

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING  
DEPARTMENT OF THE TREASURY**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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## Contents

Department Overview .....	1
Summary of Staff Recommendations .....	1
Description of Incremental Changes .....	2
Primary Differences from the Request .....	3
(1) Administration .....	4
Decision Items - Administration .....	6
Line Item Detail – Administration .....	7
Personal Services .....	7
Health, Life, and Dental .....	8
Short-term Disability .....	9
S.B. 04-257 Amortization Equalization Disbursement .....	10
S.B. 06-235 Supplemental Amortization Equalization Disbursement .....	11
Salary Survey .....	11
Merit Pay .....	12
Workers' Compensation and Payment to Risk Management and Property Funds .....	13
Operating Expenses .....	14
Information Technology Asset Maintenance .....	15
Legal Services for 575 hours .....	15
Capitol Complex Leased Space .....	16
Payments to OIT .....	17
CORE Operations .....	18
Charter School Facilities Financing Services .....	19
(2) Unclaimed Property Program .....	22
Decision Items – Unclaimed Property Program .....	23
Line Item Detail – Unclaimed Property Program .....	24
Personal Services .....	24
Operating Expenses .....	25
Promotion and Correspondence .....	25
Leased Space .....	26
Contract Auditor Services .....	27
(3) Special Purpose .....	28
Line Item Detail – Special Purpose .....	28
Senior Citizen and Disabled Veteran Property Tax Exemption .....	28

Highway Users Tax Fund – County Payments .....	30
Highway Users Tax Fund – Municipality Payments .....	31
Property Tax Reimbursement for Property Destroyed by Natural Cause.....	31
Lease Purchase of Academic and Facilities Pursuant to Section 23-19.9-102, C.R.S. ....	32
<b>Long Bill Footnotes and Requests for Information</b> .....	34
Long Bill Footnotes .....	34
Requests for Information .....	34
<b>Number Pages</b> .....	35

## **How to Use this Document**

This Document contains the Joint Budget Committee (JBC) Staff recommendation for the Department of the Treasury Long Bill figure setting. The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each change. A similar overview table is provided for each division, but descriptions of incremental changes are not repeated. Department budget requests are discussed at the beginning of the division that is impacted by the request. Within each section, budget requests are listed in the requested priority order, if applicable. Specific recommendations for each line item in the Department’s budget can be found in the sections entitled “Line Item Detail” within each division.

It is Staff’s practice to review the Department’s SMART ACT Performance Plan and Evaluation Reports and utilize any relevant performance measures in the analysis of the budget; however the Department has not posted the FY 2014-15 Evaluation Reports or FY 2015-16 Performance Plan on its website or made it available to JBC Staff as of the submission date of this document. In addition, Staff utilizes responses to the JBC’s requests for information in analysis of line item appropriations. The Department did not submit a response to the request for information concerning the workload of the Unclaimed Property Program.

## Department Overview

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury is responsible for the following primary duties: (1) acts as the state's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) reimburses local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (4) provides short-term, interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the state's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions pursuant to S.B. 12-150; and (9) provides property tax reimbursements to counties for property destroyed by a natural cause.

### SUMMARY OF STAFF RECOMMENDATIONS

<b>Department of the Treasury</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$481,677,345	\$135,066,583	\$346,610,762	\$0	\$0	31.9
HB 16-9999 (Long Bill supplemental)	(28,917)	(28,917)	0	0	0	0.0
<b>TOTAL</b>	<b>\$481,648,428</b>	<b>\$135,037,666</b>	<b>\$346,610,762</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$481,648,428	\$135,037,666	\$346,610,762	\$0	\$0	31.9
R1 Funding for Unclaimed Property leased office space	1,733	0	1,733	0	0	0.0
R2 Investment tools - Bloomberg and S&P	4,480	4,480	0	0	0	0.0
R3 Investment tools - BondEdge	(26,770)	(26,770)	0	0	0	0.0
Highway User Tax Fund adjustment	19,679,238	0	19,679,238	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	9,695,533	9,695,533	0	0	0	0.0
Operating common policy adjustments	52,316	12,609	39,707	0	0	0.0
Annualize prior year budget actions	44,323	27,024	17,299	0	0	0.0
Annualize prior year legislation	28,917	28,917	0	0	0	0.0
OIT common policy adjustments	12,090	12,090	0	0	0	0.0
Federal mineral lease adjustment	2,125	11,994,100	(11,991,975)	0	0	0.0
NPI1 Secure Colorado	1,050	1,050	0	0	0	0.0

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Department of the Treasury</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
FTE increase	0	0	0	0	0	1.0
Compensation-related common policy adjustments	(31,671)	(7,606)	(24,065)	0	0	0.0
<b>TOTAL</b>	<b>\$511,111,792</b>	<b>\$156,779,093</b>	<b>\$354,332,699</b>	<b>\$0</b>	<b>\$0</b>	<b>32.9</b>
<b>Increase/(Decrease)</b>	\$29,463,364	\$21,741,427	\$7,721,937	\$0	\$0	1.0
Percentage Change	6.1%	16.1%	2.2%	0.0%	0.0%	3.1%
<b>FY 2016-17 Executive Request</b>	<b>\$511,111,792</b>	<b>\$156,779,093</b>	<b>\$354,332,699</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(1.0)

## Description of Incremental Changes

### FY 2015-16

**Long Bill supplemental:** The recommendation includes an adjustment to the FY 2015-16 appropriation for costs associated with the replacement of the investment management tool, BondEdge, with a more cost effective and efficient product.

### FY 2016-17

**R1 Funding for Unclaimed Property leased office space:** The recommendation includes an increase of \$1,733 cash funds from the Unclaimed Property Trust Fund for the lease with CIO Logan Tower.

**R2 Investment tools – Bloomberg and S&P:** The recommendation includes an increase of \$4,480 General Fund for costs associated with the Bloomberg and S&P investment tools used by the Department’s investment officers.

**R3 Investment tools – BondEdge:** The recommendation includes a decrease of \$26,770 General Fund to replace BondEdge with a more efficient and cost effective system and to provide training for transitioning investment staff.

**Highway Users Tax Fund (HUTF) adjustment:** The recommendation includes, for informational purposes, a \$19.7 million increase in cash funds for distribution of HUTF revenues to counties and municipalities; based on the Legislative Council September 2015 forecast.

**Senior Citizen and Disabled Veteran Property Tax Exemption adjustment:** The recommendation includes, for informational purposes, a \$9.7 million increase in General Fund for reimbursement to local governments for lost property tax revenues; based on the Legislative Council September 2015 forecast.

**Operating common policy adjustments:** The recommendation includes adjustments to centrally appropriated line items for Capitol Complex lease space.

**Annualize prior year budget actions:** The recommendation includes the annualization of prior year budget actions including salary survey and merit pay.

**Annualize prior year legislation:** The recommendation includes the annualization of the Department's Supplemental Bill.

**OIT common policy adjustments:** The recommendation includes adjustments to centrally appropriated line items for the purchase of services from the Governor's Office of Information Technology (OIT).

**Federal mineral lease adjustment:** The recommendation includes an increase of \$12.0 million General Fund and a corresponding decrease in cash funds from the Higher Education Federal Mineral Lease Revenues Fund for certificates of participation for academic facilities.

**NP1 Secure Colorado:** The recommendation includes an increase of \$1,050 General Fund for the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

**FTE increase:** The recommendation includes an increase in the Department's FTE in the Administration division. Though the General Assembly does not appropriate FTE, this change will provide a more accurate picture of the use of the line item's appropriation.

**Compensation-related common policy adjustments:** The recommendation includes adjustments to centrally appropriated line items for compensation including the following: salary survey and merit pay; health, life, and dental; worker's compensation; and short-term disability.

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### **Primary Differences from the Request**

The Staff recommendation aligns with the Department's request.

## **(1) Administration**

The Administration Division is responsible for the operation and oversight of the Department of the Treasury. The Division performs three primary functions: accounting, cash management, and investment services.

