

MEMORANDUM



JOINT BUDGET COMMITTEE

TO JBC Members
FROM JBC Staff
DATE March 12, 2024
SUBJECT Figure Setting Comeback Packet 3

Included in this packet are staff comeback memos for the following items:

Governor's Office of Information Technology, page 2 (Scott Thompson): Staff Initiated Comeback to Correct FTE Error in H.B. 24-1184 for OIT FTE related to Colorado Benefits Management System (CBMS)

Department of Public Health & Environment, page 3 (Abby Magnus): Marijuana Tax Cash Fund Overexpenditure

Department of Personnel, page 4 (Tom Dermody): Administrative Law Judges Common Policy Technical Adjustment

Department of Personnel, page 5 (Tom Dermody): Capitol Complex Lease Space Common Policy Technical Adjustment

Department of Personnel, page 6 (Tom Dermody): CORE Operations Common Policy Technical Adjustment

Department of Personnel, page 7 (Tom Dermody): FY 2023-24 IT Accessibility Line Item Appropriation Change Reappropriated Funds to Cash Funds

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Scott Thompson, JBC Staff (303-866-4957)
DATE Monday, March 11, 2024
SUBJECT Staff Initiated Comeback to Correct FTE Error in H.B. 24-1184 for OIT FTE related to Colorado Benefits Management System (CBMS)

During the supplemental budget cycle the Committee approved a decision item in Health Care Policy and Financing (HCPF S10 CBMS) that transferred FTE from OIT to HCPF related to operating the Colorado Benefits Management System (CBMS). Staff correctly included the reduction in reappropriated funds (\$37.7 million) to the Office of Information Technology in the supplemental bill but erroneously did not eliminate the associated FTE from the CBMS line item. This change *was* reflected in all overview documents

JBC Staff recommends the Committee to run an add-on to adjust the FTE identified with the appropriation for CBMS down 59.5 FTE, so that the most recent appropriations bill reflects the correct number of FTE. No other changes are being made to the amounts being appropriated and, again, this change was reflected in all overview documents it was simply omitted from the supplemental bill, H.B. 24-1184.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Abby Magnus, JBC Staff (303-866-2149)
DATE March 12, 2024
SUBJECT CDPHE: MTCF Overexpenditure

On February 2, 2024 the State Controller shared a letter setting forth fiscal year 2022-23 expenditures in excess of appropriated amounts and cash funds with expenditures in excess of revenue and available fund balance as of the submission of the State's audited Annual Comprehensive Financial Report. This letter included the following overexpenditure by CDPHE out of the Marijuana Tax Cash Fund (MTCF):

Marijuana Tax Cash Fund	\$1,810,689 C
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The primary revenue recorded for this fund is from the Colorado Department of Revenue allocation. This deficit fund balance is due to the timing of the final accrual expenditure entries. This is a one-time problem.

This issue stemmed from an accounting error in the Department which certified CDPHE's MTCF (15RS) revenue before final accruals were booked. These final accruals pushed CDPHE's revenue from 15RS into a deficit revenue position for FY 2022-23, and left too much revenue in DOR's portion of 15RS. Overall, the balance in 15RS is not affected by this, but the CDPHE line items show a deficit in revenue. This is an accounting issue because, from the Controller's perspective, deficit fund balances are evaluated at the department level and not a statewide level, with each department responsible for its own portion of a fund when multiple agencies operate in a fund. However from JBC staff's perspective, we look at the cash funds as a whole regardless of the Departments' individual operations within the funds.

Even though the MTCF as a whole is not out of balance, the State Controller has placed a restriction in spending authority on CDPHE's expenditures for FY 2023-24 due to this accounting error. The current restriction is on \$1.8 million in MTCF appropriations for FY 2023-24. Around \$1.4 million of this amount is for the substance abuse prevention grant program, which means these funds cannot be distributed to grant recipients including local public health agencies and other community organizations. These grants have been awarded as part of a competitive process, and recipients are actively delivering programs with the expectation of reimbursement by the state.

Staff recommends that the Committee approve lifting the \$1.8 million MTCF spending restriction on CDPHE for FY 2023-24. Staff's recommendation is based on the recognition that this was an accounting error made at the close of FY 2022-23 which put CDPHE's portion of the MTCF in a deficit, however, the MTCF overall was not in a deficit. Staff believes that the funding should not be restricted based on an accounting error that can be corrected and will not impact the balance of the MTCF.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE March 11, 2024
SUBJECT Administrative Law Judges Common Policy Technical Adjustment

The Committee considered and approved JBC staff's recommendation for the Administrative Law Judge Services common policy on January 29, 2024. After reviewing staff figure setting documents, the Department of Personnel noted that two technical errors in staff's figure setting documents related to this common policy, both errors occurred in the Office of Administrative Courts' Personal Services line item.

The first error was an over-appropriation of cash funds in the Personal Services line item; cash funds in this line item are part of the common policies fund balance adjustment that utilizes cash funds to reduce the statewide allocable costs of the policy. In establishing the staff recommendation for line item's cash fund appropriation, JBC staff did not account for the recommended cash funds in the Operating Expenses line item. As a result, the recommended cash fund appropriation for the Personal Services line item double counts \$114,382.

