

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
 FROM Alfredo Kemm, JBC Staff (303-866-4549)
 DATE February 13, 2020
 SUBJECT Staff figure setting comeback: Treasury R4 and R2 requests

The Committee tabled consideration of the Department of Treasury R4 and R2 requests at figure setting on February 6th. The Committee requested additional information on the cost of desks and furniture in the R4 request and the number of furniture items and unit cost included in the R2 request. Staff includes the original write-up along with additional information as requested by the Committee.

→ R4 ADMINISTRATIVE OFFICE UPGRADES

REQUEST: The Department requests an increase of \$99,725 General Fund for FY 2020-21 and \$6,000 ongoing. The request includes:

- \$78,700 for State Capitol office deferred maintenance upgrades;
- \$7,300 for a large screen conference room monitor; and
- \$13,725 for a mobile Granicus unit for public meeting audio stream and archive, that includes \$6,000 (plus 7.0 percent annual increases) in annual licensing and subscription costs.

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

ANALYSIS: The Department's request includes the items outlined in the following table:

R4 Administrative Office Upgrades		
	FY 2020-21	FY 2021-22
	one-time	ongoing
Deferred Maintenance		
Replace curtains - 9 windows	\$8,300	
New carpet and paint - 4,379 sq.ft.	<u>42,900</u>	
subtotal - deferred maintenance	\$51,200	
Furniture Upgrades		
Four cubicles	\$23,000	
Three desks	2,100	
Three locking file cabinets	<u>2,400</u>	
subtotal - furniture upgrades	\$27,500	
Monitor - conference room	\$7,300	
Granicus audio portable encoder		
Hardware and shipping	\$6,625	
Setup and configuration	875	
Online training	225	
Annual Subscription	<u>6,000</u>	\$6,420
subtotal - Granicus	\$13,725	\$6,420
Total	\$99,725	\$6,420

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The Department states that the deferred maintenance and furniture upgrades are general office environment items that are in need of repair or replacement. Staff toured the Department's offices and concurs with the need to address deferred maintenance and improve the staff office functionality with the requested upgraded cubicle hardware and furniture.

The Department states that the Treasurer chairs multiple boards, including the Public School Permanent Fund, but is unable to provide the same level of live stream and archive audio record and transparency as provided for the legislative process. The Department requests the purchase of a mobile Granicus system that will enable public meetings to be live streamed and cloud-archived.

The Department similarly requests a large screen monitor for the conference in order to host visual and video presentations.

Staff recommends that the Committee approve this request.

ADDITIONAL STAFF ANALYSIS: The Committee requested that staff pursue additional information on the unit cost of furniture requested.

The Department states that cost estimates were provided by Capitol Complex:

Four cubicles (desks included) - \$23,000.

"The Department is requesting four new cubicles to replace old or broken cubicles. Of the three cubicles in the front office, one wall is propped up against a desk and does not actually stand on its own. Another was 'found' in the sub-basement during Treasurer Kennedy's administration. A few are cracked along the bottom and almost all of them are old. This request covers the replacement of only the cubicles in the worst shape."

Three desks (stand-alone) - \$2,100.

"The desk that greets you when you enter the Treasurer's office is missing a drawer and falling apart at the seams. Most of the more recently updated cubicles include a matching desk. This request covers the three desks in the office that are not attached to a cubicle."

Three locking filing cabinets - \$2,400.

"The Department needs new filing cabinets that are the appropriate size for the space they're in and lock properly. Among the hodge podge of filing cabinets, you currently need to throw your entire body weight against the locking filing cabinet in order to lock or unlock it. Aside from not wanting our employees to throw themselves into metal furniture, having functional locking filing cabinets is a confidentiality and safety issue."

Replace curtains on nine windows - \$8,300.

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New carpeting and paint (4,379 sq. ft.) - \$42,900. Carpet squares installed including removal of carpet with furniture in place; carpet squares between \$6 and \$6.80 per square foot (\$26,274-29,777). Paint at \$2.25 to \$3 per square foot (\$9,853-13,137).

→ R2 UNCLAIMED PROPERTY INCREASED WORKLOAD COSTS

REQUEST: The Department requests an increase of \$92,000 cash funds from the Unclaimed Property Trust Fund in FY 2020-21 and \$80,500 ongoing for costs related to the implementation of S.B. 19-088 Revised Uniform Unclaimed Property Act (RUUPA) as well as recommendations included in the July 2019, Division of Unclaimed Property performance audit by the Office of the State Auditor.

One-time costs include:

- \$7,500 for a one-time auction to substantially reduce the existing tangible property inventory;
- \$1,000 for the purchase and installation of vault cameras; and
- \$3,000 for the replacement of deteriorated office furnishings.

Ongoing costs include:

- \$80,000 for additional printing and postage costs; and
- \$500 for in-state travel related to communications with claimants and property owners as required by RUUPA.

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

ANALYSIS: Senate Bill 19-088, Revised Uniform Unclaimed Property Act (RUUPA), requires the program to attempt to notify claimants once holders turn over unclaimed property. RUUPA provides for the program to contact claimants electronically, however the Department seeks to also contact claimants by mail. This includes both printing and postage costs. Postage includes the cost to return tangible items by mail if claimants are unable to pick up items at the program office. A one-time cost of \$1,000 provides for the installation of vault cameras provide additional security and are considered a standard tool for audit control to ensure proper handling of tangible property. The request includes \$3,000 for new desks to replace desks that are deteriorated and falling apart. The program's tangible assets vault is full and statute allows for the sale of items, with the funds from sale held in trust for claimants. While the program uses e-Bay for smaller sales, this auction would allow the program to have a larger, professionally run sale. The request for in-state travel provides program staff the opportunity to travel to claimants for claimants unable to travel to the office for certain compliance requirements.

The following table outlines the items included in the request.

R2 Unclaimed Property Increased Workload Costs		
	FY 2020-21	FY 2021-22
	one-time	ongoing
Printing and Postage		
Notification postcards plus postage	\$67,500	\$67,500
Increase - print claim checks plus postage	11,000	11,000
Increase - mailing of tangible property	<u>1,500</u>	<u>1,500</u>

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R2 Unclaimed Property Increased Workload Costs		
	FY 2020-21	FY 2021-22
	one-time	ongoing
subtotal - deferred maintenance	\$80,000	\$80,000
Auction Costs	\$7,500	
Replacement Desks	3,000	
Install vault cameras	1,000	
In-state travel	500	500
Total	\$92,000	\$80,500

Staff recommends that the Committee approve the request.

ADDITIONAL STAFF ANALYSIS: The Committee requested that staff pursue additional information on the number of units and unit cost of furniture requested.

Unclaimed Property Program replacement of seven desks, estimated at \$3,000 – approximately \$429 per desk – as priced by a used furniture company in Denver.