*Accounting:* The accounting section primarily performs daily reconciliation of all cash that flows in and out of the state's bank accounts. This section is responsible for allocating monthly interest earnings to various funds managed by the Treasury. It manages disbursements and transfers, including: distributing Highway Users Tax Fund (HUTF) moneys, tobacco settlement moneys, tobacco tax moneys, and federal mineral leasing funds; and disbursing senior citizen and disabled veteran property tax exemption payments to local governments. Further, the section issues cash flow notes on behalf of school districts participating in the interest-free loan program; and it administers the school bond payment guarantee program and the charter-school intercept and moral obligation credit enhancement program. Finally, this section is responsible for managing the Elderly Property Tax Deferral Program.

*Cash Management:* The cash management section manages the state's banking service agreements and bank accounts, coordinates receipts and disbursements, and works with the investment staff to ensure that sufficient funds are maintained in the state's bank accounts. One of the main goals of the cash management section is to maintain a sufficient amount of cash to allow the state to meet its financial obligations, while at the same time investing as much as possible in order to maximize interest and investment income.

*Investment:* The investment section manages large portfolios collectively worth approximately \$8.6 billion. These assets are managed under statutory guidelines with the objectives of reducing financial risk, maintaining desired portfolio liquidity, and maintaining high yields.

### **General Note Concerning Funding for the Administration Division**

Pursuant to Section 24-36-120, C.R.S., the Administration Division is partially funded by a transaction fee imposed on cash transactions that the division conducts on behalf of the more than 100 interest-earning cash funds that are subject to the fee. Specific funds, such as the State Education Fund, the Highway Users Tax Fund, the Great Outdoors Colorado Trust Fund, the Public School Fund, the Old Age Pension Fund, the College Opportunity Fund, and any other fund for which the collection of these fees are prohibited by the State Constitution are exempt from the payment of these fees.

The resulting revenue from these fees covers nearly one-half of the Administration Division's expenses, which would otherwise be paid by the General Fund. The FY 2016-17 fee per transaction will be established at the start of the fiscal year and will equal the FY 2016-17 appropriation for the Administration Division divided by the total number of cash transactions conducted by the Treasury during the prior year (FY 2015-16); including transactions conducted on behalf of funds that do not pay the fee. The amount paid by an eligible fund during FY 2016-17 will then equal the per transaction fee multiplied by the number of transactions conducted on behalf of that fund during the prior year (FY 2015-16).

*JBC Staff Figure Setting: FY 2016-17*  
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The formula through which fees are calculated results in the General Fund paying for approximately half of any increased Administration Division appropriation, while the rest is covered by eligible cash funds. For example, if the General Assembly increases the Administration Division's Operating Expenses appropriation by \$1,000, the per transaction fee will increase by a fraction of a cent, raising approximately \$500 more from the eligible cash funds; the General Fund will cover the remainder. While transaction fee revenue is used to fund a portion of all lines in the Administration Division, for simplicity, staff reflects all of this revenue in the Personal Services line.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$2,309,294	\$1,063,680	\$1,245,614	\$0	\$0	16.4
HB 16-9999 (Long Bill supplemental)	(28,917)	(28,917)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,280,377</b>	<b>\$1,034,763</b>	<b>\$1,245,614</b>	<b>\$0</b>	<b>\$0</b>	<b>16.4</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$2,280,377	\$1,034,763	\$1,245,614	\$0	\$0	16.4
R2 Investment tools - Bloomberg and S&P	4,480	4,480	0	0	0	0.0
R3 Investment tools - BondEdge	(26,770)	(26,770)	0	0	0	0.0
Operating common policy adjustment	52,316	12,609	39,707	0	0	0.0
Annualize prior year legislation	28,917	28,917	0	0	0	0.0
Annualize prior year budget actions	27,024	27,024	0	0	0	0.0
OIT common policy adjustments	12,090	12,090	0	0	0	0.0
NPII Secure Colorado	1,050	1,050	0	0	0	0.0
FTE increase	0	0	0	0	0	1.0
Compensation-related common policy adjustments	(31,671)	(7,606)	(24,065)	0	0	0.0
<b>TOTAL</b>	<b>\$2,347,813</b>	<b>\$1,086,557</b>	<b>\$1,261,256</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>Increase/(Decrease)</b>	<b>\$67,436</b>	<b>\$51,794</b>	<b>\$15,642</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	3.0%	5.0%	1.3%	0.0%	0.0%	6.1%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,347,813</b>	<b>\$1,086,557</b>	<b>\$1,261,256</b>	<b>\$0</b>	<b>\$0</b>	<b>16.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(1.0)



## DECISION ITEMS - ADMINISTRATION

### R2 Investment Tools – Bloomberg and S&P

**Request:** The Department requests an increase of \$4,480 General Fund to continue funding the required investment tools at the current level.

**Recommendation:** Staff recommends approval of the Department's request.

**Analysis:**

The Department's investment officers use two investment tools on a daily basis, including the Bloomberg terminals that provide live prices and yields, and Credit Wire, the Standard & Poor's (S&P) credit research service. The Treasury relies upon these services to assist in reinvesting the proceeds of the Department's debt issuance and as a result a portion of the costs associated with these tools is allocated to the Department's debt issuance. Two factors are contributing to the need for increased funds: the percentage of the investment tool costs applicable to Treasury's debt issuances has fallen from 15.0 to 14.0 percent; and costs to utilize both the Bloomberg and Standard & Poor's investment tools is increasing.

### R3 Investment Tools - BondEdge

**Request:** The Department requests a decrease of \$26,770 General Fund to replace the investment management tool, BondEdge, with a more cost effective and efficient product, and to provide training for transitioning investment staff to the new platform.

**Recommendation:** Staff recommends approval of the Department's request.

**Analysis:**

As a result of enhancements made to the Bloomberg fixed income trading platform, this product now provides investment officers with a more effective and efficient tool through which to execute trades on behalf of the State of Colorado. Because this securities market information and trading system, FIT, is part of the Bloomberg instrument, the Department's investment officers can access it at no additional charge. The Department is able to cancel the subscription to the BondEdge management tool and save \$38,770 General Fund in FY 2016-17.

Using FIT will require training for the Department's investment officers. The Department calculates the cost of training and conferences to be \$12,000 General Fund in FY 2016-17. The overall cost savings of this request is \$26,770 General Fund.

### Staff Initiated – FTE Increase

**Recommendation:** Staff recommends that the Long Bill reflect 17.4 FTE for the Department's Administration division. Though the General Assembly does not appropriate FTE, this change will provide a more accurate picture of the use of the line item's appropriation.

***Analysis:***

The Department is experiencing an increased workload as a result of the implementation of CORE and has been utilizing temporary staff to address it. Temporary staff are allowed to work nine consecutive months after which the position must either be made permanent or the staff member must leave the position. The workload in the Department is consistent throughout the year resulting in the need for additional staff year-round. Due to the retirement of senior staff in the Department, the increase in FTE does not require an increase in funding. Section 24-75-112 (1) (d) (V) requires the Department to notify the Committee in writing of a material change in the number of FTE specified in a particular item of appropriation. An increase of 1.0 FTE does not constitute a material change; however the Department did notify Staff of this intended increase and agrees that this change will more accurately reflect the use of appropriated funds.



**NP1 Secure Colorado**

***Request:*** The Department requests an increase of \$1,050 General Fund for costs associated with the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

***Recommendation:*** Staff recommendation is pending Committee common policy decisions. Staff will reflect Committee action in the appropriation for this request.

**LINE ITEM DETAIL – ADMINISTRATION**

**Personal Services**

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association and the state share of federal Medicare taxes. This line item also provides funding for certain professional and temporary services.

***Statutory Authority:*** Section 24-50-101, C.R.S., et seq.

***Request:*** The Department requests an appropriation of \$1,399,784 total funds, including \$446,828 General Fund and \$952,956 cash funds from Treasury transaction fees and the Unclaimed Property Trust Fund, and 16.4 FTE. The request reflects an annualization of salary survey.

***Recommendation:*** Staff recommends an appropriation of \$1,399,784 total funds, including \$446,828 General Fund and \$952,956 cash funds from Treasury cash management transaction fees and the Unclaimed Property Trust Fund, and 17.4 FTE.

