

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF BUDGET BRIEFING
DEPARTMENT OF TREASURY**

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

**Prepared By:
Robin J. Smart, JBC Staff
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For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

TABLE OF CONTENTS

Department Overview 1

Department Budget: Recent Appropriations..... 2

Department Budget: Graphic Overview 3

General Factors Driving the Budget 5

Summary: FY 2014-15 Appropriation & FY 2015-16 Request 10

Issues:

The Unclaimed Property Program, Research Service Implementation Update..... 12

Investment of State of Colorado Revenue 14

Appendices:

A - Numbers Pages 15

B - Recent Legislation Affecting Department Budget 21

C - Update on Long Bill Footnotes & Requests for Information 23

D - Indirect Cost Assessment Methodology 30

E – Department of the Treasury SMART Act Annual Performance Report 31

DEPARTMENT OF TREASURY

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 Functions

- Ensures the safekeeping and management of public funds by depositing and investing all funds received by state agencies.
- Ensures sufficient funds are maintained in cash accounts to pay outstanding warrants.
- Administers the Unclaimed Property Program.

School Districts and Charter Schools

- Provides short-term financing to school districts by issuing tax and revenue anticipation notes.
- Assists charter schools with long-term financing by making direct bond payments.

Other Distributions and Loans

- Distributes Highway Users Tax Fund revenues to counties and municipalities.
- Distributes federal *mineral leasing funds* received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado.
- Disburses reimbursements to local governments for the Senior Citizen and Disabled Veteran Property Tax Exemption.
- Makes loans to elderly individuals and military personnel through the Property Tax Deferral Program.
- Transmits moneys from the Unclaimed Property Trust Fund to the Adult Dental Fund.

The State Treasurer provides banking and investment services for all funds deposited with the State Treasury. While maintaining sufficient funds in cash accounts to meet the State's daily cash needs, deposits are invested in statutorily authorized investments. The income earned on investments augments the state's revenues from taxes and fees to decrease the tax burden on Colorado citizens. The Treasury Department consists of three sections: (1) Administration; (2) the Unclaimed Property Division; and (3) a Special Purpose unit.

In addition to overall management of the Department, the Administration section is responsible for accounting, cash management, and investments. The Investments section manages all the state's investment portfolios, including: the Treasurer's Pooled Funds; the Public School Permanent Fund; the Major Medical Insurance Fund; the Colorado State Education Fund; the Unclaimed Property Trust Fund; and the Unclaimed Property Tourism Promotion Trust Fund.

The Unclaimed Property Division is established to take custody of dormant or abandoned property and return the property to the rightful owners or heirs. The value of intangible property,

JBC Staff Budget Briefing – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

excluding securities, is held in the Unclaimed Property Trust Fund; and the value of securities is held in the Unclaimed Property Tourism Promotion Trust Fund. Administration of the Unclaimed Property Program is funded through the Unclaimed Property Trust Fund, while the value of returned property is funded through either the Unclaimed Property Trust Fund or the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). In September 2013, \$13.9 million from the sales of securities was deposited in the UPTPTF. In FY 13-14, the Unclaimed Property Division returned \$27.0 million from unclaimed property to nearly 14,000 claimants, and since the program's inception, it has returned more than \$300.0 million.

The Special Purpose Division disburses moneys to local governments and other authorized recipients of state funds for the following programs:

- The Senior Citizen and Disabled Veterans Property Tax Exemption from the General Fund;
- Disbursements of Highway Users Tax Fund proceeds to the counties and municipalities in the state; and
- Reimbursement of property taxes paid for property that has been destroyed in a natural disaster or by another cause beyond the control of the property owner.

These programs, which are created in the State Constitution or statutes, are appropriated in the Department of the Treasury Section of the Long Bill, but are *pass-through* programs in which the Treasury disburses or transfers moneys, but does not administer the programs. The programs are described in the General Factors Driving the Budget section.

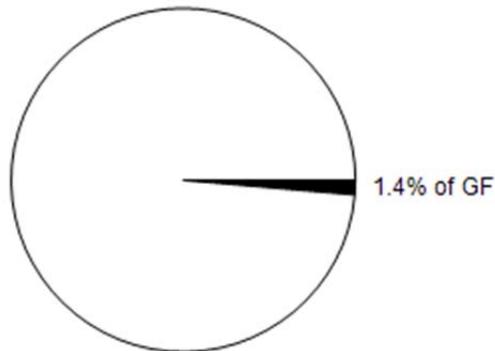
Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 *
General Fund	\$109,314,351	\$106,058,124	\$121,626,076	\$124,779,822
Cash Funds	369,594,954	327,651,424	317,145,060	334,366,110
Reappropriated Funds	0	0	0	0
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$478,909,305	\$433,709,548	\$438,771,136	\$459,145,932
Full Time Equiv. Staff	31.5	31.9	31.9	31.9

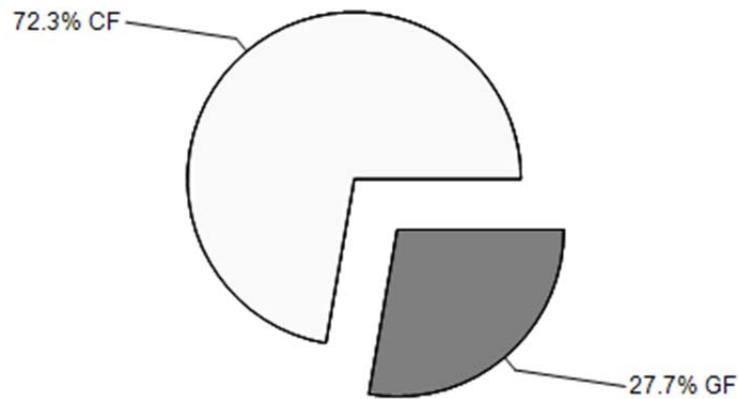
*Requested appropriation.

Department Budget: Graphic Overview

**Department's Share of Statewide
General Fund**

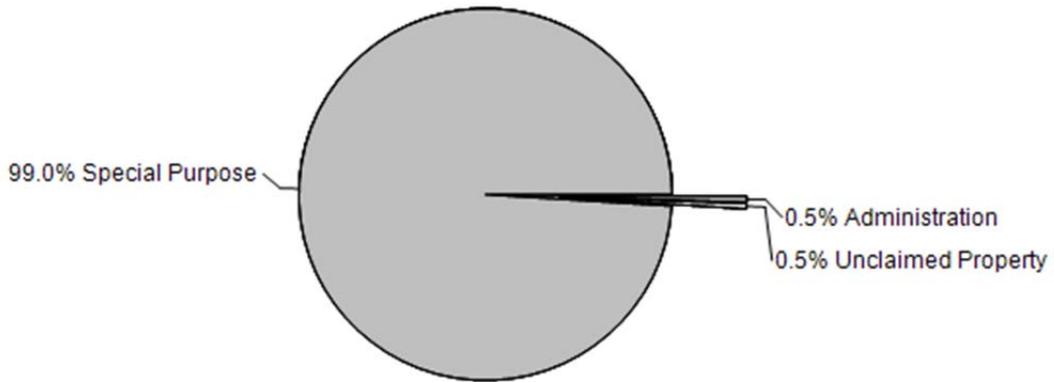


Department Funding Sources

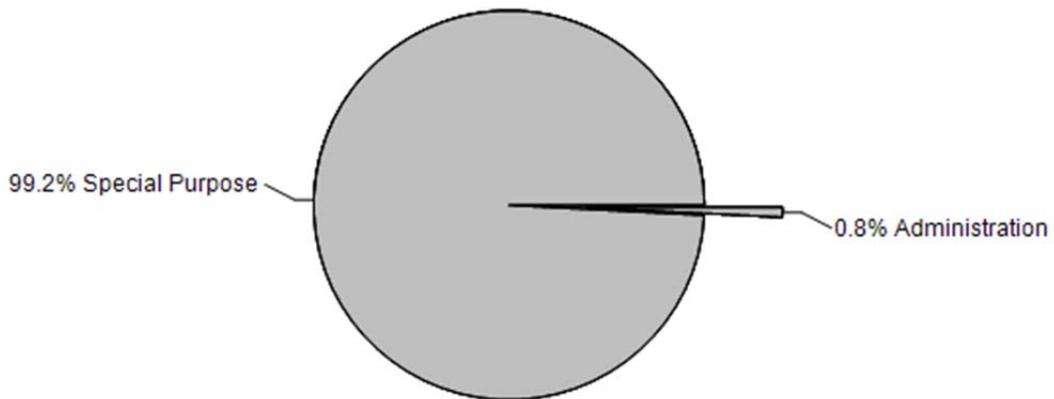


All charts are based on FY 2014-15 appropriation.

Distribution of Total Funds by Division



Distribution of General Fund by Division



All charts are based on FY 2014-15 appropriation.