The second error was an under-appropriation of cash funds in the Personal Services line item related to the annualization of prior year salary survey. The Department requested an incremental increase of \$188,482 reappropriated funds for this annualization. JBC staff intended to recommend a cash funds appropriation for this incremental increase; however, in developing the recommendation for the Personal Services line item, staff reduced the reappropriated funds but did not include a commensurate increase in cash funds. As a result, JBC staff's recommendation under-appropriates cash funds for this line item.

To correct these technical errors in staff's figure setting recommendation, JBC **staff recommends an increase of \$74,100 cash funds** from the Administrative Courts Cash Fund to the Office of Administrative Courts' Personal Services line item.

JBC STAFF REVISED RECOMMENDATION – OFFICE OF ADMINISTRATIVE COURTS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUND	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Figure setting	\$4,913,985	\$0	\$842,230	\$4,071,755	\$0	47.4
Revised recommendation	4,988,085	0	916,330	4,071,755	0	47.4
Difference	\$74,100	\$0	\$74,100	\$0	\$0	0.0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE March 8, 2024
SUBJECT Capitol Complex Lease Space Common Policy Technical Adjustment

The Committee considered and approved JBC staff's recommendation for the Capitol Complex Leased Space common policy on January 29, 2024. After reviewing staff figure setting documents, the Department of Personnel noted two omissions in the November 1st budget submission documents. The first was the omission of cost increases for Capitol Complex security totaling \$27,188. The second was an error in the reconciliation between the submitted common policy documentation and the Department's request for the Capitol Complex Operating Expenses line in their operating budget, which did not include an incremental increase of \$117,839 to account for the 3-year annual average change in contract maintenance costs.

To address these omissions, JBC **staff recommends an increase of \$145,027 cash funds from the Department of Personnel Revolving Fund**. This increase is split between the Operating Expenses line item and the Capitol Complex Security line item, as detailed in the tables below.

JBC STAFF REVISED RECOMMENDATION – CAPITOL COMPLEX LEASED SPACE, OPERATING EXPENSES					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Figure setting	\$3,575,515	\$71,425	\$1,641,738	\$1,862,352	\$0
Revised Recommendation	3,693,354	71,425	1,759,577	1,862,352	0
Difference	\$117,839	\$0	\$117,839	\$0	\$0

JBC STAFF REVISED RECOMMENDATION – CAPITOL COMPLEX LEASED SPACE, SECURITY					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Figure setting	\$610,189	\$0	\$0	\$610,189	\$0
Revised Recommendation	637,377	0	27,188	610,189	0
Difference	\$27,188	\$0	\$27,188	\$0	\$0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE March 8, 2024
SUBJECT CORE Operations Common Policy Technical Adjustment

The Committee considered and approved JBC staff's recommendation for the CORE Operations common policy on January 29, 2024. After reviewing staff figure setting documents, the Department of Personnel noted that a change to the methodology for calculating CORE Operations program costs had not been implemented in the November 1st budget submission documents and, therefore, were not accounted for in staff's figure setting. The methodology change affects the depreciation calculations for the CORE upgrades that began in FY 2023-24 and changes the cost elements included in the CORE Operations program costs for allocation. As a result of this methodological change, the total program costs for the CORE Operations common policy increase by \$140,048.

To cover this cost increase JBC **staff recommends an increase of \$140,048 cash funds** from the Supplier Database Cash Fund to the Payments for CORE and Supporting Modules line item. This would result in an estimated FY 2024-25 balance for the Supplier Database Cash Fund of \$1.3 million.

REVISED JBC STAFF RECOMMENDATION - PAYMENTS FOR CORE AND SUPPORTING MODULES LINE ITEM					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Figure Setting	\$6,185,798	\$0	\$5,760,798	\$425,000	\$0
Revised recommendation	6,325,846	0	5,900,846	425,000	0
Total change	\$140,048	\$0	\$140,048	\$0	\$0

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE March 11, 2024
SUBJECT FY 2023-24 IT Accessibility Line Item Appropriation Change
Reappropriated Funds to Cash Funds

After figure setting for the Department of Personnel (March 1, 2024), the Department requested a technical adjustment to the FY 2023-24 IT Accessibility line item appropriation. The request is a budget neutral shift of \$4,243,998 reappropriated funds to cash funds. The current source of reappropriated funds are user fees collected from other state agencies as part of the administration of operating common policies. This revenue is deposited into the cash funds that support each common policy, and reappropriated spending authority is provided from those cash funds to support the various costs of those common policies.

The IT Accessibility line item in the Executive Director’s Office was added in FY 2023-24 and provides an appropriation for costs related to information technology accessibility; this appropriation includes roll-forward spending authority through FY 2025-26 (S.B. 23-244). The shift of the spending authority from reappropriated funds to cash funds allows the Department to utilize the balance of each respective cash fund across the fiscal years.

JBC staff **recommends a decrease of \$4,243,998 reappropriated funds and an equal increase in cash funds in FY 2023-24 for the Department’s IT Accessibility line item.**

JBC STAFF RECOMMENDATION – FY 2023-24 IT ACCESSIBILITY LINE ITEM REFINANCE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Current appropriation	\$6,549,380	\$2,113,485	\$191,897	\$4,243,998	\$0
Revised appropriation	6,549,380	2,113,485	4,435,895	0	0
Difference	\$0	\$0	\$4,243,998	(\$4,243,998)	\$0