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Administration, Personal Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$1,372,760</u>	<u>\$419,804</u>	<u>\$952,956</u>	<u>16.4</u>
<b>TOTAL</b>	<b>\$1,372,760</b>	<b>\$419,804</b>	<b>\$952,956</b>	<b>16.4</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$1,372,760	\$419,804	\$952,956	16.4
Annualize prior year budget action	27,024	27,024	0	0.0
FTE increase	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$1,399,784</b>	<b>\$446,828</b>	<b>\$952,956</b>	<b>17.4</b>
<b>Increase/(Decrease)</b>	\$27,024	\$27,024	\$0	1.0
Percentage Change	2.0%	6.4%	0.0%	6.1%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,399,784</b>	<b>\$446,828</b>	<b>\$952,956</b>	<b>16.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	(1.0)

**Health, Life, and Dental**

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental (HLD) insurance for state employees.

**Statutory Authority:** Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (9), C.R.S.

**Request:** The Department requests an appropriation of \$256,548 total funds, including \$147,408 General Fund and \$109,140 cash funds. This reflects an increase of \$5,562 total funds, including an increase of \$17,212 General Fund and a decrease of \$11,560 cash funds.

**Recommendation:** Staff recommends an appropriation of \$256,548 total funds, including \$147,408 General Fund and \$109,140 cash funds from the Unclaimed Property Trust Fund, in accordance with the Committee's compensation related common policy decision.

<b>Administration, Health, Life, and Dental</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$250,896</u>	<u>\$130,196</u>	<u>\$120,700</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$250,896</b>	<b>\$130,196</b>	<b>\$120,700</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Administration, Health, Life, and Dental</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$250,896	\$130,196	\$120,700	0.0
Compensation-related common policy adjustments	<u>5,652</u>	<u>17,212</u>	<u>(11,560)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$256,548</b>	<b>\$147,408</b>	<b>\$109,140</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$5,652	\$17,212	(\$11,560)	0.0
Percentage Change	2.3%	13.2%	(9.6%)	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$256,548</b>	<b>\$147,408</b>	<b>\$109,140</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Short-term Disability**

This line item provides funding for the employer's share of state employees short-term disability insurance premiums.

**Statutory Authority:** Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (13), C.R.S.

**Request:** The Department requests an appropriation of \$3,646 total funds; including \$2,234 General Fund and \$1,412 cash funds. This reflects a decrease of \$759 total funds, including \$515 General Fund and \$244 cash funds, for compensation-related common policy adjustments.

**Recommendation:** Staff recommends an appropriation of \$3,646 total funds, including \$2,234 General Fund and \$1,412 cash funds from the Unclaimed Property Trust Fund, in accordance with the Committee's compensation related common policy decision.

<b>Administration, Short-term Disability</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$4,405</u>	<u>\$2,749</u>	<u>\$1,656</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,405</b>	<b>\$2,749</b>	<b>\$1,656</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$4,405	\$2,749	\$1,656	0.0
Compensation-related common policy adjustments	<u>(759)</u>	<u>(515)</u>	<u>(244)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,646</b>	<b>\$2,234</b>	<b>\$1,412</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Administration, Short-term Disability</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	(\$759)	(\$515)	(\$244)	0.0
Percentage Change	(17.2%)	(18.7%)	(14.7%)	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$3,646</b>	<b>\$2,234</b>	<b>\$1,412</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**S.B. 04-257 Amortization Equalization Disbursement**

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution for the Public Employees' Retirement Association (PERA).

**Statutory Authority:** Section 24-51-411, C.R.S.

**Request:** The Department requests an appropriation of \$93,898 total funds, including \$57,537 General Fund and \$36,361 cash funds. This reflects an increase of \$5,804 total funds, including an increase of \$2,582 General Fund and an increase of \$3,222 cash funds, for compensation-related common policy adjustments.

**Recommendation:** Staff recommends an appropriation of \$93,898 total funds, including \$57,537 General Fund and \$36,361 cash funds from the Unclaimed Property Trust Fund, in accordance with the Committee's compensation related common policy decision.

<b>Administration, S.B. 04-257 Amortization Equalization Disbursement</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$88,094</u>	<u>\$54,955</u>	<u>\$33,139</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$88,094</b>	<b>\$54,955</b>	<b>\$33,139</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$88,094	\$54,955	\$33,139	0.0
Compensation-related common policy adjustments	<u>5,804</u>	<u>2,582</u>	<u>3,222</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$93,898</b>	<b>\$57,537</b>	<b>\$36,361</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$5,804	\$2,582	\$3,222	0.0
Percentage Change	6.6%	4.7%	9.7%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$93,898</b>	<b>\$57,537</b>	<b>\$36,361</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**S.B. 06-235 Supplemental Amortization Equalization Disbursement**

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for the Public Employees' Retirement Association (PERA).

**Statutory Authority:** Section 24-51-411, C.R.S.

**Request:** The Department requests an appropriation of \$92,920 total funds, including \$56,938 General Fund and \$35,982 cash funds. This reflects an increase of \$7,828 total funds, including \$3,856 General Fund and \$3,972 cash funds, for compensation-related common policy adjustments.

**Recommendation:** Staff recommends an appropriation of \$92,920 total funds, including \$56,938 General Fund and \$35,982 cash funds from the Unclaimed Property Trust Fund, in accordance with the Committee’s compensation related common policy decision.

<b>Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$85,092</u>	<u>\$53,082</u>	<u>\$32,010</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$85,092</b>	<b>\$53,082</b>	<b>\$32,010</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$85,092	\$53,082	\$32,010	0.0
Compensation-related common policy adjustments	<u>7,828</u>	<u>3,856</u>	<u>3,972</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$92,920</b>	<b>\$56,938</b>	<b>\$35,982</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$7,828	\$3,856	\$3,972	0.0
Percentage Change	9.2%	7.3%	12.4%	n/a
<b>FY 2016-17 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Salary Survey**

This line item provides funding to pay for annual increases for salary survey.

**Statutory Authority:** Section 24-50-104, C.R.S.

**Request:** The Department requests no appropriation for this line item. This reflects a decrease of \$21,842 total funds, including \$13,631 General Fund and \$8,211 cash funds.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

**Recommendation:** Staff recommends no appropriation for this line item in accordance with the Committee’s compensation related common policy decision.

<b>Administration, Salary Survey</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$21,842</u>	<u>\$13,631</u>	<u>\$8,211</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,842</b>	<b>\$13,631</b>	<b>\$8,211</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$21,842	\$13,631	\$8,211	0.0
Compensation-related common policy adjustments	<u>(21,842)</u>	<u>(13,631)</u>	<u>(8,211)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$21,842)	(\$13,631)	(\$8,211)	0.0
Percentage Change	(100.0%)	(100.0%)	(100.0%)	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Merit Pay**

This line item provides funding to pay for performance-based pay increases related to employee performance and evaluations.

**Statutory Authority:** Section 24-50-104 (1) (c), C.R.S.

**Request:** The Department requests no appropriation for this line item. This reflects a decrease of \$28,354 total funds, including \$17,110 General Fund and \$11,244 cash funds.

**Recommendation:** Staff recommends no appropriation for this line item in accordance with the Committee’s compensation related common policy decision.

<b>Administration, Merit Pay</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$28,354</u>	<u>\$17,110</u>	<u>\$11,244</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$28,354</b>	<b>\$17,110</b>	<b>\$11,244</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Administration, Merit Pay</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$28,354	\$17,110	\$11,244	0.0
Compensation-related common policy adjustments	<u>(28,354)</u>	<u>(17,110)</u>	<u>(11,244)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$28,354)	(\$17,110)	(\$11,244)	0.0
Percentage Change	(100.0%)	(100.0%)	(100.0%)	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Workers' Compensation and Payment to Risk Management and Property Funds**

This line item provides funding for the Department's share of the statewide costs for workers' compensation and risk management and property programs.

**Statutory Authority:** Sections 24-30-1510.7, 24-30-1510, and 24-30-1510.5, C.R.S.

**Request:** The Department requests an appropriation of \$2,836 General Fund, including a proposed Department of Personnel common policy adjustment increase of \$154.

**Recommendation:** Staff recommendation is pending Committee operating common policy decisions. Staff will reflect Committee action in the appropriation for this line item.

