 0 |
| Administrative Law Judge Services | 652,018 | 652,018 | 0 | 352,090 | 206,419 | 145,671 | 299,928 | 445,599 | (145,671) | (145,671) | 145,671 | 0 |
| Payments to Risk Management and Property Funds | 2,521,021 | 2,521,021 | (0) | 1,361,351 | 1,751,727 | (390,376) | 1,159,670 | 769,294 | 390,376 | 390,376 | (390,376) | 0 |
| Injury Prevention Program | 106,755 | 61,761 | 44,994 | 0 | 37,472 | (37,472) | 106,755 | 24,289 | 82,466 | 82,466 | (82,466) | 0 |
| Subtotal | \$17,191,082 | \$17,129,607 | \$61,475 | \$9,688,109 | \$9,496,009 | \$192,100 | \$7,502,973 | \$7,633,597 | (\$130,624) | (\$130,624) | \$130,624 | \$0 |
| (1) Executive Director's Office (B) Special Purpose | | | | | | | | | | | | |
| Employment and Regulatory Affairs | 7,062,621 | 6,894,098 | 168,523 | 4,003,020 | 3,261,032 | 741,988 | 3,059,600 | 3,633,066 | (573,465) | (740,283) | 740,283 | 0 |
| HIPPA | 346,813 | 208,134 | 138,679 | 179,999 | 96,001 | 83,998 | 166,814 | 112,132 | 54,681 | 40,858 | (40,858) | 0 |
| Subtotal | \$7,409,434 | \$7,102,232 | \$307,202 | \$4,183,020 | \$3,357,034 | \$825,986 | \$3,226,414 | \$3,745,198 | (\$518,784) | (\$699,424) | \$699,424 | \$0 |
| (2) Office of Information Technology (A) Information Technology | | | | | | | | | | | | |
| Operating Expenses | 560,634 | 446,021 | 114,613 | 302,742 | 168,417 | 134,325 | 257,892 | 277,603 | (19,711) | (19,711) | 19,711 | \$0 |
| Micro Computer Leases | 539,344 | 535,715 | 3,629 | 291,246 | 193,914 | 97,332 | 248,098 | 341,802 | (93,704) | (93,704) | 93,704 | \$0 |
| CFMS | 1,494,325 | 1,491,067 | 3,258 | 806,936 | 356,166 | 450,770 | 687,389 | 1,134,901 | (447,512) | (447,512) | 447,512 | 0 |
| Client Index | 17,698 | 17,200 | 498 | 9,557 | 5,794 | 3,763 | 8,141 | 11,405 | (3,264) | (3,264) | 3,264 | 0 |
| Payments to OIT | 29,509,048 | 29,335,149 | 173,899 | 15,918,939 | 10,081,253 | 5,837,686 | 13,590,109 | 19,253,896 | (5,663,787) | (5,663,787) | 5,663,787 | 0 |
| CORE Operations | 1,046,437 | 1,045,258 | 1,179 | 565,076 | 543,744 | 21,332 | 481,361 | 501,514 | (20,153) | (20,153) | 20,153 | 0 |
| Enterprise Content Management | 731,400 | 670,707 | 60,693 | 394,956 | 395,110 | (154) | 336,444 | 275,598 | 60,846 | 60,846 | (60,846) | 0 |
| Subtotal | \$33,898,886 | \$33,541,118 | \$357,768 | \$18,289,452 | \$11,744,398 | \$6,545,054 | \$15,609,434 | \$21,796,719 | (\$6,187,285) | (\$6,187,285) | \$6,187,285 | \$0 |
| (3) Office of Operations (A) Administration | | | | | | | | | | | | |
| Personal Services | 32,753,188 | 32,751,192 | 1,996 | 15,341,770 | 20,040,472 | (4,698,701) | 17,411,417 | 12,710,720 | 4,700,697 | 4,700,697 | (4,700,697) | 0 |
| Operating Expenses | 4,464,141 | 4,462,059 | 2,082 | 2,581,052 | 2,855,668 | (274,616) | 1,883,089 | 1,606,391 | 276,698 | 276,698 | (276,698) | 0 |
| Vehicle Lease Payments | 1,063,662 | 1,029,813 | 33,849 | 574,377 | 545,002 | 29,375 | 489,285 | 484,810 | 4,475 | 4,475 | (4,475) | 0 |
| Leased Space | 1,614,386 | 1,003,178 | 611,208 | 537,467 | 286,678 | 250,789 | 1,076,919 | 716,499 | 360,420 | 360,420 | (360,420) | 0 |
| Capital Complex Leased Space | 1,791,099 | 1,791,099 | 0 | 967,193 | 589,697 | 377,496 | 823,906 | 1,201,402 | (377,496) | (377,496) | 377,496 | 0 |
| Utilities | 9,852,343 | 9,717,025 | 135,318 | 4,445,843 | 6,363,065 | (1,917,222) | 5,406,500 | 3,353,960 | 2,052,540 | 2,052,540 | (2,052,540) | 0 |
| Subtotal | \$51,538,819 | \$50,754,365 | \$784,453 | \$24,447,702 | \$30,680,583 | (\$6,232,881) | \$27,091,116 | \$20,073,782 | \$7,017,334 | \$7,017,334 | (\$7,017,334) | \$0 |
| COST ALLOCATION PLAN TOTALS | \$110,038,220 | \$108,527,322 | \$1,510,899 | \$56,608,283 | \$55,278,025 | \$1,330,259 | \$53,429,937 | \$53,249,297 | \$180,640 | \$0 | \$0 | \$0 |