General Factors Driving the Budget

The Department's FY 2015-16 budget request consists of 27.2 percent General Fund, and 72.8 percent cash funds. Some major factors driving the Department's budget are discussed below.

Senior Citizen and Disabled Veteran Property Tax Exemption

Section 3.5 of Article X of the Colorado Constitution, approved by voters in November 2000 and implemented by Sections 39-3-201 to 208, C.R.S., grants a property tax exemption to qualifying senior citizens and disabled veterans. This provision exempts 50 percent of the first \$200,000 of actual home value. The State Treasurer is required to reimburse local governments for the resulting lost property tax revenues. The exemption applies if (a) the property owner-occupier is sixty-five years of age or older (as of the assessment date) and has occupied the property as a primary residence for the past ten years; or (b) the owner-occupier is the spouse or surviving spouse of an owner-occupier who previously qualified for the exemption. Pursuant to the passage of Referendum E, beginning in tax year 2007, the exemption also applies if the property owner-occupier is an honorably discharged disabled veteran with a 100 percent permanent service-connected disability as determined by the U.S. Department of Veteran Affairs, as of the assessment date.

The constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation. For tax year 2002, the first year this exemption was made available, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount to \$0 for tax years 2003, 2004, and 2005, and again for tax years 2009 (S.B. 09-276), 2010, and 2011 (S.B. 10-190), thereby eliminating the associated state expenditures for fiscal years 2003-04, 2004-05, 2005-06, 2009-10, 2010-11, and 2011-12. The table on the following page provides information on the exemptions granted from FY 2009-10 through FY 2012-13, as well as estimates for FY 2013-14.

These payments are subject to the TABOR limitation on fiscal year spending,¹ but are not subject to the statutory limit on General Fund appropriations. The costs associated with the exemption are treated outside of the statutory limit and are not built into the funding base used to calculate the limit for subsequent fiscal years. Estimated General Fund expenditures are included in the Department of Treasury's budget for informational purposes.

¹ The provision specified that voter approval of the measure constituted a voter-approved revenue change, thereby allowing the TABOR limit for FY 2001-02 to increase by \$44.1 million. The provision further specified that such an amount should be included for the purpose of calculating subsequent fiscal year spending limits. However, by the time the State was required to pay the first year reimbursement in April 2003; state revenues no longer exceeded the TABOR limit. Thus, this measure never increased the State's TABOR limit.

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Senior Citizen and Disabled Veteran Homestead Property Tax Exemption					
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Estimated
Number of Exemptions Granted					
Senior Citizens /a	0	0	182,905	197,598	204,817
Disabled Veterans	3,012	3,362	3,649	3,829	4,202
Total	3,012	3,362	186,554	201,427	209,019
Exempted Actual Value					
Senior Citizens /a	\$0	\$0	\$15,088,560,545	\$16,010,118,503	\$16,873,989,788
Disabled Veterans	\$249,884,832	\$269,347,199	\$288,938,096	\$307,559,717	337,673,803
Total	\$249,884,832	\$269,347,199	\$15,377,500,000	\$16,317,678,220	\$17,211,663,591
Percent of Residences Granted Exemption					
Senior Citizens /a	0	0	9.90%	10.82%	11.22%
Disabled Veterans	0.20%	0.18%	0.20%	0.21%	0.23%
Total	0.002	0.0018	10.09%	11.03%	11.45%
Property Taxes Exempted					
Senior Citizens /a	0	0	\$100,821,732	\$107,723,840	\$114,948,014
Disabled Veterans	\$1,574,580	\$1,756,475	\$1,906,309	\$2,083,129	\$2,260,880
Total	\$1,574,580	\$1,756,475	\$102,728,041	\$109,806,969	\$117,208,894
Average Value of Exemption	\$523	\$522	\$551	\$545	\$561

/a The Senior Citizen Exemption was not available for FY 2009-10 through FY 2011-12. The numbers reported for exemptions granted refer to the number that county assessors had approved. County assessors continued taking applications for the exemption throughout the period where the exemption was set at \$0.

Transfers from the Unclaimed Property Trust Fund

Pursuant to the Unclaimed Property Act, Article 13 of Title 38, C.R.S., the Unclaimed Property Program in the Department of Treasury is established to take custody of dormant or abandoned property and return the property to the rightful owners or heirs. In general, all intangible property, including any income derived therefrom, less any lawful charges, that is held, issued, or owing in the ordinary course of a holder’s business and has remained unclaimed by the owner for more than five years after it became payable or distributable is presumed abandoned. Such intangible property is subject to the custody of the state as unclaimed property and is held in trust on behalf of the owners in the Unclaimed Property Trust Fund (UPTF). Aside from the payment of claims to owners and heirs, the fund balance is used to cover the costs of administering the program, including personal services, operating expenses, promotion and correspondence, leased space, and contract auditor services for the division. In addition, it is used to cover a portion of the Department of Treasury’s administrative costs, and percentage of the salaries paid to the Treasurer and Deputy Treasurer.

Since 1991 funds from the principal and interest of the UPTF have been authorized for use to fund programs that address medical or dental needs of Colorado residents. From 1991 through 2013 annual transfers from the UPTF were made to CoverColorado, a nonprofit entity created by the General Assembly to offer health insurance coverage to people unable to obtain insurance at

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a reasonable cost or without significant exclusions.² As a result of the passage of the federal Patient Protection and Affordable Care Act in 2010, and pursuant to H.B. 13-1115, CoverColorado was repealed and the transmission of moneys to CoverColorado from the Unclaimed Property Trust Fund ended effective May 1, 2013. The legislation required the board to transmit \$15.0 million from CoverColorado to the state treasurer for deposit into the UPTF on July 1, 2013. These funds were subsequently transferred from the UPTF to Connect for Health Colorado, the state’s health benefit exchange. This was a one-time transfer.

Pursuant to S.B. 13-242, dental services for adults were added to the list of operational services provided in Medicaid and are funded through the creation of the Adult Dental Fund (ADF). Legislation directs that transfers from the UPTF be made into the ADF to cover the costs of the bill. Transfers for FY 2013-14 were estimated at \$10.4 million; however actual expenditures totaled \$1.6 million. The Department of Health Care Policy and Financing estimates that FY 2014-15 costs will be approximately \$27.0 million; and projections for FY 2015-16 are \$30.0 million. The table below provides information on the UPTF’s balance.

Fund Balance Projection for Unclaimed Property Trust Fund					
(\$ Millions)					
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	Actual	Actual	Actual	Estimated	Projected
Beginning Balance	\$105.7	\$104.9	\$124.5	\$168.0	\$180.9
Net Revenue (Collections less claims)	37.0	53.2	46.2	40.3	41.9
Interest Income	1.5	1.3	1.5	2.0	2.0
Gross Revenue	\$144.2	\$159.4	\$172.2	\$210.3	\$224.8
Unclaimed Property Program Operating Expenses	-2.0	-2.7	-2.6	-2.4	-2.4
Transfers to CoverColorado	-37.3	-32.2	0.0	NA	NA
Transfers from CoverColorado (H.B. 13-1115)	NA	NA	15.0	NA	NA
Transfers to the Colorado Health Benefit Exchange (H.B. 13-1245)	NA	NA	-15.0	NA	NA
Transfers to Adult Dental Fund (S.B. 13-242)	NA	NA	-1.6	-27.0	-30.0
Expenses	-\$39.3	-\$34.9	-\$4.2	-\$29.4	-\$32.4
End Balance	\$104.9	\$124.5	\$168.0	\$180.9	\$192.4
Required Reserve	-73.2	-99.5	-106.5	-111.8	-117.4
Available Balance	\$31.7	\$25.0	\$61.5	\$69.1	\$75.0

Note: Unclaimed Property Trust Fund balance, revenue, expenses, and reserve information provided by the Department of the Treasury. FY 14-15 and FY 15-16 estimated transfers to the Adult Dental Fund provided by the Department of Health Care Policy and Financing

Transfers to the State Education Fund

Prior to FY 2013-14, Section 31-30.5-307, C.R.S., required the state to pay part of the unfunded liability of retirement plans that cover police and firefighters who were hired before 1978. These payments were made through annual transfers from the General Fund (Exempt) to the Fire and Police Pension Association (FPPA), the plan administrator. This annual General Fund transfer was included in the Long Bill for informational purposes; and the appropriation was not subject

² Section 10-5-502, C.R.S.

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to the statutory limit on General Fund appropriations. The intended payoff of this liability was scheduled to terminate upon the retirement funds becoming fully funded based on an actuarially sound basis. Legislation resulting in payment reductions or suspensions shifted the targeted payoff from December 2009 to April 2019. As of May 31, 2013, the six remaining payments (April 2014 through April 2019) were calculated to total \$171,597,134. The total payoff as of May 31, 2013 was calculated at \$132,409,339.

