

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2009-10

DEPARTMENT OF THE TREASURY

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

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**DEPARTMENT OF THE TREASURY
FY 2009-10 SUPPLEMENTAL RECOMMENDATIONS
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Prioritized Supplementals

**Early Supplemental Request, Department Priority #1
 OSPB assumption 3% reduction**

	Request	Recommendation
Total	(\$28,012)	(\$28,012)
General Fund	(28,012)	(28,012)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made.</i>	

Department Request: The Department requests a reduction \$28,012 in the General Fund appropriation for Operating Expenses in the Administration Division to accommodate the OSPB request that the Treasury Department reduce its General Fund appropriation by 3.0 percent in FY 2009-10.

Staff Analysis: Due to the budget deficit in FY 2009-10, OSPB requested that the Treasury Department reduce its General Fund appropriation by 3.0 percent in FY 2009-10. In response to that request, the Treasurer submitted this supplemental. The request is to reduce Operating Expenses in the Administration Division by \$28,012 General Fund.

The Department will reduce the appropriation by reducing planned expenditures for the Treasurer's Transparency Initiative, for Cyber Security, reductions in software subscriptions (elimination of a subscription that is unnecessary in today's market conditions), reductions related to one-time implementation costs, and office and printing supplies, conference/ class registration fees, and travel. The Treasurer's request for a reduction in cyber security expense has been coordinated with the Governor's Office of Information Technology so as not to increase the threat to the state's computer systems.

Staff Recommendation: Staff recommends that the Committee approve a reduction of \$28,012 General Fund for FY 2009-10.

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**Supplemental Request, Department Priority #1
 Funding Mix Change**

	Request	Recommendation
Total	\$0	\$0
General Fund	(144,742)	(144,742)
Cash Funds	144,742	144,742

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made.</i>	

Department Request: The Department request is to reduce the General Fund appropriation for Administration by \$144,742 and increase the cash funds appropriation from Treasury transactions fees by the same amount. This is due to the final accounting of the total amount of Treasury Transaction fees as opposed to the estimates available when the Long Bill was introduced.

Staff Analysis: The State Treasury is authorized by Section 24-36-120 (1), C.R.S. to collect a transaction fee for certain accounting transactions performed by the Treasurer on behalf of State departments and agencies. These fees are deducted from the interest earnings attributable to the fund for which the transaction was performed. Certain 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 amount of the fees available are estimated each year in the Long Bill process. Subsequent to the adoption of the Long Bill, the actual number of transactions and the amount of fees collected are finalized. The State Treasurer then requests a supplemental to shift funding from the General Fund to the transaction fee (cash funds). Per agreement with the Joint Budget Committee, the Treasury Transactions fee cash funding is assigned to offset General Fund in the Personal Services line in the department's Budget.

Staff Recommendation: Staff recommends that the Committee approve the request to reduce General Fund by \$144,742 for Administration and increase cash funding (from Treasury Transaction

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fees) by the same amount. This is a nearly annual process that trues up funding between the General Fund and Treasury Transaction fee revenues.

**Supplemental Request, Department Priority #2
 Budget Adjustment to Reflect FY 2009-10 Furloughs**

	Request	Recommendation
Total	(\$55,375)	(\$55,375)
FTE	0.0	0.0
General Fund	(37,994)	(37,994)
Cash Funds	(17,381)	(17,381)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
<i>JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.</i>	

Department Request: The Department requests a reduction \$55,375 in the Department's appropriation for FY 2009-10, including \$37,994 General Fund and \$17,381 cash funds in the Administration and Unclaimed Property Program Divisions. These reductions reflect the fiscal impact of the furlough days.

Staff Analysis: The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agencies' appropriation in the FY 2009-10 Long Bill (S.B. 09-259). The Treasury Department was not included because neither of the two personal services line items in the Department had more than 20 FTE. However, to assist the State through the budget shortfall, the Treasury did implement furloughs and the savings associated with those savings are the subject of this request.

The net FY 2009-10 impact of the one-time reduction was \$26.5 million, of which \$16.1 million was General Fund. The executive branch and elected officials were given the flexibility to develop and implement a plan to meet the mandated reduction. The Treasurer requests an adjustment to the personal services reductions within the FY 2009-10 Long Bill to reflect the actual staffing actions taken to achieve a decrease of 1.82 percent.