<b>Administration, Workers' Compensation and Payment to Risk Management and Property Funds</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$2,682</u>	<u>\$2,682</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,682</b>	<b>\$2,682</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$2,682	\$2,682	0.0
Operating common policy adjustment	<u>154</u>	<u>154</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,836</b>	<b>\$2,836</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$154	\$154	0.0
Percentage Change	5.7%	5.7%	n/a



*JBC Staff Figure Setting: FY 2016-17  
Staff Working Document – Does Not Represent Committee Decision*

<b>Administration, Workers' Compensation and Payment to Risk Management and Property Funds</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2016-17 Executive Request:</b>	<b>\$2,836</b>	<b>\$2,836</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**Operating Expenses**

This line item provides funding for supplies and materials for the Administration Division, as well as for certain services that are not covered by other line items such as capital outlay,<sup>1</sup> utilities, custodial services, equipment rental, storage, dues and subscriptions, and printing. The most significant expenditure funded through this appropriation is for the Department's investing tools, which include leasing three Bloomberg terminals and a subscription to the Standard & Poors Credit Wire Service. The operating line also funds traditional operating expenses such as telephone, copying, postage, and office supplies. Also included are professional development and job enhancement activities, such as books, dues and membership to organizations and registration fees for seminars.

**Statutory Authority:** Section 24-36-101, C.R.S., et seq.

**Request:** The Department requests an appropriation of \$162,444 General Fund, including a net increase of \$6,627 for the Department's R2 and R3 requests related to investment tools, and the annualization of the FY 2015-16 Long Bill supplemental bill.

**Recommendation:** Staff recommends an appropriation of \$162,444 General Fund.

<b>Administration, Operating Expenses</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	\$184,734	\$184,734	0.0
HB 16-9999 (Long Bill supplemental)	<u>(28,917)</u>	<u>(28,917)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$155,817</b>	<b>\$155,817</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$155,817	\$155,817	0.0
Annualize prior year legislation	28,917	28,917	0.0
R2 Investment tools - Bloomberg and S&P	4,480	4,480	0.0
R3 Investment tools - BondEdge	<u>(26,770)</u>	<u>(26,770)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$162,444</b>	<b>\$162,444</b>	<b>0.0</b>

<sup>1</sup> Capital outlay includes replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Administration, Operating Expenses</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$6,627	\$6,627	0.0
Percentage Change	4.3%	4.3%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$162,444</b>	<b>\$162,444</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**Information Technology Asset Maintenance**

This line item provides funding to replace information technology equipment consistent with standard replacement cycles (e.g., four years for desktop and laptop computers, and five years for printers).

**Statutory Authority:** Section 24-37.5-104, C.R.S.

**Request:** The Department requests a continuation appropriation of \$12,568 total funds, including \$6,284 General Fund and \$6,284 cash funds.

**Recommendation:** Staff recommends a continuation appropriation of \$12,568 total funds, including \$6,284 General Fund and \$6,284 cash funds from the Unclaimed Property Trust Fund.

<b>Administration, Information Technology Asset Maintenance</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$12,568</u>	<u>\$6,284</u>	<u>\$6,284</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,568</b>	<b>\$6,284</b>	<b>\$6,284</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	<u>\$12,568</u>	<u>\$6,284</u>	<u>\$6,284</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,568</b>	<b>\$6,284</b>	<b>\$6,284</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$12,568</b>	<b>\$6,284</b>	<b>\$6,284</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Legal Services for 575 hours**

This line item provides funding for the Department to purchase legal services from the Department of Law. Section 24-75-112 (1) (i), C.R.S. authorizes agencies to spend up to 10

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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percent of this appropriation for operating expenses, contractual services, and tuition for employee training.

**Statutory Authority:** Pursuant to Section 24-31-101 (1) (a), C.R.S., and defined in Section 24-75-112 (1) (i), C.R.S.

**Request:** The Department requests a continuation appropriation of 575 hours of legal services with a corresponding appropriation of \$54,631 total funds, including \$27,316 General Fund and \$27,315 cash funds from the Unclaimed Property Trust Fund.

**Recommendation:** Staff recommends an appropriation for the purchase of a continuation level of 575 hours of legal services. The rate for legal services is pending the approval of Committee common policy. The table below reflects the Department’s request. Staff will reflect Committee common policy in the appropriation for this line item.

<b>Administration, Legal Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$54,631</u>	<u>\$27,316</u>	<u>\$27,315</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$54,631</b>	<b>\$27,316</b>	<b>\$27,315</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	<u>\$54,631</u>	<u>\$27,316</u>	<u>\$27,315</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$54,631</b>	<b>\$27,316</b>	<b>\$27,315</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$54,631</b>	<b>\$27,316</b>	<b>\$27,315</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Capitol Complex Leased Space**

This line item is used to pay the Department of Personnel for the costs of maintaining state buildings that are part of the capitol complex.

**Statutory Authority:** Section 24-30-1104 (4) and Part 1 of Article 82 of Title 24, C.R.S.

**Request:** The Department requests an appropriation of \$56,292 General Fund for 4,379 square feet of space it occupies in the State Capitol Building. The request reflects a common policy decrease of \$20,032.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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**Recommendation:** Staff recommends an appropriation for the purchase of a continuation level of square footage in the State Capitol Building of \$56,292 General Fund in accordance with the Committee’s operating common policy decision.

<b>Administration, Capitol Complex Leased Space</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$76,324</u>	<u>\$76,324</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$76,324</b>	<b>\$76,324</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$76,324	\$76,324	0.0
Operating common policy adjustment	<u>(20,032)</u>	<u>(20,032)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$56,292</b>	<b>\$56,292</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$20,032)	(\$20,032)	0.0
Percentage Change	(26.2%)	(26.2%)	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$56,292</b>	<b>\$56,292</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**Payments to OIT**

Funds in this line item are used to reimburse the Governor’s Office of Information Technology for costs associated with statewide computer services; the multiuse network providing secure, high-speed broadband access; enterprise management and oversight, and back-office business functions; and the state’s cyber security program. This line item consolidates four line items in the Department’s previous years’ budgets, including: Purchase of Services from Computer Center, Colorado State Network, Management & Administration of OIT, and Information Technology Security.

**Statutory Authority:** Section 24-37.5-104, C.R.S.

**Request:** The Department requests an appropriation of \$44,417 General Fund, including an increase of \$13,140 General Fund, for OIT common policy adjustments.

**Recommendation:** Staff recommendation is pending Committee common policy decisions. Staff will reflect Committee action in the appropriation for this line item.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Administration, Payments to OIT</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$31,277</u>	<u>\$31,277</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$31,277</b>	<b>\$31,277</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$31,277	\$31,277	0.0
OIT common policy adjustments	12,090	12,090	0.0
NPII Secure Colorado	<u>1,050</u>	<u>1,050</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$44,417</b>	<b>\$44,417</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$13,140	\$13,140	0.0
Percentage Change	42.0%	42.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$44,417</b>	<b>\$44,417</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**CORE Operations**

This line item funds the statewide accounting system (CORE) used by the State Controller to record all state revenues and expenditures.

**Statutory Authority:** Section 24-30-209, C.R.S.

**Request:** The Department requests an appropriation of \$157,829; including \$71,023 General Fund and \$86,806 cash funds. This reflects an increase of \$72,194 total funds, including \$32,487 General Fund and \$39,707 cash funds, for CORE related common policy adjustments.

**Recommendation:** Staff recommends an appropriation of \$157,829 total funds, including \$71,023 General Fund and \$86,806 cash funds from the Unclaimed Property Trust Fund, in accordance with the Committee’s operating common policy decision.