Pursuant to S.B. 13-234, on May 31, 2013, the State Treasurer transferred \$132,409,339 from the General Fund to the FPPA in order to fully resolve the liability. This transfer served to satisfy all future payments to the fund; and upon this transfer, no other transfers will be made to the benefit plan. According to Section 24-75-200, C.R.S., the transfer reduced the amount of the General Fund surplus that would otherwise have been transferred to the State Education Fund. In order to reimburse this fund, the General Assembly established a repayment schedule for transfers from the State General Fund to the State Education Fund. The first payment was made in April 2014 in the amount of \$45,321,079. Subsequent payments are outlined in the table below:

Transfers to State Education Fund	
Schedule per S.B. 13-234	
Payment Date	Amount
April 2015 (FY 14-15)	25,321,079
April 2016 (FY 15-16)	25,321,079
April 2017 (FY 16-17)	25,321,079
April 2018 (FY 17-18)	25,321,079
April 2019 (FY 18-19)	24,991,739

Highway Users Tax Fund Disbursements

The Department of Treasury distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash fund appropriations within the Treasury section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues as well as projected distributions for FY 2014-15 and FY 2015-16.

JBC Staff Budget Briefing – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Highway Users Tax Fund (HUTF) Revenues and Distributions							
(\$ Millions)							
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	Actual \a	Projected \b	Projected \b				
<u>Total Revenues</u>	\$920.9	\$938.4	\$943.3	\$937.50	\$970.60	\$986.20	\$1,001.00
<i>Annual Percent Change</i>	6.80%	1.90%	0.50%	-0.60%	3.50%	1.60%	1.50%
<u>Treasury Distributions</u>							
Counties	\$182.9	\$185.4	\$187.1	\$184.7	\$190.6	\$193.7	\$196.6
Municipalities	\$125.0	\$127.3	\$127.4	\$126.4	\$130.4	\$132.5	\$134.5

\a Values have been updated to correspond with the final general ledgers for the Department of Treasury's Fund 405.

\b Treasury applied Legislative Council's forecasted percentage increase against the FY 2013-14 actual revenue and against Treasury's distributions to counties and municipalities.

JBC Staff Budget Briefing – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Summary: FY 2014-15 Appropriation & FY 2015-16 Request

Department of the Treasury						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$436,549,308	\$119,404,248	\$317,145,060	\$0	\$0	31.9
Other Legislation (HB 14-1001)	<u>2,221,828</u>	<u>2,221,828</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$438,771,136	\$121,626,076	\$317,145,060	\$0	\$0	31.9
FY 2015-16 Requested Appropriation						
FY 2014-15 Appropriation	\$438,771,136	\$121,626,076	\$317,145,060	\$0	\$0	31.9
Highway Users Tax Fund adjustment	17,221,898	0	17,221,898	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	3,100,000	3,100,000	0	0	0	0.0
Compensation-related common policy adjustments	62,619	62,173	446	0	0	0.0
Operating common policy adjustments	27,001	28,295	(1,294)	0	0	0.0
OIT common policy adjustments	<u>(36,722)</u>	<u>(36,722)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$459,145,932	\$124,779,822	\$334,366,110	\$0	\$0	31.9
Increase/(Decrease)	\$20,374,796	\$3,153,746	\$17,221,050	\$0	\$0	0.0
Percentage Change	4.6%	2.6%	5.4%	NA	NA	0.0%

Description of Requested Changes

Highway Users Tax Fund (HUTF) adjustment: The request shows, for informational purposes, a \$17.2 million increase in cash funds for distribution of HUTF revenues to counties and municipalities; based on the Legislative Council September 2014 forecast.

Senior Citizen and Disabled Veteran Property Tax Exemption adjustment: The request includes a \$3.1 million increase in General Fund for reimbursement to local governments for lost property tax revenues; based on the Legislative Council September 2014 forecast.

Compensation-related common policy adjustments: The request 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. *This request item will be addressed in a separate staff briefing on Salary and Personnel Benefits on December 3, 2014.*

JBC Staff Budget Briefing – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

OIT common policy adjustments: The request includes adjustments to centrally appropriated line items for the purchase of services from the Governor's Office of Information Technology (OIT). *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology on November 19, 2014.*

Operating common policy adjustments: The request includes adjustments to centrally appropriated line items for Capitol Complex lease space. *This request item will be addressed in a separate staff briefing for the Department of Personnel on December 3, 2014.*

Issue: The Unclaimed Property Program, Research Service Implementation Update

Unclaimed property is tangible or intangible property that has not been claimed by its rightful owner for a specific period of time, usually five years. Unclaimed property is reportable in all 50 states and in some Canadian provinces, and includes but is not limited to: savings/checking accounts, uncashed checks, stocks/other securities, mutual funds, utility deposits, overpayments, unused airline tickets, and money orders. The mission of the Unclaimed Property Division is to reunite all owners or their heirs with their unclaimed property.

SUMMARY:

- The Unclaimed Property Program (UPP) unites owners or heir with their unclaimed or abandoned property. Since the program's inception in 1987, the UPP has returned more than \$300.0 million to citizens. In FY 2013-14, the program returned \$27.0 million to nearly 14,000 claimants.
- Section 38-13-119, C.R.S. requires that any claim submitted to the UPP be acted upon within 90 days after its filing. If this requirement is not met, the claimant may bring action to establish the claim in a court of competent jurisdiction (within 180 days of filing the claim), naming the administrator as a defendant.
- In FY 2014-15, the General Assembly appropriated \$30,300 to the Department of the Treasury for the purchase of the LexisNexis Accurint Research Service to improve the program's claims process.
- As of the date of this briefing, implementation of the service is pending the execution of the contract.
- The Department has discovered that though the service will improve business processes, the program's current technology platform is out of date and allows for data retrieval with no audit trail.
- The Department reports finding an upgraded unclaimed property management system for state governments that includes technology upgrades that will help ensure the safety and security of information. This system is more expensive than the service for which the original funds were appropriated. This system includes the Accurint services.
- The Department has not submitted a request for additional funds at this time.

RECOMMENDATION:

Staff recommends that the Committee request details on the capabilities and cost of the upgraded solution; and why the Department did not submit a budget request for the additional funds.

DISCUSSION:

The process whereby individuals are reunited with unclaimed property is defined in Section 38-13-110, C.R.S, and begins with the reporting of such by businesses and business associations; public institutions; non-profit entities; hospitals; estates; trusts; and any other legal or commercial entity. Reported property is received and logged by Unclaimed Property Program staff; and the program utilizes television, print, and internet advertising to notify the public. Individuals or businesses can perform an online search to determine if their names are on the list. Pursuant to Section 38-13-119, C.R.S., claims submitted to the Unclaimed Property Program are required to be acted upon within 90 days of being filed. The department policy is to either pay or deny the claim within 180 days.

During the FY 2014-15 budget cycle, the General Assembly appropriated \$30,300 to the Department for the purchase of a LexisNexis computer-assisted research service. This service is a data storehouse containing over 36 billion records from 20,000 disparate sources that map to 585 million unique identities. According to an Executive Summary of the service provided by the company, the service will “meet or exceed federal and state privacy and security requirements at every level.” The technology is intended to provide a comprehensive set of tools that will support the Unclaimed Property Program’s staff in locating owners and authenticating claimants. The solution integrates with existing processes and implementation will result in minimal negative impact. Information provided by the department indicates that the solution will:

- Shorten unclaimed property distribution cycles;
- Increase the number of property owners who are located;
- Allow staff to proactively work to locate owners;
- Provide staff with complete, comprehensive, and accurate information; and
- Reduce the potential risk of fraud.

As of this briefing, the implementation of the service is pending the execution of the contract. The Department reported to staff that there is concern about utilizing this updated services within the existing technology (UPS2000) because: 1) the current technology was developed in 1995 in a language that is no longer commonly used and has not been updated since 2001; 2) the data security model allows a knowledgeable end user to directly access information stored in the database and retrieve data with no audit trail; and 3) it is possible for information to be orphaned in the system. The Department reports finding an unclaimed property management system for state governments, that addresses these concerns and includes the Accurint service. Limited information has been provided to staff at this time; however the Department indicates that though this new management system is more expensive overall, the Accurint service component is less expensive when purchased in the package. The Department did not include a FY 2015-16 budget request for additional funding for the Unclaimed Property Program research service.

