



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

Room 029 State Capitol, Denver, CO 80203-1784
Phone: (303) 866-3521 • Fax: (303) 866-3855
lcs.ga@state.co.us • leg.colorado.gov/lcs

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TO: Joint Finance Committee

FROM: Matt Bishop, Research Analyst, 303-866-4796

SUBJECT: Reports Submitted to Finance Committees during 2018 Interim

Summary

This memorandum provides information about reports received by the House and Senate Finance Committees during the 2018 interim. The memorandum is organized by reporting entity and also includes a list of reports that are due during the 2019 legislative session.

Colorado Energy Research Authority

Energy Research Cash Fund report. The Colorado Energy Research Authority directs the allocation of state matching funds to the research proposals of the Colorado Energy Research Collaboratory, a consortium of the Colorado School of Mines, Colorado State University, the University of Colorado at Boulder, and the National Renewable Energy Laboratory. The 2018 annual report summarizes the authority's research investments and the impact of the research in Colorado.¹ The report can be found at <https://tinyurl.com/zqnrgeb>.

Colorado Office of Economic Development and International Trade

Advanced Industry Accelerator Grant Program Update. The Advanced Industries Accelerator Grant Program was created in 2013 to promote Colorado's advanced industries, including advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology. The Office of Economic Development and International Trade (OEDIT) is required to submit an annual report summarizing all of the grants awarded in the program during the preceding fiscal year.² During FY 2017-18, it made 63 awards totaling \$12.1 million. The report can be found at <https://tinyurl.com/jpkgfsc>.

¹Section 24-48.5-120 (4)(a), C.R.S.

²Section 24-48.5-117 (6)(a), C.R.S.

Colorado Regional Tourism Act annual report. Under state law, OEDIT and the Department of Revenue report to the House and Senate Finance Committees annually on the tax expenditures used for regional tourism economic development and the aggregate amount of state sales tax increment revenue diverted to financing entities for approved projects.³ The report received during the 2018 interim updates the committees on the Denver, Pueblo, Aurora, Colorado Springs, and Go NoCO Regional Tourism Zones. The report can be found at <https://tinyurl.com/zg4j3vc>.

Colorado Economic Development Commission annual report. The commission reports annually on economic development initiatives through its oversight of Strategic Fund Incentives and Special Projects, Enterprise Zones, the Job Growth Incentive Tax Credit Program (JGITC), the Regional Tourism Act (RTA), Rural Jump Start, and Transferable Tax Credits. Its 2018 report highlights new incentives, initiatives, and projects. It can be found at <https://tinyurl.com/yacaj3lm>.

Office of the State Controller and Office of the State Auditor

Cash Funds Uncommitted Reserves report. The State Auditor is required to conduct an audit of the Cash Funds Uncommitted Reserves Report, which is prepared by the Office of the State Controller for each fiscal year and delivered to the Joint Budget Committee.⁴ The office identified 16 cash funds with uncommitted reserves in ten departments totaling approximately \$29.7 million, an increase of \$4.1 million over the prior year. The FY 2017-18 audit can be found at <https://tinyurl.com/ybudqtum>.

Schedule of TABOR Revenue report. The State Auditor is required to conduct an audit of the Taxpayer's Bill of Rights (TABOR) Financial Report, which is prepared by the State Controller. The report certifies the revenue subject to TABOR and excess revenue for each fiscal year.⁵ For FY 2017-18, it found that revenue exceeded the Excess State Revenues Cap by \$16.2 million. The audit can be found at <https://tinyurl.com/ycwxacm9>.

Tax Expenditures Compilation report. The State Auditor is required to evaluate tax expenditures to determine if they are achieving their intended objectives, including economic development, assisting beneficiaries, and promoting the health, safety, and welfare of the public. This report contains all reviews completed through September 2018. The report can be found at <https://tinyurl.com/y82td5lj>.

Status of Outstanding Audit Recommendations. The Office of the State Auditor reports annually on the implementation status of its recommendations to hold state agencies and other audited organizations accountable and to provide more transparent information to policy makers. The 2018 report summarizes the status of recommendations that have not been fully implemented, constituting 4 percent of recommendations made during the five prior fiscal years. The report can be found at <https://tinyurl.com/yb8ppdwf>.

Colorado Lottery Audit. The State Auditor conducts an analysis of the performance of the lottery every five years. The 2018 audit makes recommendations on issues related to repeat winners, the

³Section 24-46-308 (5), C.R.S.

⁴Section 24-30-207 (3), C.R.S.

⁵Section 24-77-106.5 (2), C.R.S.

restricted player database, and collaboration with the Judicial Branch. The report can be found at <https://tinyurl.com/ycdc3xj6>.

Gaming Administrative Expenses report. The State Auditor conducts annual audits of state agencies and departments. This report describes concerns and recommendations related to gaming administrative expenses of the Division of Gaming. The report can be found at <https://tinyurl.com/ydybkr3m>.

Colorado Public Employees' Retirement Association

Comprehensive Annual Financial Report. Each year, the Colorado Public Employees' Retirement Association produces its annual report regarding its policies, financial condition, and administration. The 2017 report includes updates on policy changes regarding the 2017 legislative session, legislative positions taken by the association, and the impact of governance and economic outlook on its financial standing. The report can be found at <https://tinyurl.com/yal7p7qy>.

Colorado Department of Revenue

Regulatory Agenda and Regulatory Agenda Report. The department publishes these two documents annually. The report provides a summary of all permanent, temporary, and emergency rules revised, created, or repealed in the past year, and the results of its mandatory review of these rules. The agenda describes rules under consideration for the upcoming calendar year. The 2018 report can be found at <https://tinyurl.com/ychwdsn4> and the 2019 agenda can be found at <https://tinyurl.com/yco96oe8>.

Outstanding Reports and Reports Due During the 2019 Legislative Session

Innovative Industry Workforce Development Program report. House Bill 15-1230 created the Innovative Industries Internship Workforce Development Program in the Colorado Department of Labor and Employment, which reimburses employers in an innovative industry up to \$5,000 in expenses per intern. Innovative industries include advanced manufacturing, energy and natural resources, information technology, aerospace, engineering, bioscience, construction, and electronics. The Colorado Workforce Development Council is required to submit reports annually from 2016 to 2018, which summarize activities of the program.⁶ The 2018 report is pending.

During the 2019 legislative session, the House and Senate Finance Committees are scheduled to receive three reports concerning the Colorado Department of Education's Building Excellent Schools (BEST) program, the Department of Agriculture's licensing fees, and the Colorado Water Conservation Board's instream flow rights and tax credit certificates from the Department of Natural Resources.

⁶Section 24-46.3-105 (5), C.R.S.