

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



INTERIM SUPPLEMENTAL REQUEST FOR FY 2013-14

DEPARTMENT OF HUMAN SERVICES
(Services for People with Disabilities)

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

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Prioritized Interim Supplemental Requests

INTERIM SUPPLEMENTAL REQUEST, (ONE OF TWO SUBMITTED BY DEPARTMENT)

GRAND JUNCTION REGIONAL CENTER OPERATING EXPENSES

	Request	Recommendation
Total	<u>\$516,575</u>	<u>\$516,575</u>
General Fund	0	0
Cash Funds	516,575	516,575
Reappropriated Funds	0	0
Federal Funds	0	0

<p>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]</p>	YES
<p>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.]</p>	YES
<p>JBC staff and the Department agree that (1) this request is due to an issue that has arisen when the General Assembly is not in session pursuant to the interim supplemental criteria of Section 24-75-111, C.R.S., and (2) this an unforeseen circumstance due to data that was not available when the original appropriation.</p>	

Department Request: The Department requests \$516,575 cash funds spending authority for the Grand Junction Regional Center operating expenses line item to align budgetary spending authority with revenues earned by the Grand Junction Regional Center and enable the Department to properly book expenditures according to state fiscal rules and accounting principles.

Staff Recommendation: Staff recommends that the Committee approve the request to enable the Department to correctly record expenditures and not over expend the line item.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves.

Staff Analysis: The interim supplemental budget request seeks to add cash funds spending authority to the FY 2013-14 Grand Junction Regional Center Operating Expenses line item based on findings from an internal audit of the Grand Junction Regional Center. The Department

initiated an internal audit of the Regional Center after publication of the State Auditor's report on the Regional Centers in December 2013. The internal audit found the Regional Center was providing dental outreach services, pharmaceuticals, and soft medical supplies to community providers for clients not residing at the Regional Center, receiving revenue for these services, but not properly recording these revenues in accordance with General Accepted Accounting Principles or State fiscal rules. These revenues were not being recorded anywhere in the state accounting system as either revenues or expenditures, resulting in an underreporting of both revenues and expenditures. The audit determined this practice was in place for a number of years and began working implementing corrective actions.

The Department began in March 2014 to properly record these revenues going forward. In order to avoid an overexpenditure in FY 2013-14, because of the mid-year corrections to the accounting practices of the Regional Center, staff recommends the Committee approve the request.

	FY 2012-13	FY 2013-14	Fiscal Year 2013-14 Interim Supplemental		
	Actual*	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF HUMAN SERVICES					
Executive Director - Reggie Bicha					
One of Two Interim Supplementals - Grand Junction Regional Center Operating Expenses					
<i>(9) Services for People With Disabilities</i>					
<i>(B) Regional Centers for People with Disabilities</i>					
<i>(2) Grand Junction Regional</i>					
Grand Junction Regional Center Operating Expenses	<u>0</u>	<u>790,500</u>	<u>516,575</u>	<u>516,575</u>	<u>1,307,075</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	516,575	516,575	516,575
Reappropriated Funds	0	790,500	0	0	790,500
Federal Funds	0	0	0	0	0
Total for GJRC Supplemental	<u>0</u>	<u>790,500</u>	<u>516,575</u>	<u>516,575</u>	<u>1,307,075</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	516,575	516,575	516,575
Reappropriated Funds	0	790,500	0	0	790,500
Federal Funds	0	0	0	0	0
Totals					
DEPARTMENT OF HUMAN SERVICES					
TOTALS for ALL Departmental line items	1,973,827,981	2,214,378,373	516,575	516,575	2,214,894,948
FTE	<u>4,193.5</u>	<u>4,874.9</u>	<u>0.0</u>	<u>0.0</u>	<u>4,874.9</u>
General Fund	642,920,871	724,844,518	0	0	724,844,518
Cash Funds	341,644,206	358,900,608	516,575	516,575	359,417,183
Reappropriated Funds	441,136,150	519,799,788	0	0	519,799,788
Federal Funds	548,126,754	610,833,459	0	0	610,833,459

Key:

* This line item was created in the FY 2013-14 Long Bill.