<b>Administration, CORE Operations</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$85,635</u>	<u>\$38,536</u>	<u>\$47,099</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$85,635</b>	<b>\$38,536</b>	<b>\$47,099</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Administration, CORE Operations</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$85,635	\$38,536	\$47,099	0.0
Operating common policy adjustment	<u>72,194</u>	<u>32,487</u>	<u>39,707</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$157,829</b>	<b>\$71,023</b>	<b>\$86,806</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>				
	\$72,194	\$32,487	\$39,707	0.0
Percentage Change	84.3%	84.3%	84.3%	n/a
<b>FY 2016-17 Executive Request:</b>				
	<b>\$157,829</b>	<b>\$71,023</b>	<b>\$86,806</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Charter School Facilities Financing Services**

The Treasurer has several duties associated with charter school facility financing. A charter school may request that the Treasurer make direct payments of principal and interest on bonds issued on behalf of the school for the purpose of enhancing the ability of the school to obtain favorable financing terms pursuant to Section 22-30.5-406, C.R.S. The Treasurer is authorized to withhold, from the amount paid to the chartering district for the state share of the district's total program funding, the amount of any direct payments made on behalf of the charter school plus any administrative costs associated with making such payments.<sup>2</sup> Any administrative costs withheld are deposited into the Charter School Financing Administrative Cash Fund. Moneys in this fund are continuously appropriated.

Under the provisions of H.B. 03-1021, the Colorado Educational and Cultural Facilities Authority may issue bonds on behalf of qualified charter schools. Participating charter schools are required to annually pay \$1 per \$1,000 of the principal amount of the bonds outstanding to the State Treasurer for deposit in the State Charter School Interest Savings Account (within the State Charter School Debt Reserve). The Treasurer is authorized to charge participating schools a fee to defray related direct and indirect costs. Such moneys are also to be deposited in the State Charter School Interest Savings Account within the State Charter School Debt Reserve Fund pursuant to Section 22-30.5-407 (3), C.R.S. Moneys in the State Charter School Debt Reserve Fund, including fees collected from schools, are continuously appropriated to the State Treasurer.

**Statutory Authority:** Sections 22-30.5-407 (4) (a) and (a.5), C.R.S.

**Request:** The Department request reflects an informational appropriation of \$5,000 cash funds from the Charter School Financing Administrative Cash Fund.

<sup>2</sup> In the case of an institute charter school, the amount is withheld from the amount paid to the State Charter School Institute.

**Recommendation:** Staff recommends reflecting an informational appropriation of \$5,000 cash funds from the Charter School Financing Administrative Cash Fund.

<b>Administration, Charter School Facilities Financing Services</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$5,000</u>	<u>\$5,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	<u>\$5,000</u>	<u>\$5,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**Discretionary Fund**

Five elected state officials receive an annual appropriation for *expenditures in pursuance of official business as each elected official sees fit*. Subject to annual appropriation by the General Assembly, the Treasurer is to receive \$5,000 from the General Fund annually for this purpose.

**Statutory Authority:** Section 24-9-105, C.R.S.

**Request:** The Department requests a continuation appropriation of \$5,000 General Fund.

**Recommendation:** Staff recommends a continuation appropriation of \$5,000 General Fund.

<b>Administration, Discretionary Fund</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$5,000</u>	<u>\$5,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	<u>\$5,000</u>	<u>\$5,000</u>	<u>0.0</u>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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<b>Administration, Discretionary Fund</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0



## **(2) Unclaimed Property Program**

The Department administers the state's unclaimed property program, as set forth in Article 13 of Title 38, C.R.S. (The "Unclaimed Property Act"). Under this program, the state takes possession of dormant or abandoned properties from a wide range of business and public institutions and tries to return the properties to their rightful owners. Generally, property is subject to the custody of the state as unclaimed property if the last-known address of the property owner (or the person entitled to the property) is in Colorado.

While the program originally targeted properties held by banks, savings and loans, and credit unions, it has been expanded to include properties held by insurance companies, public institutions, government agencies, public corporations or authorities, non-profit entities, hospitals, utilities, estates, trusts, or any other legal or commercial entity. Recovered items include un-cashed checks and money orders, unclaimed stocks and securities, abandoned safety deposit box contents, dormant bank accounts, unclaimed utility deposits, unclaimed insurance benefits, unclaimed gift cards, un-cashed tax refunds, and intangible properties held by the courts, government agencies, and businesses.

Pursuant to Section 38-13-116.5, C.R.S., moneys collected by the Unclaimed Property Program and any associated interest earnings are deposited in the Unclaimed Property Trust Fund. Moneys in the Trust Fund that are not used or held in reserve to pay claims are used (subject to appropriation) to pay the direct and indirect costs of administering the program pursuant to Section 38-13-116.5 (2), C.R.S. In addition, the Treasury sells securities that have been held as unclaimed property for more than one year and deposits the proceeds in the Unclaimed Property Tourism Promotion Trust Fund. The principal in this fund may only be used to pay claims, but the interest earnings are to be credited to the Colorado Travel and Tourism Promotion Fund, which is administered by the Department of Agriculture.

Prior to FY 2001-02, the administration of the program was supported through General Fund appropriations. Pursuant to H.B. 02-1392, program expenses are now supported by the principal in the Unclaimed Property Trust Fund. Section 38-13-116.5 (2) (d), C.R.S., provides that any moneys appropriated to the Department of the Treasury for the expenses of administering the program shall count as fiscal year spending under Section 6 or Article X (TABOR) of the State Constitution. Prior to FY 2004-05, net cash generated by the Unclaimed Property program was counted as state revenue under the Taxpayer's Bill of Rights (TABOR). Pursuant to S.B. 04-211, beginning in FY 2004-05, net cash generated by the program is no longer counted as state revenue under TABOR rules unless it is appropriated to cover the direct and indirect costs of administering the Unclaimed Property Program or expended from the Colorado Travel and Tourism Promotion Fund.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Unclaimed Property Program</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	<u>\$2,321,887</u>	<u>\$0</u>	<u>\$2,321,887</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
<b>TOTAL</b>	<b>\$2,321,887</b>	<b>\$0</b>	<b>\$2,321,887</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$2,321,887	\$0	\$2,321,887	\$0	\$0	15.5
R1 Funding for Unclaimed Property leased office space	1,733	0	1,733	0	0	0.0
Annualize prior year budget action	<u>17,299</u>	<u>0</u>	<u>17,299</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,340,919</b>	<b>\$0</b>	<b>\$2,340,919</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>Increase/(Decrease)</b>	\$19,032	\$0	\$19,032	\$0	\$0	0.0
Percentage Change	0.8%	0.0%	0.8%	n/a	n/a	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,340,919</b>	<b>\$0</b>	<b>\$2,340,919</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## DECISION ITEMS – UNCLAIMED PROPERTY PROGRAM

### ➔ R1 Funding Unclaimed Property Leased Office Space

**Request:** The Department requests an increase of \$1,733 cash fund spending authority to renew the Division’s current five year lease with CIO Logan Tower at 1580 Logan St.

**Recommendation:** Staff recommends approval of the Department’s request.

**Analysis:**

The Unclaimed Property Program leases 3,466 square feet of space at 1580 Logan Street. This space is used for all activities associated with the program, including office space for program employees and storage of claims and other files. The Department’s request for an increase of \$1,733 cash fund spending authority in FY 2016-17 reflects the change in the lease rate between the current lease dated May 2011 and expiring June 30, 2016 and the rate of the first year of the new five year lease beginning July 1, 2016. The rate of this new lease will increase by \$1,733 each fiscal year through FY 2020-21 (see table below for renewal terms). Because the program utilizes space in one of the vaults at the Department’s administrative office in the State Capitol, it is important for the program offices to be located nearby. If the request for additional funding is not approved, the program offices may need to move out of the downtown area in order to find lease space with a cost within the current appropriation.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Lease Costs for 1580 Logan Street Unclaimed Property Program</b>			
<b>Lease Period</b>	<b>Annual Base Rent (3,466 sq ft)</b>	<b>Property Tax Credit (\$1.75/sq ft)</b>	<b>Total Lease</b>
07/01/16 – 06/30/17	\$64,988 (18.75/sq ft)	\$6,066	\$58,922
07/01/17 – 06/30/18	\$66,721 (19.25/sq ft)	\$6,066	\$60,655
07/01/18 – 06/30/19	\$68,454 (19.75/sq ft)	\$6,066	\$62,388
07/01/19 – 06/30/20	\$70,187 (20.25 sq ft)	\$6,066	\$64,121
07/01/20 – 06/30/21	\$71,920 (20.75/sq ft)	\$6,066	\$65,854

**LINE ITEM DETAIL – UNCLAIMED PROPERTY PROGRAM**

**Personal Services**

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association and the state share of federal Medicare contributions. This line item also provides funding for certain professional and temporary services.

