



# JOINT BUDGET COMMITTEE STAFF FY 2021-22 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

*Department of the Treasury*

The Department of the Treasury is responsible for the following primary duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions; and (9) reimburses certain property taxes owed or paid for real and business personal property destroyed in a natural disaster. The Department's funding for FY 2020-21 consists of 27.4 percent General Fund, 69.9 percent cash funds, and 2.7 percent reappropriated funds. The Department's FY 2020-21 appropriation represents approximately 2.0 percent of statewide operating appropriations and 1.7 percent of statewide General Fund appropriations.

## FY 2020-21 APPROPRIATION AND FY 2021-22 REQUEST

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2020-21 APPROPRIATION:</b>						
HB 20-1360 (Long Bill)	877,117,998	361,072,642	444,561,518	71,483,838	0	32.9
Other Legislation	(223,852,395)	(181,783,730)	11,981,929	(54,050,594)	0	5.0
<b>TOTAL</b>	<b>\$653,265,603</b>	<b>\$179,288,912</b>	<b>\$456,543,447</b>	<b>\$17,433,244</b>	<b>\$0</b>	<b>37.9</b>
<b>FY 2021-22 REQUESTED APPROPRIATION:</b>						
FY 2020-21 Appropriation	\$653,265,603	\$179,288,912	\$456,543,447	\$17,433,244	\$0	37.9
R1 Unclaimed property technology upgrades	21,000	0	21,000	0	0	0.0
R2 Department personnel costs	334,614	216,315	118,299	0	0	3.5
NP 1 Center for Organizational Effectiveness	510	255	255	0	0	0.0
NP 2 Budget request package	(12,340)	(6,170)	(6,170)	0	0	0.0
Annualize prior year legislation and budget actions	223,930,808	169,861,912	18,302	54,050,594	0	0.0
Revenue forecast adjustments	50,708,991	11,278,587	39,430,404	0	0	0.0
Centrally appropriated line items	(49,564)	17,003	(66,567)	0	0	0.0
<b>TOTAL</b>	<b>\$928,199,622</b>	<b>\$360,656,814</b>	<b>\$496,058,970</b>	<b>\$71,483,838</b>	<b>\$0</b>	<b>41.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$274,934,019</b>	<b>\$181,367,902</b>	<b>\$39,515,523</b>	<b>\$54,050,594</b>	<b>\$0</b>	<b>3.5</b>
Percentage Change	42.1%	101.2%	8.7%	310.0%	0.0%	9.2%

**R1 UNCLAIMED PROPERTY TECHNOLOGY UPGRADES:** The request includes an increase of \$21,000 cash funds from the Unclaimed Property Trust Fund for FY 2021-22 and \$15,000 ongoing. The request includes: \$1,000 for security

cameras and \$5,000 for the installation of a client services phone system; and \$15,000 ongoing for maintenance and upkeep of the phone system. These technology upgrades will allow for better management of claims made for unclaimed property and better security for the vault that holds tangible unclaimed property. This request is one that the Committee approved last year prior to balancing actions.

**R2 DEPARTMENT PERSONNEL COSTS:** The request includes an increase of \$334,614 total funds, including \$216,315 General Fund and \$118,299 cash funds to support 3.5 FTE. The request includes four items: a Junior Investment Officer for the Investment Division; an additional 1.0 FTE for Unclaimed Property claims; an additional 0.5 FTE for Unclaimed Property tangible assets; and a Policy Director/Legislative Liaison for the Administration Division. The Department describes this as a workload true-up request related to increased responsibilities added in legislation over the last 15 years which the Department accepted within existing appropriations. This request adds one FTE to last year's request, which the Committee approved prior to budget balancing actions.

**NON-PRIORITIZED REQUEST ITEMS:** The request includes a decrease of \$11,830 total funds, including a decrease of \$5,915 General Fund, for items requested by other departments that impact the agencies covered in this briefing document. The following table itemizes each requested non-prioritized decision item.