STATE OF COLORADO

REPRESENTATIVES
MILLIE HAMNER – CHAIR
DAVE YOUNG
BOB RANKIN

SENATORS
KENT LAMBERT - VICE-CHAIR
KEVIN LUNDBERG
DOMINICK MORENO



STAFF DIRECTOR
JOHN ZIEGLER

JOINT BUDGET COMMITTEE
200 EAST 14TH AVENUE, 3RD FLOOR
LEGISLATIVE SERVICES BUILDING
DENVER, CO 80203
TELEPHONE 303-866-2061
<http://leg.colorado.gov/agencies/joint-budget-committee>

September 20, 2018

Mr. Robert Jaros
State Controller
Department of Personnel
1525 Sherman Street
Denver, CO 80203

Dear Mr. Jaros:

The Joint Budget Committee has considered an interim supplemental request submitted by the Department of Human Services under the provisions of H.B. 98-1331 concerning FY 2017-18 Indirect Cost Overexpenditures. This request was previously approved by the Office of State Planning and Budgeting. Pursuant to Section 24-75-111 (1), C.R.S., the Committee authorizes the expenditures listed below and will sponsor supplemental appropriations bills during the 2019 legislative session that reflect these changes.

| JBC APPROVED ADJUSTMENTS TO FY 2018-19 APPROPRIATION | | | | |
|----------------------------------------------------------------------------------|------------------|------------|------------------|----------------------|
| DEPARTMENT, DIVISION, LINE | TOTAL FUNDS | FTE | GENERAL FUND | REAPPROPRIATED FUNDS |
| Department of Human Services | | | | |
| <i>(1) Executive Director's Office, (A) General Administration</i> | | | | |
| Injury Prevention Program | \$17,530 | 0.0 | \$17,530 | \$0 |
| <i>(2) Office of Information Technology Services, (A) Information Technology</i> | | | | |
| County Financial Management System | 29,363 | 0.0 | 29,363 | 0 |
| <i>(3) Office of Operations, (A) Administration</i> | | | | |
| Utilities | 186,717 | 0.0 | 186,717 | 0 |
| TOTAL FY 2018-19 ADJUSTMENTS | \$233,610 | 0.0 | \$233,610 | 0 |

If you have any questions or concerns, please contact Robin Smart of our staff at 303-866-4955.

Sincerely,

Millie Hamner, Chair
Joint Budget Committee

cc:

Mr. John Ziegler, Staff Director, Joint Budget Committee
Ms. Lauren Larson, Director, Office of State Planning and Budgeting
Mr. Reggie Bicha, Executive Director, Department of Human Services
Ms. Sarah DeVore, Director of Budget and Policy, Department of Human Services

HUM-sup