**Statutory Authority:** Section 24-50-101 et.seq., C.R.S.

**Request:** The Department requests an appropriation of \$867,065 cash funds and 15.5 FTE, including the annualization of salary survey.

**Recommendation:** Staff recommends an appropriation of \$867,065 cash funds from the Unclaimed Property Trust Fund and 15.5 FTE.

<b>Unclaimed Property Program, Personal Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	\$849,766	\$0	\$849,766	15.5
<b>TOTAL</b>	<b>\$849,766</b>	<b>\$0</b>	<b>\$849,766</b>	<b>15.5</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$849,766	\$0	\$849,766	15.5
Annualize prior year budget action	17,299	0	17,299	0.0
<b>TOTAL</b>	<b>\$867,065</b>	<b>\$0</b>	<b>\$867,065</b>	<b>15.5</b>
<b>Increase/(Decrease)</b>	\$17,299	\$0	\$17,299	0.0
Percentage Change	2.0%	n/a	2.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$867,065</b>	<b>\$0</b>	<b>\$867,065</b>	<b>15.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Operating Expenses**

This line item provides funding for supplies and materials, as well as capital outlay,<sup>3</sup> utilities, custodial services, equipment rental, storage, dues and subscriptions, and printing.

**Statutory Authority:** Section 38-13-116.5 (2) (a), C.R.S.

**Request:** The Department requests an appropriation of \$414,932 cash funds.

**Recommendation:** Staff recommends an appropriation of \$414,932 cash funds from the Unclaimed Property Trust Fund.

<b>Unclaimed Property Program, Operating Expenses</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$414,932</u>	<u>\$0</u>	<u>\$414,932</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$414,932</b>	<b>\$0</b>	<b>\$414,932</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	<u>\$414,932</u>	<u>\$0</u>	<u>\$414,932</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$414,932</b>		<b>\$414,932</b>	<b>0.0</b>
Percentage Change	0.0%	n/a	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$414,932</b>	<b>\$0</b>	<b>\$414,932</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Promotion and Correspondence**

The Department's promotional efforts are designed to notify owners of lost and forgotten assets held in trust by the state. Pursuant to Section 38-13-111 (7), C.R.S., the Administrator of the Unclaimed Property Program may spend up to 2.0 percent of the previous year's paid claims for the publication and necessary correspondence (e.g., sending a notice to the last known address of each person who appears to be entitled to property valued at \$50 or more).

**Statutory Authority:** Section 38-13-111 (7), C.R.S.

**Request:** The Department requests a continuation appropriation of \$200,000 cash funds.

**Recommendation:** Staff recommends a continuation appropriation of \$200,000 cash funds from the Unclaimed Property Trust Fund.

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<sup>3</sup> Capital outlay includes replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Unclaimed Property Program, Promotion and Correspondence</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$200,000</u>	<u>\$0</u>	<u>\$200,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	<u>\$200,000</u>	<u>\$0</u>	<u>\$200,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$200,000</b>		<b>\$200,000</b>	<b>0.0</b>
Percentage Change	0.0%	n/a	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Leased Space**

This line item provides funding for the lease of 3,466 square feet of space at 1580 Logan Street for the Unclaimed Property program.

**Statutory Authority:** Section 38-13-116.5 (2) (a), C.R.S.

**Request:** The Department requests an appropriation of \$58,922 cash funds, including an increase of \$1,733 for the Department’s R1 request for the new lease for space at 1580 Logan Street.

**Recommendation:** Staff recommends an appropriation of \$58,922 cash funds from the Unclaimed Property Trust Fund.

<b>Unclaimed Property Program, Leased Space</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$57,189</u>	<u>\$0</u>	<u>\$57,189</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$57,189</b>	<b>\$0</b>	<b>\$57,189</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$57,189	\$0	\$57,189	0.0
R1 Funding for Unclaimed Property leased office space	<u>1,733</u>	<u>0</u>	<u>1,733</u>	<u>0.0</u>

*JBC Staff Figure Setting: FY 2016-17  
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<b>Unclaimed Property Program, Leased Space</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$58,922</b>	<b>\$0</b>	<b>\$58,922</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$1,733	\$0	\$1,733	0.0
Percentage Change	3.0%	n/a	3.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$58,922</b>	<b>\$0</b>	<b>\$58,922</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Contract Auditor Services**

The Treasury Department contracts with auditing firms that examine the records of businesses located in other states in an effort to find unclaimed property belonging to Colorado citizens. The costs associated with these services are essentially paid on a contingency fee basis, with the state paying 12.0 percent of the value of any Colorado property identified. Moneys in the Unclaimed Property Trust Fund are continuously appropriated for the payment of services to contract auditors.

**Statutory Authority:** Section 38-13-116.5 (2) (b), C.R.S.

**Request:** The Department is reflecting funding for this line of \$800,000.

**Recommendation:** Staff recommends reflecting an appropriation of \$800,000 cash funds from the revenues collected by contract auditors.

<b>Unclaimed Property Program, Contract Auditor Services</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$800,000</u>	<u>\$0</u>	<u>\$800,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$800,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	<u>\$800,000</u>	<u>\$0</u>	<u>\$800,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$800,000</b>	<b>0.0</b>
Percentage Change	0.0%	n/a	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$800,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

### (3) Special Purpose

This section of the Long Bill reflects disbursements the Treasurer is required to make, including the following: 1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; 2) allocations of Highway Users Tax Fund (HUTF) revenues to local governments; 3) reimbursements of certain property taxes owed or paid for real and business personal property destroyed in a natural disaster; and 4) the annual base rent payments due on the State’s Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation. The General Fund appropriations for the senior citizen and disabled veteran property tax exemption are not subject to the statutory restrictions on General Fund appropriations. The source of cash funds is the Highway Users Tax Fund.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$477,046,164	\$134,002,903	\$343,043,261	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$477,046,164</b>	<b>\$134,002,903</b>	<b>\$343,043,261</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$477,046,164	\$134,002,903	\$343,043,261	\$0	\$0	0.0
Highway User Tax Fund adjustment	19,679,238	0	19,679,238	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	9,695,533	9,695,533	0	0	0	0.0
Federal mineral lease adjustment	<u>2,125</u>	<u>11,994,100</u>	<u>(11,991,975)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$506,423,060</b>	<b>\$155,692,536</b>	<b>\$350,730,524</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$29,376,896	\$21,689,633	\$7,687,263	\$0	\$0	0.0
Percentage Change	6.2%	16.2%	2.2%	n/a	n/a	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$506,423,060</b>	<b>\$155,692,536</b>	<b>\$350,730,524</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

### LINE ITEM DETAIL – SPECIAL PURPOSE

#### Senior Citizen and Disabled Veteran Property Tax Exemption

This line item provides funding to reimburse local governments for property taxes foregone as a result of the Senior Citizen and Disabled Veteran Property Tax Exemption. Current law grants a

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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property tax exemption to qualifying senior citizens<sup>4</sup> and disabled veterans equal to 50.0 percent of the first \$200,000 of residential property value. The Constitution authorizes the General Assembly to raise or lower the maximum amount of actual value that is exempt from taxation. The State Treasurer is required to reimburse local governments for the resulting lost property tax revenues.

**Statutory Authority:** Authorized in Section 3.5 of Article X of the State Constitution and implemented in Sections 39-3-201 through 208, C.R.S.

**Request:** The Treasurer's budget request includes estimated distributions to counties totaling \$135,695,533 General Fund, including an increase of \$9,695,533 General Fund, for FY 2016-17 based on the Governor's Office of State Planning and Budgeting September 2015 forecast.

**Recommendation:** Staff's figure setting recommendation is consistent with current law. Staff recommends reflecting an appropriation of \$135,695,533 General Fund in the Long Bill for informational purposes. Staff requests permission to update, if necessary, the appropriation based on the March 2016 revenue projection that the Joint Budget Committee elects to use for balancing purposes.