Issue: Investment of State of Colorado Revenue

The Department of the Treasury is responsible for ensuring the safekeeping and management of public funds by depositing all funds received by state agencies. As funds are deposited they are invested in statutorily authorized investments. In addition, the Department ensures that sufficient funds are maintained in cash accounts to meet the state's daily cash needs. The income earned on these investments augments the state's revenues from taxes and fees and decreases the tax burden on Colorado's citizens. The Department's three investment officers manage five investment portfolios with short, intermediate, and long-term fixed income goals. These portfolios include:

- **TCash:** a short-term portfolio including investments made in securities from one day to one year. Its purpose is to pay the state's bills, including payroll, education, Public Employees Retirement Account, redemption funding of the state's Tax and Revenue Anticipation Notes). The TCash and the TPool portfolios combined are referred to as the Treasury Pool.
- **TPool:** an intermediate portfolio including investments made in securities with maturities from one to five years. Its purpose is to take advantage of the yield curve to earn income and diversify investments. The TCash and the TPool portfolios combined are referred to as the Treasury Pool.
- **The Public School Permanent Fund:** a long-term portfolio made up of money earned from the sale or rental of lands and mineral royalties held in the school land trust; and structured to preserve principal first, and then to maximize income. The State Public School Fund receives the first \$16 million of this fund's investment earnings.
- **The Major Medical Insurance Fund:** a long-term portfolio made up of money earned from a surcharge in the Division of Workers Compensation in the Department of Labor and Employment. The surcharge rate is established in order to ensure that anticipated obligations in each fiscal year can be met, as well as maintain a balance to cover one year's claims plus expected administrative costs. Currently, \$83.0 million of this fund is designated as a component of the State's Emergency Reserve.
- **The Unclaimed Property Tourism Promotion Trust Fund:** a long-term portfolio made up of proceeds collected through the sale of securities in the custody of the State Treasurer as the administrator of unclaimed property. The principal of the fund is expended to pay claims. Earned interest is credited to the Colorado State Fair Authority Cash Fund, the Agriculture Management Fund, and the Colorado Travel and Tourism Promotion Fund. Currently, \$5.0 million of this fund is designated as a component of the State's Emergency Reserve.

Aside from moneys invested in the Unclaimed Property Tourism Trust Fund, Colorado Public School Permanent Fund, and Colorado Major Medical Insurance Fund portfolios, all other funds identified for special purposes in statute are invested as part of the Treasury Pool (TCash or TPool) portfolios. Portfolio performance is provided in Appendix C of this document.

JBC Staff Budget Briefing: FY 2015-16
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Appendix A: Number Pages

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
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DEPARTMENT OF THE TREASURY
Walker Stapleton, State Treasurer

(1) ADMINISTRATION

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

Personal Services	<u>1,265,330</u>	<u>1,259,638</u>	<u>1,337,464</u>	<u>1,372,760</u>
FTE	14.4	14.6	16.4	16.4
General Fund	293,863	186,914	384,508	419,804
Cash Funds	971,467	1,072,724	952,956	952,956
Health, Life, and Dental	<u>176,727</u>	<u>189,431</u>	<u>238,320</u>	<u>231,584</u>
General Fund	86,325	79,927	110,313	119,169
Cash Funds	90,402	109,504	128,007	112,415
Short-term Disability	<u>2,925</u>	<u>3,301</u>	<u>4,070</u>	<u>4,405</u>
General Fund	1,698	1,950	2,198	2,749
Cash Funds	1,227	1,351	1,872	1,656
S.B. 04-257 Amortization Equalization Disbursement	<u>53,086</u>	<u>62,108</u>	<u>75,617</u>	<u>88,094</u>
General Fund	30,614	36,472	40,833	54,955
Cash Funds	22,472	25,636	34,784	33,139
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>45,560</u>	<u>55,983</u>	<u>70,891</u>	<u>85,092</u>
General Fund	26,248	32,839	38,281	53,082
Cash Funds	19,312	23,144	32,610	32,010
Salary Survey	<u>0</u>	<u>57,620</u>	<u>50,822</u>	<u>21,842</u>
General Fund	0	34,834	27,444	13,631
Cash Funds	0	22,786	23,378	8,211

JBC Staff Budget Briefing: FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Merit Pay	0	34,197	25,999	28,354	
General Fund	0	19,956	14,040	17,110	
Cash Funds	0	14,241	11,959	11,244	
Workers' Compensation and Payment to Risk Management and Property Funds	<u>2,267</u>	<u>2,258</u>	<u>2,793</u>	<u>2,083</u>	
General Fund	2,267	2,258	2,793	2,083	
Operating Expenses	<u>158,022</u>	<u>173,357</u>	<u>184,734</u>	<u>184,734</u>	
General Fund	158,022	173,357	184,734	184,734	
Information Technology Asset Maintenance	<u>6,025</u>	<u>11,020</u>	<u>12,568</u>	<u>12,568</u>	
General Fund	0	4,736	6,284	6,284	
Cash Funds	6,025	6,284	6,284	6,284	
Legal Services	<u>32,807</u>	<u>24,956</u>	<u>56,931</u>	<u>54,343</u>	
General Fund	10,597	0	28,466	27,172	
Cash Funds	22,210	24,956	28,465	27,171	
Purchase of Services from Computer Center	<u>10,673</u>	<u>53,902</u>	0	0	
General Fund	10,673	53,902	0	0	
Colorado State Network	<u>1,149</u>	<u>11,275</u>	0	0	
General Fund	1,149	11,275	0	0	
Capitol Complex Leased Space	<u>54,835</u>	<u>69,017</u>	<u>53,766</u>	<u>83,355</u>	
General Fund	54,835	69,017	53,766	83,355	

JBC Staff Budget Briefing: FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Payments to OIT	<u>0</u>	<u>0</u>	<u>60,086</u>	<u>23,364</u>	
General Fund	0	0	60,086	23,364	
COFRS Modernization	<u>101,116</u>	<u>101,116</u>	<u>101,116</u>	<u>101,116</u>	
General Fund	45,502	45,502	45,502	45,502	
Cash Funds	55,614	55,614	55,614	55,614	
Information Technology Security	<u>0</u>	<u>680</u>	<u>0</u>	<u>0</u>	
General Fund	0	680	0	0	
Charter School Facilities Financing Services	<u>3,454</u>	<u>3,722</u>	<u>5,000</u>	<u>5,000</u>	
Cash Funds	3,454	3,722	5,000	5,000	
Discretionary Fund	<u>736</u>	<u>1,114</u>	<u>5,000</u>	<u>5,000</u>	
General Fund	736	1,114	5,000	5,000	
TOTAL - (1) Administration	1,914,712	2,114,695	2,285,177	2,303,694	0.8%
FTE	<u>14.4</u>	<u>14.6</u>	<u>16.4</u>	<u>16.4</u>	0.0%
General Fund	722,529	754,733	1,004,248	1,057,994	5.4%
Cash Funds	1,192,183	1,359,962	1,280,929	1,245,700	(2.8%)

JBC Staff Budget Briefing: FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
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(2) UNCLAIMED PROPERTY PROGRAM

This program collects unclaimed property and attempts to locate and return unclaimed properties to the legal owners or heirs. Funding source is the Unclaimed Property Trust Fund.

Personal Services	<u>753,004</u>	<u>768,642</u>	<u>815,385</u>	<u>849,766</u>	
FTE	13.8	14.2	15.5	15.5	
Cash Funds	753,004	768,642	815,385	849,766	
Operating Expenses	<u>116,166</u>	<u>119,320</u>	<u>162,169</u>	<u>162,169</u>	
Cash Funds	116,166	119,320	162,169	162,169	
Promotion and Correspondence	<u>198,003</u>	<u>198,995</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	198,003	198,995	200,000	200,000	
Leased Space	<u>49,460</u>	<u>51,689</u>	<u>57,189</u>	<u>57,189</u>	
Cash Funds	49,460	51,689	57,189	57,189	
Contract Auditor Services	<u>1,215,292</u>	<u>995,790</u>	<u>800,000</u>	<u>800,000</u>	
Cash Funds	1,215,292	995,790	800,000	800,000	

TOTAL - (2) Unclaimed Property Program	2,331,925	2,134,436	2,034,743	2,069,124	1.7%
FTE	<u>13.8</u>	<u>14.2</u>	<u>15.5</u>	<u>15.5</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	2,331,925	2,134,436	2,034,743	2,069,124	1.7%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

JBC Staff Budget Briefing: FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
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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 property taxes paid for real property destroyed by a natural disaster. The General Fund appropriations are exempt from the statutory limits on General Fund appropriations. The appropriation for the Senior Citizen and Disabled Veteran Property Tax Exemption are subject to the TABOR limitations.