The line items affected in the Treasury Department are reflected in the table below.

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Furlough Day Supplemental Request						
	Current Appropriation		Supplemental Request		Revised Appropriation	
	GF	CF	GF	CF	GF	CF
<u>Administration</u>						
Personal Services	\$475,678	\$0	(\$36,923)	\$0	\$438,755	\$0
Short-term Disability	1,645	787	(49)	(23)	1,596	764
S.B. 04-257 Amortization Equalization Disbursement	24,115	11,569	(629)	(302)	23,486	11,267
S.B. 06-235 Supplemental Amortization Equalization Disbursement	14,586	7,694	(393)	(189)	14,193	7,505
<u>Unclaimed Property Program</u>						
Personal Services	0	781,790	0	(16,867)	0	764,923
Total for Department	\$516,024	\$801,840	(\$37,994)	(\$17,381)	\$478,030	\$784,459

Staff Recommendation: Staff recommends that the Committee approve the Department's request to reduce its personal services appropriation by \$55,375, including \$37,994 General Fund and \$17,381 cash funds.

Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk Management Contract Review and Reduction	(\$16)	(\$16)	\$0	\$0	\$0	0.0
Capitol Complex Building Maintenance Reductions	(752)	(752)	0	0	0	0.0
Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	(120)	(120)	0	0	0	0.0
Statewide ARRA Administrative Cost Spending Authority	62,049	(41,726)	103,775	0	0	0.0

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Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Mail Equipment Upgrade	(2,777)	(139)	(2,638)	0	0	0.0
Department's Total Statewide Supplemental Requests	58,384	(42,753)	101,137	0	0	0.0

Staff Recommendation: The staff recommendation for these requests is pending Committee approval of common policy supplementals. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee approves this common policy supplemental.** If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS
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	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF THE TREASURY					
State Treasurer - Cary Kennedy					
Early Supplemental #1 - OSPB assumption 3% reduction					
<i>(1) Administration</i>					
Operating Expense - General Fund	148,884	225,985	(28,012)	(28,012)	197,973
<hr/>					
Supplemental #1 - Funding Mix Change					
<i>(1) Administration</i>					
Personal Services	1,284,417	1,298,635	0	0	1,298,635
FTE	<u>15.1</u>	<u>16.0</u>	<u>0.0</u>	<u>0.0</u>	<u>16.0</u>
General Fund	287,624	475,678	(144,742)	(144,742)	330,936
Cash Funds	996,793	822,957	144,742	144,742	967,699
<hr/>					
Supplemental #2 - Budget Adjustment to Reflect FY 2009-10 Furloughs					
Various Line Items	2,048,026	2,140,821	(55,375)	(55,375)	2,085,446
FTE	<u>24.3</u>	<u>31.5</u>	<u>0.0</u>	<u>0.0</u>	<u>31.5</u>
General Fund	312,358	516,024	(37,994)	(37,994)	478,030
Cash Funds	1,735,668	1,624,797	(17,381)	(17,381)	1,607,416

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
 FY 2008-09 SUPPLEMENTAL RECOMMENDATIONS
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	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals Excluding Pending Items					
Department of the Treasury					
Totals for ALL Departmental line items	376,732,246	295,641,531	(83,387)	(83,387)	295,558,144
FTE	<u>24.3</u>	<u>31.5</u>	<u>0.0</u>	<u>0.0</u>	<u>31.5</u>
General Fund	86,212,206	1,933,721	(210,748)	(210,748)	1,722,973
Cash Funds	290,520,040	293,707,810	127,361	127,361	293,835,171
Statewide Common Policy Supplementals					
(see narrative for more detail)	<u>N.A.</u>	<u>N.A.</u>	<u>58,384</u>	<u>Pending</u>	<u>N.A.</u>
General Fund			(42,753)		
Cash Funds			101,137		
Totals Including Pending Items					
Department of the Treasury					
Totals for ALL Departmental line items	376,732,246	295,641,531	(25,003)	(83,387)	295,558,144
FTE	<u>24.3</u>	<u>31.5</u>	<u>0.0</u>	<u>0.0</u>	<u>31.5</u>
General Fund	86,212,206	1,933,721	(253,501)	(210,748)	1,722,973
Cash Funds	290,520,040	293,707,810	228,498	127,361	293,835,171

Key:

N.A. = Not Applicable or Not Available