

MEMORANDUM



JOINT
BUDGET
COMMITTEE

TO Members of the Joint Budget Committee
FROM Steve Allen, JBC Staff (303-866-4961)
DATE May 20, 2020
SUBJECT FY 2020-21 Comeback and FY 2019-20 reversion for the Department of Treasury

This memo expands the memo dated May 20, 2020. Part 1 of this memo contains the material that was in the May 20, 2020 memo. Part 2 is new.

Part 1. FY 2019-20 reversion for the Department of Treasury

Staff recommendation: Staff recommends that the Committee approve a Long Bill supplemental appropriation that reduces the FY 2019-20 General Fund appropriation to the Department of Treasury titled *S.B. 17-267 Collateralization Lease Purchase Payments* by \$16,500,000 from \$25,500,000 to \$9,000,000.

Analysis: Each year the state must make debt service payments on the S.B. 17-267 COP's that it issues. The appropriations for these payments are in the Department of the Treasury portion of the Long Bill. A sharp-eyed OSPB analyst noticed that the FY 2019-20 Long Bill contains a General Fund appropriation for these debt-service payments that is \$16.5 million too large. The appropriation in question is comprised of \$25.5m General Fun and \$50.0m cash funds from the Department of Transportation (CDOT). Under the rules of 17-267 the first \$9.0 million of debt service is paid by the General Fund. The next \$50 million is paid by CDOT, and payments above \$59m are paid by the General Fund. Because the second tranche of COP's is not going to be issued until June, the amount appropriated for these payments is substantially larger than the actual debt service payments; the \$9 million will be used but the \$16.5 million will not. A supplemental that reduces the *S.B. 17-267 Collateralization Lease Purchase Payments* appropriation by \$16,500,000 will allow this money to be counted during the balancing process. There's no reason to adjust the \$50,000,000 cash fund appropriation in the Long Bill because these unspent moneys will revert to the State Highway Fund and be available for CDOT to spend.

Part 2. FY 2020-21 Comeback for Dept. of Treasury.

Staff recommendation: Staff recommends that the Committee reduce the FY 2020-21 General Fund appropriation to the Department of Treasury titled *S.B. 17-267 Collateralization Lease Purchase Payments* by \$500,000 from \$25,500,000 to \$25,000,000.

Analysis: This comeback pertains to the line item discussed in Part 1 of this memo. In the FY 2018-19 Long Bill the GF part of this appropriation was \$25,000,000, which corresponds to the statute for S.B. 17-267. For unknown reasons the appropriation was increased in FY 2019-20 to \$25.5m. This \$25.5m appropriation was continued during figure setting this year. For FY 2020-21 the correct appropriation is \$25,000,000.