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Fiscal Note

Drafting Number: LLS 21-0834
Prime Sponsors: Sen. Rankin, Rep. Ransom

Date: April 05, 2021
Bill Status: Senate Appropriations
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Bill Topic: REPEAL RECOVERY AUDIT PROGRAM

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

Budget package bill. This bill repeals the State Recovery Audit Program. Starting in FY 2021-22 and in future years it reduces state expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill includes a reduction in appropriations to the Department of Personnel and Administration of \$64,714.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill is recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB 21-222

Table with 4 columns: Category, Budget Year FY 2021-22, Out Year FY 2022-23, and values for Revenue, Expenditures (General Fund, Centrally Appropriated, Total, FTE), Transfers, and TABOR Refund.

Summary of Legislation

Under the State Recovery Audit Program, every three years the Department of Personnel is required to hire an outside audit firm to conduct a recovery audit to identify improper payments made by an entity to vendors and other entities in connection with the payment activities. This bill repeals the State Recovery Audit Program on July 1, 2022, and eliminates the program appropriation for FY 2021-22.

State Expenditures

This bill reduces state expenditures in the Department of Personnel and Administration by \$80,479 and 1.0 FTE in FY 2021-22 and future years.

Personal services. By repealing the Recovery Audit Program, the bill eliminates 1.0 FTE and reduces personal services costs by \$64,714 per year starting in FY 2021-22. This staff manages the audit program, including administering the contract and coordinating with state agencies.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$15,765 per year.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

In FY 2021-22, the bill includes a reduction in General Fund appropriations to the Department of Personnel and Administration of \$64,714 and 1.0 FTE.

State and Local Government Contacts

Personnel