<b>Special Purpose, Senior Citizen and Disabled Veteran Property Tax Exemption</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$126,000,000</u>	<u>\$126,000,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$126,000,000</b>	<b>\$126,000,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$126,000,000	\$126,000,000	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	<u>9,695,533</u>	<u>9,695,533</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$135,695,533</b>	<b>\$135,695,533</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$9,695,533	\$9,695,533	0.0
Percentage Change	7.7%	7.7%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$135,695,533</b>	<b>\$135,695,533</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

<sup>4</sup> Qualifications include: (a) the residential property must be owner-occupied and used as the primary residence; (b) the owner-occupier must be sixty-five years of age or older as of the assessment date; and (c) the owner-occupier must have owned and occupied the property as his or her primary residence for the ten years immediately preceding the assessment date (or be the spouse or surviving spouse of an owner-occupier who previously qualified for a property tax exemption for the same residential real property).



**Highway Users Tax Fund – County Payments**

This line item provides an estimate of the amount that will be distributed to counties from the Highway Users Tax Fund (HUTF). Counties are required to use such funds for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration<sup>5</sup> of the county highway systems and any other public highways.

**Statutory Authority:** The State Treasurer shall allocate 26.0 percent of the revenues raised by gasoline and special fuel excise tax to county treasurers pursuant to Sections 43-4-205 (5) (b) and 43-4-205 (6) (b) (II), C.R.S. Such funds shall be allocated and expended pursuant to Section 43-4-207, C.R.S.

**Request:** The Treasurer's budget request includes estimated distributions to counties totaling \$208,476,193 million cash funds, including an increase of \$11,904,631 cash funds, for FY 2016-17 based on actual expenditures and Legislative Council’s September 2015 forecast.

**Recommendation:** Staff recommends reflecting an appropriation of \$208,476,193 cash funds from the Highway Users Tax Fund in the Long Bill for informational purposes. Staff requests permission to update the appropriation based on the March 2016 revenue projection that the Joint Budget Committee elects to use for balancing purposes.

<b>Special Purpose, Highway Users Tax Fund - County Payments</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$196,571,562</u>	<u>\$0</u>	<u>\$196,571,562</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$196,571,562</b>	<b>\$0</b>	<b>\$196,571,562</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$196,571,562	\$0	\$196,571,562	0.0
Highway User Tax Fund adjustment	<u>11,904,631</u>	<u>0</u>	<u>11,904,631</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$208,476,193</b>		<b>\$208,476,193</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$11,904,631	\$0	\$11,904,631	0.0
Percentage Change	6.1%	n/a	6.1%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$208,476,193</b>	<b>\$0</b>	<b>\$208,476,193</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

<sup>5</sup> Pursuant to Section 43-4-207 (1), C.R.S., this amount is limited to 5.0 percent of each county's share of the available funds.

**Highway Users Tax Fund – Municipality Payments**

This line item provides an estimate of the amount that will be distributed to municipalities from the HUTF. Cities and incorporated towns are required to use such funds for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the system of municipal streets or any other public highways located in the municipality.

**Statutory Authority:** The State Treasurer shall allocate 9.0 percent of the revenues raised by gasoline and special fuel excise tax to county treasurers pursuant to Sections 43-4-205 (5) (c) and 43-4-205 (6) (b) (III), C.R.S. Such funds shall be allocated and expended pursuant to Section 43-4-208 (2), C.R.S.

**Request:** The Treasurer's budget request includes estimated distributions to municipalities totaling \$142,254,331 cash funds, including an increase of \$7,774,607 cash funds, for FY 2016-17 based on actual expenditures and Legislative Council's September 2015 forecast.

**Recommendation:** Staff recommends reflecting an appropriation of \$142,254,331 cash funds from the Highway Users Tax Fund in the Long Bill for informational purposes. Staff requests permission to update the appropriation based on the March 2016 revenue projection that the Joint Budget Committee elects to use for balancing purposes.

<b>Special Purpose, Highway Users Tax Fund - Municipality Payments</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$134,479,724</u>	<u>\$0</u>	<u>\$134,479,724</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$134,479,724</b>	<b>\$0</b>	<b>\$134,479,724</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$134,479,724	\$0	\$134,479,724	0.0
Highway User Tax Fund adjustment	<u>7,774,607</u>	<u>0</u>	<u>7,774,607</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$142,254,331</b>		<b>\$142,254,331</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$7,774,607	\$0	\$7,774,607	0.0
Percentage Change	5.8%	n/a	5.8%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$142,254,331</b>	<b>\$0</b>	<b>\$142,254,331</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Property Tax Reimbursement for Property Destroyed by Natural Cause**

This line item provides funding for the reimbursement of certain property taxes owed or paid for real property and business personal property that has been destroyed in a natural disaster or by another cause beyond the control of the property owner. This program is for property tax years commencing on or after January 1, 2013.

**Statutory Authority:** Section 39-1-123, C.R.S.

**Request:** The Treasurer’s budget request includes \$2,221,828 General Fund for qualifying property tax reimbursements in the tax year commencing on January 1, 2016.

**Recommendation:** Staff recommends an appropriation of \$2,221,828 General Fund for FY 2016-17.

<b>Special Purpose, Property Tax Reimbursement for Property Destroyed by Natural Cause</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	<u>\$2,221,828</u>	<u>\$2,221,828</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,221,828</b>	<b>\$2,221,828</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	<u>\$2,221,828</u>	<u>\$2,221,828</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,221,828</b>	<b>\$2,221,828</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$2,221,828</b>	<b>\$2,221,828</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

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

This line item reflects the State’s share of the annual base rent payments due on the State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation.

**Statutory Authority:** Section 23-19.9-102, C.R.S.

**Request:** The Treasurer’s budget request includes an appropriation of \$17,775,175 General Fund for FY 2016-17.

**Recommendation:** Staff recommends an appropriation of \$17,775,175 General Fund for this line item.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Special Purpose, Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
SB 15-234 (Long Bill)	<u>\$17,773,050</u>	<u>\$5,781,075</u>	<u>\$11,991,975</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$17,773,050</b>	<b>\$5,781,075</b>	<b>\$11,991,975</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$17,773,050	\$5,781,075	\$11,991,975	0.0
Federal mineral lease adjustment	<u>2,125</u>	<u>11,994,100</u>	<u>(11,991,975)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$17,775,175</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$2,125	\$11,994,100	(\$11,991,975)	0.0
Percentage Change	0.0%	207.5%	(100.0%)	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$17,775,175</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

## **Long Bill Footnotes and Requests for Information**

### **LONG BILL FOOTNOTES**

Staff recommends no footnotes.

### **REQUESTS FOR INFORMATION**

Staff recommends **continuing** the following requests for information, with modifications in struck type and small caps:

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 as a part of the State Treasurer's annual budget request.
  
2. Department of the Treasury, Unclaimed Property Program – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the Department's progress in implementing the new information systems (KAPS, LexisNexis) for which the Department has received funding; and on the workload measures these systems are intended to improve. The report should be submitted as a part of the State Treasurer's annual budget request and should include but need not be limited to annual comparisons of the following:
  - 1) Average number of claims processed per year, by claim type (A, B, C, and D);
  - 2) Average number of contacts per claim;
  - 3) Average time per contact; and
  - 4) Total value of each claim type (A, B, C, and D) per year.

*JBC Staff Staff Figure Setting - FY 2016-17*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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<b>DEPARTMENT OF THE TREASURY</b> <b>Walker Stapleton, State Treasurer</b>
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**(1) ADMINISTRATION**

Provides accounting, cash management, and investment services for the State as well as administrative services for the Treasury Department. Cash funds are the Unclaimed Property Trust Fund, Treasury Transactions Fee revenue, and the Charter School Financing Administrative Cash Fund.