Senior Citizen and Disabled Veteran Property Tax Exemption	102,674,552	109,804,536	118,400,000	121,500,000	
General Fund	<u>102,674,552</u>	<u>109,804,536</u>	<u>118,400,000</u>	<u>121,500,000</u>	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Fire and Police Pension Association - Old Hire Plans	<u>142,409,339</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
General Fund Exempt	142,409,339	0	0	0	
CoverColorado	<u>32,170,565</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	32,170,565	0	0	0	
Highway Users Tax Fund - County Payments	<u>184,663,051</u>	<u>190,616,697</u>	<u>186,328,712</u>	<u>196,571,562</u>	
Cash Funds	184,663,051	190,616,697	186,328,712	196,571,562	
Highway Users Tax Fund - Municipality Payments	<u>126,360,900</u>	<u>130,405,845</u>	<u>127,500,676</u>	<u>134,479,724</u>	
Cash Funds	126,360,900	130,405,845	127,500,676	134,479,724	

JBC Staff Budget Briefing: FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Property Tax Reimbursement for Property Destroyed by					
Natural Cause	<u>0</u>	<u>0</u>	<u>2,221,828</u>	<u>2,221,828</u>	
General Fund	0	0	2,221,828	2,221,828	
TOTAL - (3) Special Purpose	588,278,407	430,827,078	434,451,216	454,773,114	4.7%
<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	102,674,552	109,804,536	120,621,828	123,721,828	2.6%
General Fund Exempt	142,409,339	0	0	0	0.0%
Cash Funds	343,194,516	321,022,542	313,829,388	331,051,286	5.5%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of the Treasury	592,525,044	435,076,209	438,771,136	459,145,932	4.6%
<i>FTE</i>	<u>28.2</u>	<u>28.8</u>	<u>31.9</u>	<u>31.9</u>	<u>0.0%</u>
General Fund	103,397,081	110,559,269	121,626,076	124,779,822	2.6%
General Fund Exempt	142,409,339	0	0	0	0.0%
Cash Funds	346,718,624	324,516,940	317,145,060	334,366,110	5.4%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix B: **Recent Legislation Affecting Department Budget**

2013 Session Bills

S.B. 13-106: Supplemental appropriation for the Department of the Treasury for FY 2012-13.

S.B. 13-230: General appropriations act for FY 2013-14.

S.B. 13-234: Modifies the state's contribution toward the unfunded liability of old hire pension plans affiliated with the Fire and Police Pension Association (FPPA) by satisfying all outstanding state liabilities with a lump sum payment in FY 2012-13. Provides a transfer of \$132,409,339 General Fund to the Old Hire Plan Members' Benefit Trust Fund on May 31, 2013. Provides that the transfers that would have gone to the FPPA will be paid to the State Education Fund (SEF) in consideration for General Fund that would have otherwise been credited to the SEF in FY 2012-13. Transfers to SEF include \$45,321,079 General Fund on April 30, 2014, \$25,321,079 on April 30th of 2015 through 2018, and \$24,991,739 on April 30, 2019.

S.B. 13-242: Adds a dental benefit for adults on Medicaid. Requires the Department of Health Care Policy and Financing to design the benefit with input from stakeholders and implement it by April 1, 2014. Transfers money from the Unclaimed Property Trust Fund to the newly created Adult Dental Fund to pay for the benefit. Appropriates \$33.9 million total funds and 1.3 FTE to the Department of Health Care Policy and Financing in FY 2013-14, including a reduction of \$0.7 million General Fund, an increase of \$11.2 million cash funds, and an increase of \$23.4 million federal funds.

H.B. 13-1102: Specifies that the "Unclaimed Property Act" does not apply to unclaimed gift cards where the holder or issuer is a business association with annual gross receipts from the sales or issuance of all gift cards totaling \$200,000 or less.

H.B. 13-1115: Provides for the repeal of CoverColorado, effective March 31, 2015. Before the repeal, the act requires the board of directors of CoverColorado to develop an orderly plan for cessation of the program including:

- Cessation of enrollment of new participants for coverage after December 1, 2013;
- Termination of health care coverage for existing participants, effective April 1, 2014;
- Payment or settlement of claims for covered services and all other outstanding liabilities by December 31, 2014; and
- By March 31, 2015, final disposition of all remaining funds in any account of the program, with the payment of 25.0 percent of the remaining funds to the Colorado Health Benefit Exchange and any remaining funds to a Colorado nonprofit foundation with specific instructions for the statewide distribution of the funds to promote access to health care and improve health outcomes for populations in Colorado with high health care needs.

Specifies that effective May 1, 2013, the State Treasurer will end the transmission of moneys from the Unclaimed Property Trust Fund to CoverColorado; requires CoverColorado to transmit \$15.0 million dollars to the State Treasurer for deposit into the Unclaimed Property Trust Fund on July 1, 2013; ends tax credits available to insurance companies making contributions to CoverColorado after the 2012 tax year; and reduces by \$36,511,694 the cash funds figure shown for informational purposes in the appropriations made to the department of the treasury in the FY 2013-14 Long Bill.

H.B. 13-1205: Provides the State Treasurer with additional flexibility in investing state moneys and disposing of public school fund investments that are losing money as follows:

- Allows the state treasurer to exchange or sell an investment at a loss of principal to the public school fund so long as the loss is offset by a gain on an exchange or sale in the fund within 12 months;
- In accordance with a recommendation of the state auditor, updates statutory language that currently allows the State Treasurer to invest state moneys in domestic securities to allow investment in securities denominated in United States dollars; and
- Allows the state treasurer to invest state moneys in municipal bonds and covered bonds that rated in one of the two highest rating categories by a nationally recognized rating organization.

H.B. 13-1245: Creates two funding mechanisms to support the operations of the Colorado Health Benefit Exchange. Specifies that any funds received from the reserves of CoverColorado under H.B. 13-1115 or from a transfer of the Unclaimed Property Trust Fund must be used to reduce the assessment charged to health plans. Transfers \$15.0 million from the Unclaimed Property Trust Fund to the Colorado Health Benefit Exchange at the start of FY 2013-14. This is a one-time transfer of funds.

2014 Session Bills

H.B. 14-1001 (Property Tax Reimbursement for Property Destroyed by a Natural Cause): Provides a property tax reimbursement for real or business property listed on a single schedule that was destroyed by a natural cause, including a fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Directs the State Treasurer to issue a reimbursement warrant to the applicable county upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement. Subject to annual appropriation by the General Assembly.

H.B. 14-1248 (Supplemental Bill): Supplemental appropriation to the Department of the Treasury to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

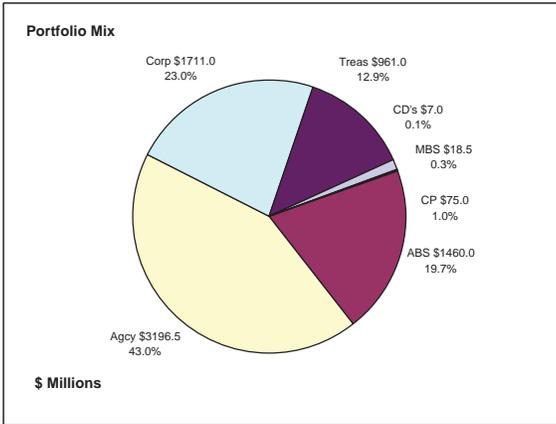
Appendix C: **Update on Long Bill Footnotes & Requests for Information**

Requests for Information

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.

Comment: The State Treasurer included the requested report as part of the State Treasurer's annual budget request. The document includes data for a number of funds and portfolios, including: the Treasury Pool Combined as well as its constituent parts; the State Education Fund; the Major Medical Insurance Fund; the Public School Permanent Fund; and the Unclaimed Property Trust Fund. The report contains information concerning the value of each fund/portfolio, asset allocation, monthly yield, average maturity, and graphs that compare monthly performance against identified benchmarks. A copy of the reports for each of these funds is included at the back of this appendix.

Colorado Treasury Pool Combined June 30, 2014



Portfolio Value

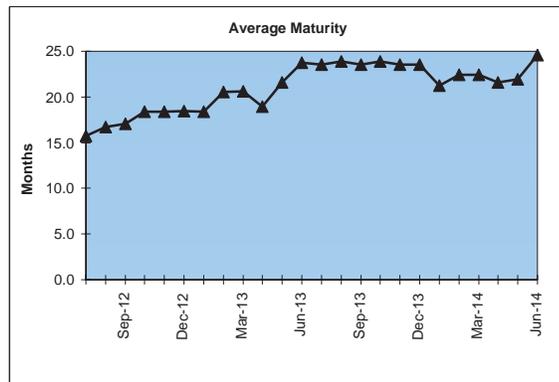
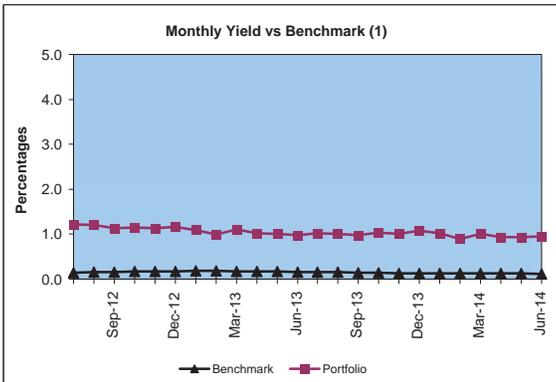
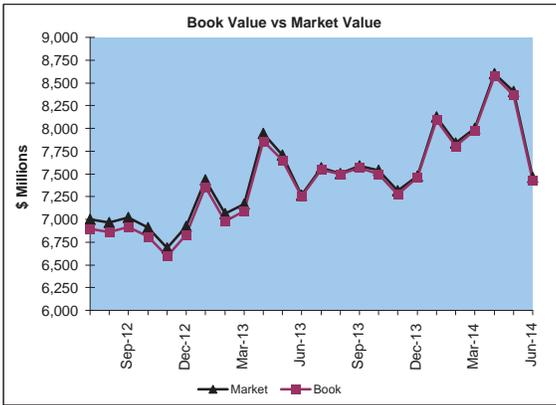
Market Value \$7,462.1 Million
Book Value \$7,429.0 Million

