

JOINT BUDGET COMMITTEE



INTERIM SUPPLEMENTAL BUDGET REQUESTS FY 2022-23

DEPARTMENT OF PERSONNEL

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

PREPARED BY:
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JUNE 20, 2023

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State Fleet Management Maintenance Costs1

INTERIM SUPPLEMENTAL REQUESTS

STATE FLEET MANAGEMENT MAINTENANCE COSTS

	REQUEST	RECOMMENDATION
TOTAL	\$847,836	\$847,836
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	847,836	847,836
Federal Funds	0	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 unanticipated maintenance costs for the state fleet that were unknown during the 2023 legislative session when the original appropriations was made.

DEPARTMENT REQUEST: The Department requests an increase of \$847,836 reappropriated funds in FY 2022-23 for unanticipated state fleet maintenance expenditures.

STAFF RECOMMENDATION: Staff **recommends that the Committee approve the request.**

STAFF ANALYSIS: The supplemental budget request seeks an additional \$847,836 reappropriated funds spending authority in FY 2022-23 for the State Fleet Management's Fuel and Automotive Supplies line item. The appropriation to the line item is from the Motor Fleet Management Fund, created in Section 24-30-1115 (1), C.R.S., which receives revenue from user fees from state agencies for use of state fleet vehicles. The Department has experienced greater than anticipated fleet maintenance costs in the last quarter of FY 2022-23 and does not have sufficient spending authority to access revenue in the Fund. Specifically, the projected maintenance expenses in accounting Period 13, which represents anticipated encumbered (but unpaid) maintenance expenses from previous months, will result in expenses exceeding appropriations for the line item.

FY 2022-23 ESTIMATED FUEL AND MAINTENANCE EXPENSES						
COST COMPONENT	Q1 ACTUAL	Q2 ACTUAL	Q3 ACTUAL	Q4 PROJECTION	PERIOD 13 PROJECTION	TOTAL
Fuel	\$3,676,640	\$3,270,650	\$3,020,313	\$3,598,846	\$0	\$13,566,449
Maintenance	2,604,735	2,235,345	2,253,305	2,483,333	862,433	10,439,151
Accidents	255,227	299,156	302,859	380,810	0	1,238,052
License/Title	3,173	3,258	2,880	3,600	0	12,911
Total	\$6,539,775	\$5,808,409	\$5,579,357	\$6,466,589	\$862,433	\$25,256,563
					FY 2022-23 appropriation	\$24,408,726
					<i>Requested adjustment</i>	<i>\$847,837</i>

This request is related to a January 2023 supplemental request submitted by the Executive Branch, a modified version of which was approved by the Committee and General Assembly through the Department of Personnel’s supplemental bill (S.B. 23-127). In January, the Department sought an additional \$6.2 million reappropriated funds spending authority, but was appropriated an additional \$3.5 million based on the JBC staff analysis. The difference between the Department’s January 2023 request and the subsequent staff recommendation hinged on an analysis of projected fuel costs in FY 2022-23. As the table below shows, staff’s projections anticipated lower fuel costs for current fiscal year. Unfortunately, neither the Department nor JBC staff anticipated the higher maintenance costs experienced by the Department. Updated projections provided by the Department for their June 2023 interim supplemental indicate that maintenance costs for FY 2022-23 will exceed \$10.4 million, or roughly \$1.2 million more than estimated in January 2023.

JANUARY 2023 VS JUNE 2023 FUEL AND MAINTENANCE PROJECTIONS			
COST COMPONENT	JANUARY 2023 PROJECTION		JUNE 2023 PROJECTION (DEPARTMENT)
	DEPARTMENT	JBC STAFF	
Fuel	\$16,545,729	\$13,892,632	\$13,566,449
Maintenance	9,204,707	9,204,707	10,439,151
Accidents	1,292,365	1,292,365	1,238,052
License/Title	19,022	19,022	12,911
Total	\$27,061,823	\$24,408,726	\$25,256,563

JBC staff recommends approval of the June 2023 interim supplemental requesting an additional \$847,836 reappropriated funds spending authority in FY 2022-23. The increase will provide the Department with sufficient spending authority to cover expenditures. If this request is denied, it is likely that the Department will overexpend the appropriation for the Fuel and Automotive Supplies line item, which will result in a restriction being placed on the line item by the State Controller. If that occurs, then the Department will need to submit a supplemental in January 2024 lift that restriction. Approval of this request will preempt the need for a restriction and January 2024 supplemental request.