Personal Services	<u>1,259,638</u>	<u>1,343,341</u>	<u>1,372,760</u>	<u>1,399,784</u>	<u>1,399,784</u>
FTE	14.6	14.3	16.4	16.4	17.4
General Fund	186,914	332,005	419,804	446,828	446,828
Cash Funds	1,072,724	1,011,336	952,956	952,956	952,956
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Health, Life, and Dental	<u>189,431</u>	<u>223,108</u>	<u>250,896</u>	<u>256,548</u>	<u>256,548</u>
General Fund	79,927	110,313	130,196	147,408	147,408
Cash Funds	109,504	112,795	120,700	109,140	109,140
Short-term Disability	<u>3,301</u>	<u>4,038</u>	<u>4,405</u>	<u>3,646</u>	<u>3,646</u>
General Fund	1,950	2,198	2,749	2,234	2,234
Cash Funds	1,351	1,840	1,656	1,412	1,412
S.B. 04-257 Amortization Equalization					
Disbursement	<u>62,108</u>	<u>73,996</u>	<u>88,094</u>	<u>93,898</u>	<u>93,898</u>
General Fund	36,472	40,833	54,955	57,537	57,537
Cash Funds	25,636	33,163	33,139	36,361	36,361

\* Indicates a decision item

3-Feb-16

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>55,983</u>	<u>69,307</u>	<u>85,092</u>	<u>92,920</u>	<u>92,920</u>
General Fund	32,839	38,281	53,082	56,938	56,938
Cash Funds	23,144	31,026	32,010	35,982	35,982
Salary Survey	<u>57,620</u>	<u>50,822</u>	<u>21,842</u>	0	0
General Fund	34,834	27,444	13,631	0	0
Cash Funds	22,786	23,378	8,211	0	0
Merit Pay	<u>34,197</u>	<u>25,999</u>	<u>28,354</u>	0	0
General Fund	19,956	14,040	17,110	0	0
Cash Funds	14,241	11,959	11,244	0	0
Workers' Compensation and Payment to Risk					
Management and Property Funds	<u>2,258</u>	<u>2,793</u>	<u>2,682</u>	<u>2,836</u>	<u>2,836</u>
General Fund	2,258	2,793	2,682	2,836	2,836
Cash Funds	0	0	0	0	0
Operating Expenses	<u>173,357</u>	<u>174,364</u>	<u>155,817</u>	<u>162,444</u>	<u>162,444</u> *
General Fund	173,357	174,364	155,817	162,444	162,444
Cash Funds	0	0	0	0	0
Information Technology Asset Maintenance	<u>11,020</u>	<u>11,336</u>	<u>12,568</u>	<u>12,568</u>	<u>12,568</u>
General Fund	4,736	5,123	6,284	6,284	6,284
Cash Funds	6,284	6,213	6,284	6,284	6,284
Legal Services	<u>24,956</u>	<u>9,760</u>	<u>54,631</u>	<u>54,631</u>	<u>54,631</u>
General Fund	0	8,799	27,316	27,316	27,316
Cash Funds	24,956	961	27,315	27,315	27,315

\* Indicates a decision item

3-Feb-16

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Capitol Complex Leased Space	<u>69,017</u>	<u>53,766</u>	<u>76,324</u>	<u>56,292</u>	<u>56,292</u>
General Fund	69,017	53,766	76,324	56,292	56,292
Payments to OIT	<u>0</u>	<u>60,629</u>	<u>31,277</u>	<u>44,417</u>	<u>44,417</u> *
General Fund	0	60,629	31,277	44,417	44,417
Cash Funds	0	0	0	0	0
CORE Operations	<u>101,116</u>	<u>96,537</u>	<u>85,635</u>	<u>157,829</u>	<u>157,829</u>
General Fund	45,502	43,441	38,536	71,023	71,023
Cash Funds	55,614	53,096	47,099	86,806	86,806
Charter School Facilities Financing Services	<u>3,722</u>	<u>3,861</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Cash Funds	3,722	3,861	5,000	5,000	5,000
Discretionary Fund	<u>1,114</u>	<u>3,530</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
General Fund	1,114	3,530	5,000	5,000	5,000
Purchase of Services from Computer Center	<u>53,902</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	53,902	0	0	0	0
Cash Funds	0	0	0	0	0
Colorado State Network	<u>11,275</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	11,275	0	0	0	0
Cash Funds	0	0	0	0	0
Information Technology Security	<u>680</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	680	0	0	0	0
Cash Funds	0	0	0	0	0

\* Indicates a decision item



**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (1) Administration</b>	2,114,695	2,207,187	2,280,377	2,347,813	2,347,813
<i>FTE</i>	<u>14.6</u>	<u>14.3</u>	<u>16.4</u>	<u>16.4</u>	<u>17.4</u>
General Fund	754,733	917,559	1,034,763	1,086,557	1,086,557
Cash Funds	1,359,962	1,289,628	1,245,614	1,261,256	1,261,256
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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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>768,642</u>	<u>813,316</u>	<u>849,766</u>	<u>867,065</u>	<u>867,065</u>
FTE	14.2	15.1	15.5	15.5	15.5
General Fund	0	0	0	0	0
Cash Funds	768,642	813,316	849,766	867,065	867,065
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>119,320</u>	<u>118,401</u>	<u>414,932</u>	<u>414,932</u>	<u>414,932</u>
Cash Funds	119,320	118,401	414,932	414,932	414,932
Promotion and Correspondence	<u>198,995</u>	<u>197,795</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	198,995	197,795	200,000	200,000	200,000
Leased Space	<u>51,689</u>	<u>55,456</u>	<u>57,189</u>	<u>58,922</u>	<u>58,922</u> *
General Fund	0	0	0	0	0
Cash Funds	51,689	55,456	57,189	58,922	58,922
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Contract Auditor Services	<u>995,790</u>	<u>945,848</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
Cash Funds	995,790	945,848	800,000	800,000	800,000

\* Indicates a decision item

3-Feb-16

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (2) Unclaimed Property Program</b>	2,134,436	2,130,816	2,321,887	2,340,919	2,340,919
<i>FTE</i>	<u>14.2</u>	<u>15.1</u>	<u>15.5</u>	<u>15.5</u>	<u>15.5</u>
General Fund	0	0	0	0	0
Cash Funds	2,134,436	2,130,816	2,321,887	2,340,919	2,340,919
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(3) SPECIAL PURPOSE**

The expenditures in this section are included in the Long Bill for informational purposes only - they reflect continuous appropriations required by constitutional provisions or State statutes. The line items: reimburse local governments for property taxes foregone due to the Senior Citizen and Disabled Veteran Property Tax Exemption; allocate a portion of the Highway Users Tax Fund (HUTF) to local governments; and reimburse certain property taxes owed or paid for real and business personal property destroyed 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>109,804,536</u>	<u>118,400,000</u>	<u>126,000,000</u>	<u>135,695,533</u>	<u>135,695,533</u> *
General Fund	109,804,536	118,400,000	126,000,000	135,695,533	135,695,533
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Highway Users Tax Fund - County Payments	<u>190,616,697</u>	<u>200,577,838</u>	<u>196,571,562</u>	<u>208,476,193</u>	<u>208,476,193</u> *
Cash Funds	190,616,697	200,577,838	196,571,562	208,476,193	208,476,193
Highway Users Tax Fund - Municipality Payments	<u>130,405,845</u>	<u>136,864,866</u>	<u>134,479,724</u>	<u>142,254,331</u>	<u>142,254,331</u> *
Cash Funds	130,405,845	136,864,866	134,479,724	142,254,331	142,254,331
Property Tax Reimbursement for Property Destroyed by Natural Cause	<u>0</u>	<u>1,096,496</u>	<u>2,221,828</u>	<u>2,221,828</u>	<u>2,221,828</u>
General Fund	0	1,096,496	2,221,828	2,221,828	2,221,828
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.	<u>0</u>	<u>0</u>	<u>17,773,050</u>	<u>17,775,175</u>	<u>17,775,175</u> *
General Fund	0	0	5,781,075	17,775,175	17,775,175
Cash Funds	0	0	11,991,975	0	0

\* Indicates a decision item

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (3) Special Purpose</b>	430,827,078	456,939,200	477,046,164	506,423,060	506,423,060
<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	109,804,536	119,496,496	134,002,903	155,692,536	155,692,536
Cash Funds	321,022,542	337,442,704	343,043,261	350,730,524	350,730,524
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>TOTAL - Department of the Treasury</b>	435,076,209	461,277,203	481,648,428	511,111,792	511,111,792
<i>FTE</i>	<u>28.8</u>	<u>29.4</u>	<u>31.9</u>	<u>31.9</u>	<u>32.9</u>
General Fund	110,559,269	120,414,055	135,037,666	156,779,093	156,779,093
Cash Funds	324,516,940	340,863,148	346,610,762	354,332,699	354,332,699
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

\* Indicates a decision item

3-Feb-16