Yield and Average Maturity

Portfolio Book Yield 1.0%
Portfolio Average Maturity 24.6 Months

Portfolio Quality

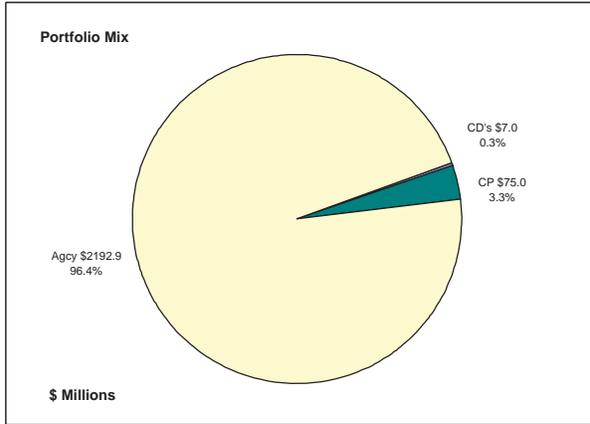
	A1 / P1	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed		100.0%							19.7%
Corporates		5.2%	37.0%	55.4%	0.9%		1.5%		23.0%
Mortgage Securities			100.0%						0.3%
Commercial Paper	100.0%								1.0%
Treasuries			100.0%						12.9%
Federal Agencies			100.0%						43.0%
Certificates of Deposit							100.0%		0.1%
Money Market Funds									
Total Portfolio	1.0%	20.9%	64.7%	12.8%	0.2%	0.3%	0.1%		100.0%



	\$ Millions		Book Yield	Performance Benchmarks (2)
	Average Portfolio	Realized Income		
FY '14 YTD	7,842.0	77.4	1.0%	0.1%
Last 12 months	7,842.0	77.4	1.0%	0.1%
FY '13	7,157.7	78.3	1.1%	0.2%
FY '12	6,442.3	89.5	1.4%	0.2%
FY '11	5,718.6	113.0	2.0%	0.3%
FY '10	5,717.7	139.0 ³	2.4%	0.4%
FY '09	5,828.6	177.4	3.0%	1.1%
Avg FY '09-13	6,173.0	119.4	2.0%	0.4%

(1) 12 month moving average of the constant maturity yield on the 1 year Treasury note
(2) 12 month moving average of the constant maturity yield on the 1 year Treasury note at end of period
(3) Excludes \$5.5 million in losses on sale of investments in July 2009.

Colorado Treasury Cash
(0 - 1 year maturities)
 June 30, 2014



Portfolio Value

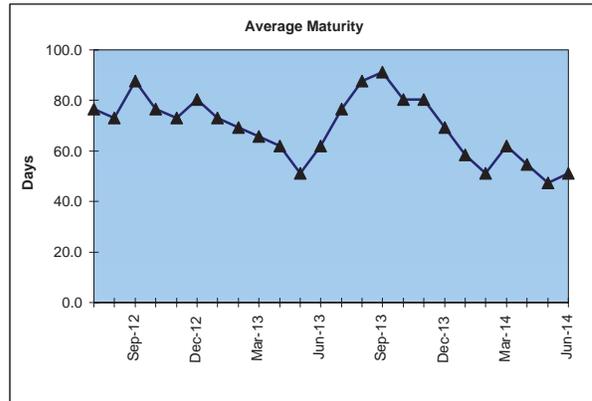
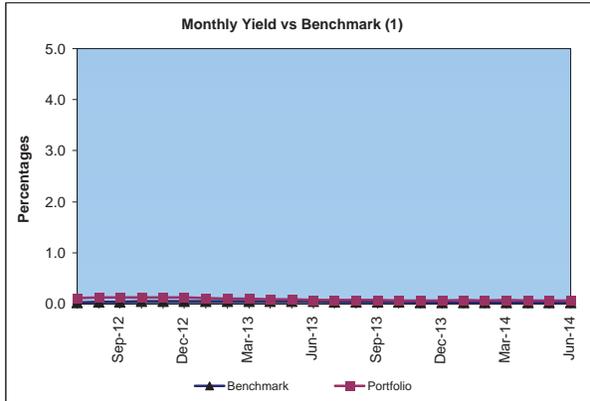
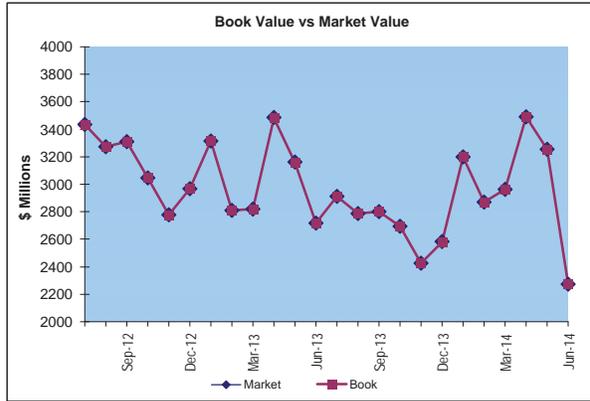
Market Value \$2,275.0 Million
 Book Value \$2,274.9 Million

Yield and Average Maturity

Portfolio Book Yield 0.07%
 Portfolio Average Maturity 51 Days

Portfolio Quality

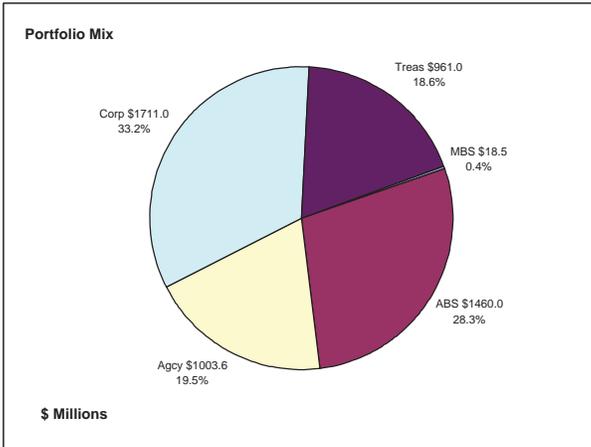
	A1 / P1	AA	Other	Portfolio Percent
Commercial Paper	100.0%			3.3%
Federal Agencies		100.0%		96.4%
Treasuries				0.0%
Certificates of Deposit			100.0%	0.3%
Money Market Funds				0.0%
Total Portfolio	3.3%	96.4%	0.3%	100.0%



	\$ Millions			
	Average Portfolio	Realized Income	Book Yield	Performance Benchmarks (2)
FY '14 YTD	2,970.8	2.0	0.07%	0.03%
Last 12 months	2,970.8	2.0	0.07%	0.03%
FY '13	3,223.2	3.5	0.11%	0.05%
FY '12	3,135.5	2.6	0.08%	0.03%
FY '11	2,355.2	3.2	0.14%	0.10%
FY '10	2,013.9	4.1	0.20%	0.09%
FY '09	2,705.6	39.2	1.40%	0.40%
Avg FY '09-'13	2,686.7	10.5	0.39%	0.13%

(1) 12 month moving average of the 30 day Treasury bill
 (2) 12 month moving average of the 30 day Treasury bill at end of period