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP 1 Center for Organizational Effectiveness	510	255	255	0	\$0	0.0
NP 2 Budget request package	(12,340)	(6,170)	(6,170)	0	0	0.0
<b>TOTAL</b>	<b>(\$11,830)</b>	<b>(\$5,915)</b>	<b>(\$5,915)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS:** The request includes a net increase of \$223.9 million total funds, including an increase of \$169.8 million General Fund, to annualize prior year legislation and budget actions.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 suspend DD to PERA	\$225,049,947	\$170,981,282	\$18,071	\$54,050,594	\$0	0.0
FY20-21 GF HLD reduction	77,812	77,812	0	0	0	0.0
SB18-200 PERA unfunded liability	601	370	231	0	0	0.0
SB 20-200 implementation of CO secure savings program	(1,197,552)	(1,197,552)	0	0	0	0.0
<b>TOTAL</b>	<b>\$223,930,808</b>	<b>\$169,861,912</b>	<b>\$18,302</b>	<b>\$54,050,594</b>	<b>\$0</b>	<b>0.0</b>

**REVENUE FORECAST ADJUSTMENTS:** This revenue adjustment that resulted from OSPB's September revenue forecast increased total funds to the Department by \$50.7 million including an \$11.2 million increase in General Fund.

REVENUE FORECAST ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Senior Citizen and Disabled Veteran Property Tax Exemption	\$11,278,587	\$11,278,587	\$0	\$0	\$0	0.0
Highway Users Tax Fund - County Payments	18,837,849	0	18,837,849	0	0	0.0
Highway Users Tax Fund - Municipality Payments	20,592,555	0	20,592,555	0	0	0.0
<b>TOTAL</b>	<b>\$50,708,991</b>	<b>\$11,278,587</b>	<b>\$39,430,404</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes a decrease of \$49,564 total funds with an increase of \$17,003 General Fund for adjustments to centrally appropriated line items including the following: payments to OIT adjustments; Capitol Complex leased space adjustment; supplemental state contributions to the Public Employees’ Retirement Association (PERA); workers’ compensation; health, life, and dental; legal services; CORE operations; and short-term disability.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$120,054	\$60,027	\$60,027	\$0	\$0	0.0
Capitol Complex leased space	5,521	5,521	0	0	0	0.0
PERA Direct Distribution	5,392	2,175	3,217	0	0	0.0
Workers’ compensation	5,226	5,226	0	0	0	0.0
Health, life, and dental	808	11,561	(10,753)	0	0	0.0
Legal services	(88,342)	(15,906)	(72,436)	0	0	0.0
CORE	(86,037)	(38,716)	(47,321)	0	0	0.0
AED	(5,970)	(6,324)	354	0	0	0.0
SAED	(5,970)	(6,324)	354	0	0	0.0
Short-term disability	(246)	(237)	(9)	0	0	0.0
<b>TOTAL</b>	<b>(\$49,564)</b>	<b>\$17,003</b>	<b>(\$66,567)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**ISSUE 1: 2020 SESSION BUDGET BALANCING ACTIONS:** In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly took actions that reduced the FY 2019-20 General Fund appropriations to the Department of the Treasury by \$15.7 million. Fiscal year 2020-21 appropriations to the Department were further reduced by \$192 million. The General Assembly’s actions made an additional \$43 million available for balancing purposes through cash fund transfers. These adjustments contributed to the net decrease in the Department’s General Fund and total funds budget for FY 2020-21.

**ISSUE 2: FUNDING REQUESTS FOR FY 2021-22:** The Department of the Treasury is requesting an increase of \$355,614 total funds for FY 2021-22, including \$216,315 General Fund and \$139,299 cash funds, to support technology upgrades for the Unclaimed Property Division and 3.5 FTE to support the Department’s mission.

**ISSUE 3: HLD DECREASE REDUCTION:** The statewide compensation policies’ budget balancing action for a Health, Life, and Dental (HLD) decrease in lieu of a 5.0 percent General Fund base salary reduction was calculated on standard compensation templates used to calculate the correct appropriation of centrally appropriated employee benefits. However, the Department reflects cash fund revenue from its cash management transaction fee as General Fund in its template. As a result, the HLD General Fund appropriation was reduced by \$77,812, but should have been reduced by \$29,428.

**ISSUE 4: PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE:** Last budget cycle, the Committee decreased the annual General Fund appropriation to the Department of the Treasury for Property Tax Reimbursement for Property Destroyed by a Natural Cause from \$2,221,828 to \$25,000. The Committee opted to fund the appropriation as necessary in any given year rather than create a reserve fund for this purpose. This issue provides a summary update on how that change is being implemented with regard to the wildfires this past summer.

## FOR MORE INFORMATION

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**TO READ THE ENTIRE BRIEFING:** Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2020.