Colorado Treasury Pool
(1 - 5 year maturities)
June 30, 2014



Portfolio Value

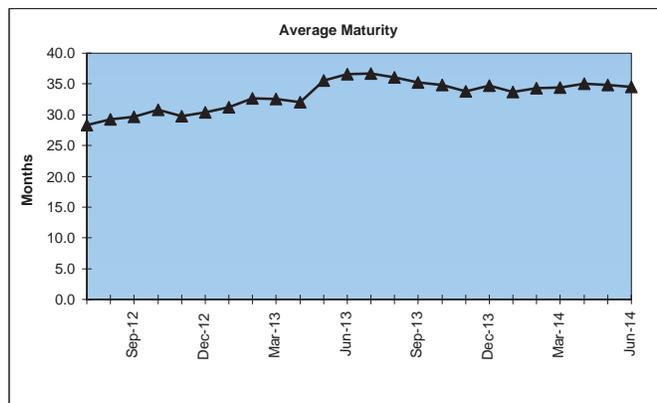
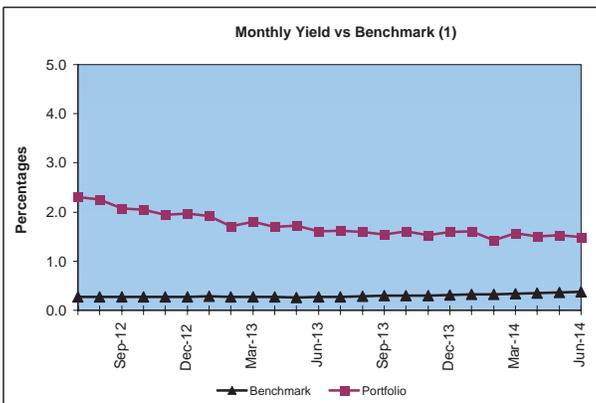
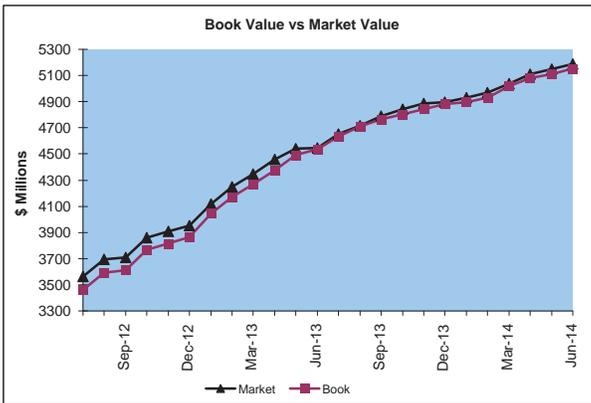
Market Value \$5,187.1 Million
Book Value \$5,154.1 Million

Yield and Average Maturity

Portfolio Book Yield 1.6%
Portfolio Average Maturity 34.6 Months

Portfolio Quality

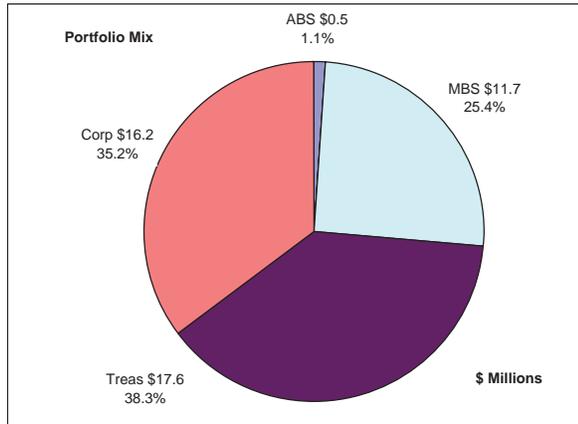
	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed	100.0%							28.3%
Corporates	5.2%	37.0%	55.4%	0.9%		1.5%		33.2%
Mortgage Securities			100.0%					0.4%
Treasuries			100.0%					18.6%
Federal Agencies			100.0%					19.5%
Total Portfolio	30.1%	50.7%	18.4%	0.3%		0.5%		100.0%



	Average Portfolio	Realized Income	Book Yield	Performance Benchmarks (2)
FY '14 YTD	4,871.2	75.4	1.6%	0.4%
Last 12 months	4,871.2	75.4	1.6%	0.4%
FY '13	3,934.5	74.8	1.9%	0.3%
FY '12	3,306.8	86.9	2.6%	0.3%
FY '11	3,363.5	109.8	3.3%	0.6%
FY '10	3,703.9	134.9 ³	3.6%	0.9%
FY '09	3,123.0	138.2	4.4%	1.4%
Avg FY '09-'13	3,486.3	108.9	3.2%	0.7%

(1) 12 month moving average of the constant maturity yield on the 2 year Treasury note
(2) 12 month moving average of the constant maturity yield on the 2 year Treasury note at end of period
(3) Excludes \$5.5 million in losses on sale of investments in July 2009.

Colorado Major Medical Insurance Fund June 30, 2014



Portfolio Value (1)

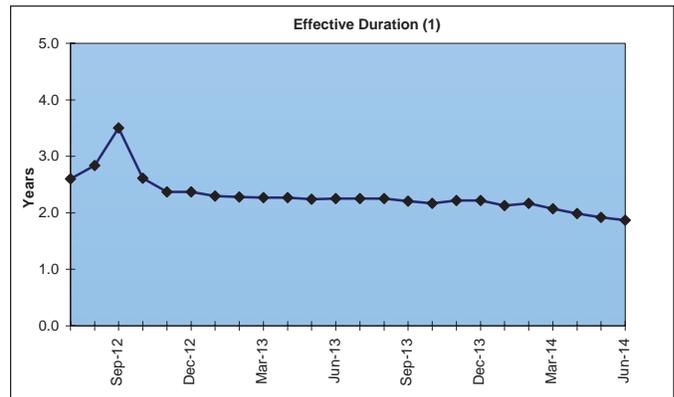
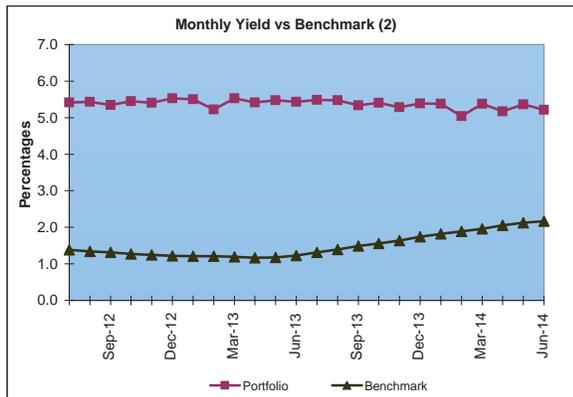
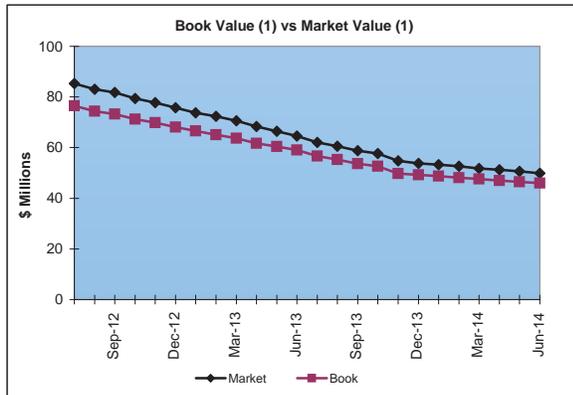
Market Value \$49.9 Million
Book Value \$46.0 Million

Yield and Effective Duration

Portfolio Book Yield 3.4%
Portfolio Effective Duration (1) 1.9 Yrs

Portfolio Quality (1)

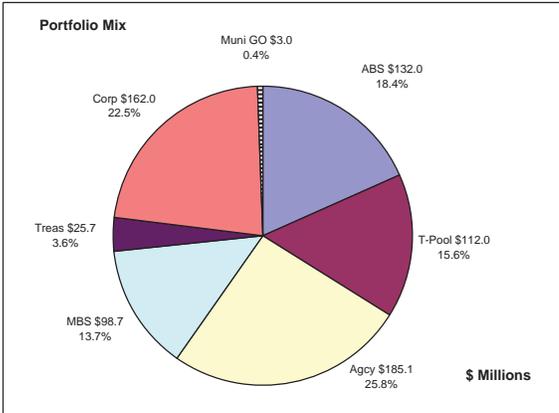
	AAA	AA	A	BBB	BB	Portfolio Percent
Asset Backed	100.0%					1.1%
Corporates	12.3%	43.2%	41.4%	3.1%		35.2%
Federal Agencies						0.0%
Mortgage Securities		100.0%				25.4%
Treasuries		100.0%				38.3%
Total Portfolio	5.4%	78.9%	14.6%	1.1%		100.0%



	\$ Millions		Book Yield	Performance Benchmarks (3)
	Average Portfolio	Realized Income		
FY '14 YTD	90.7	3.1	3.4%	2.2%
Last 12 months	90.7	3.1	3.4%	2.2%
FY '13	89.7	3.9	4.3%	1.2%
FY '12	99.4	4.7	4.7%	1.5%
FY '11	120.5	5.5	4.5%	2.4%
FY '10	126.8	6.0 ⁵	4.7%	3.1%
FY '09	163.0	7.4 ⁴	4.6%	2.8%
Avg FY '09-'13	119.9	5.5	4.6%	2.2%

- (1) Does not include State Treasury Pool balances in calculation.
- (2) 12 month moving average of the constant maturity yield on the 7 year Treasury note
- (3) 12 month moving average of the constant maturity yield on the 7 year Treasury note at end of period
- (4) Excludes \$.4 million in gains on sale of investments in May 2009.
- (5) Excludes \$.2 million in losses on sale of investments in July 2009.

Colorado Public School Permanent Fund
June 30, 2014



Portfolio Value

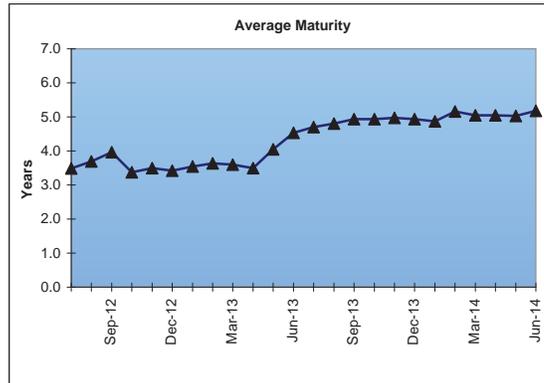
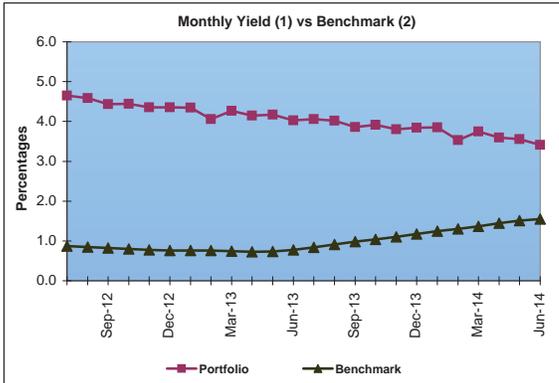
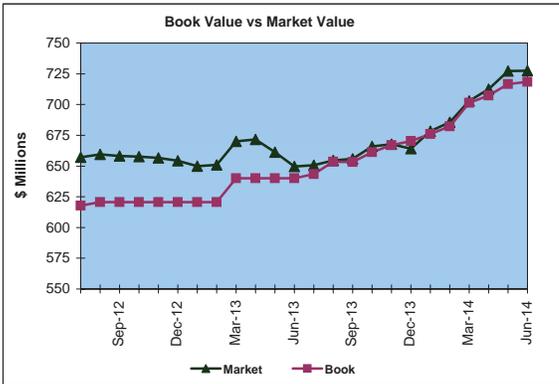
Market Value \$727.4 Million
Book Value \$718.5 Million

Yield and Average Maturity

Portfolio Book Yield 3.2%
Portfolio Average Maturity 5.2 Yrs

Portfolio Quality

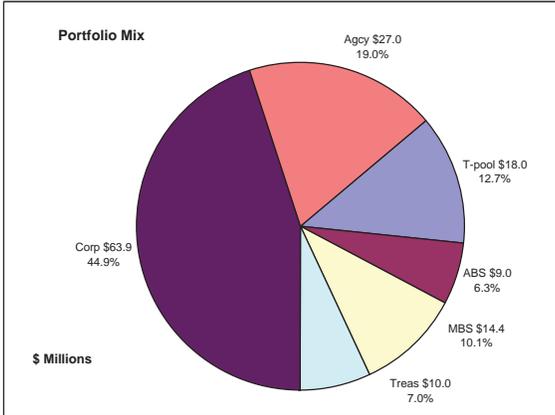
	A1 / P1	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed		100.0%							18.4%
Corporates		11.6%	75.7%	12.7%					22.5%
Mortgage Securities			100.0%						13.7%
Treasuries			100.0%						3.6%
Federal Agencies			100.0%						25.8%
Muni GOs			100.0%						0.4%
T-Pool Combined	1.0%	20.9%	64.7%	12.8%	0.2%	0.0%	0.3%	0.1%	15.6%
Total Portfolio	0.2%	24.2%	70.7%	4.8%	0.0%		0.1%	0.0%	100.0%



	\$ Millions		Book Yield	Performance Benchmarks (3)
	Average Portfolio	Realized Income		
FY '14 YTD	668.8	21.6	3.2%	1.6%
Last 12 months	668.8	21.6	3.2%	1.6%
FY '13	622.2	22.4	3.6%	0.8%
FY '12	582.2	24.1	4.1%	1.0%
FY '11	580.7	27.0	4.6%	1.8%
FY '10	580.8	28.5	4.9%	2.4%
FY '09	572.4	29.2	5.1%	2.3%
Avg FY '09-'13	587.7	26.2	4.5%	1.6%

- (1) Does not include State Treasury Pool balances in calculation.
- (2) Latest 12 month moving average of the constant maturity yield on the 5 year Treasury note
- (3) Latest 12 month moving average of the constant maturity yield on the 5 year Treasury note at end of period

Unclaimed Property Tourism Fund June 30, 2014



Portfolio Value

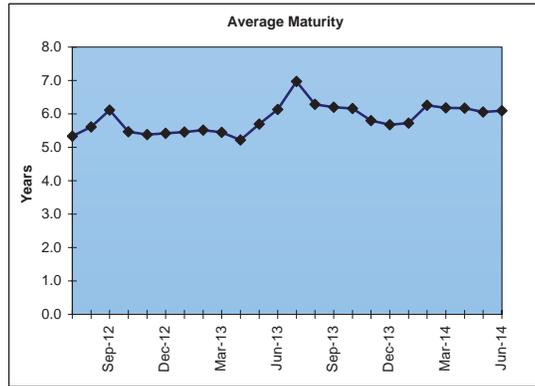
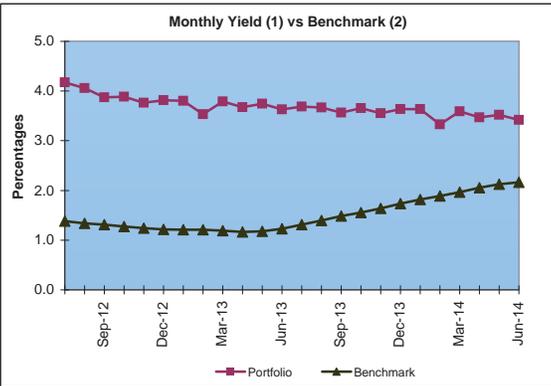
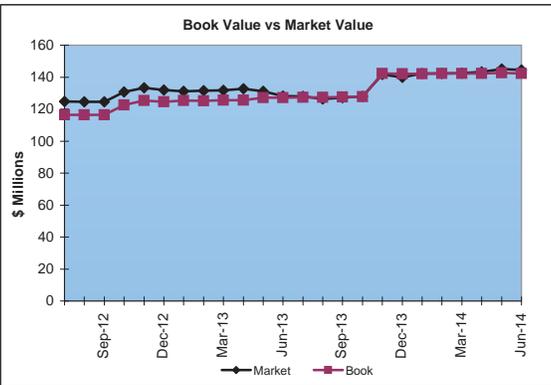
Market Value \$144.5 Million
Book Value \$142.3 Million

Yield and Average Maturity

Portfolio Book Yield 3.1%
Portfolio Average Maturity 6.1 Yrs

Portfolio Quality

	A1 / P1	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed									6.3%
Corporates		3.1%	32.9%	59.3%	4.7%				44.9%
Federal Agencies			100.0%						19.0%
Mortgage Securities			100.0%						10.1%
Treasuries			100.0%						7.0%
T-Pool Combined	1.0%	20.9%	64.7%	12.8%	0.2%	0.0%	0.3%	0.1%	12.7%
Total Portfolio	0.1%	10.4%	59.1%	28.3%	2.1%				100.0%



	\$ Millions		Book Yield	Performance Benchmarks (3)
	Average Portfolio	Realized Income		
FY '14 YTD	136.9	4.3	3.1%	2.2%
Last 12 months	136.9	4.3	3.1%	2.2%
FY '13	122.9	4.1	3.3%	1.2%
FY '12	114.3	3.8	3.3%	1.5%
FY '11	104.7	3.5	3.4%	2.4%
FY '10	87.9	3.4 ⁴	3.9%	3.1%
FY '09	65.9	3.1	4.8%	2.8%
Avg FY '09-'13	99.1	3.6	3.7%	2.2%

- (1) Does not include State Treasury Pool balances in calculation.
- (2) 12 month moving average of the constant maturity yield on the 7 year Treasury note
- (3) 12 month moving average of the constant maturity yield on the 7 year Treasury note at end of period
- (4) Excludes \$.2 million in losses on sale of investments in July 2009.

Appendix D: Indirect Cost Assessment Methodology

The Department is a central services agency and therefore its departmental indirect costs are included within the Statewide Indirect Cost Plan.

Appendix E: SMART Act Annual Performance Report

Pursuant to Section 2-7-205 (1) (b), C.R.S., the Department of the Treasury is required to publish an Annual Performance Report by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. The Annual Performance Report for the Department of the Treasury is unavailable as of the date of this briefing.