

MEMORANDUM

TO: Joint Budget Committee

FROM: John Ziegler, JBC Staff

SUBJECT: Recommendations on TABOR Reserve and FY 2010-11 Long Bill Headnotes

DATE: March 23, 2010

Attached to this memorandum are recommendations on the funds to be designated as the TABOR reserve and the proposed changes to the FY 2010-11 long bill headnotes. The headnotes are the first several pages of the long bill that provide definitions and general provisions of the bill.

Attachment 1 entitled "JBC Staff Recommendation for TABOR Reserve Designation - FY 2009-10 and FY 2010-11" reflects the staff recommendation on funds to be designated as the TABOR reserve. A TABOR reserve of \$273.1 million is required for FY 2009-10 according to the LCS March 2010 Revenue Forecast. The current Long Bill headnote designation for the FY 2009-10 TABOR reserve includes \$107.0 million (38.9 percent) in liquid assets and \$161.1 million (61.1 percent) in equity assets. A TABOR reserve of \$264.7 million is required for FY 2010-11 according to the LCS March 2010 Revenue Forecast. **Staff recommends \$114.0 million (43.9 percent) in liquid assets and \$150.7 million (61.1 percent) in equity assets as the TABOR reserve for FY 2010-11.**

The following outlines the recommended changes to the headnotes as contained in Attachment 2:

- **Page 2, lines 4-5** - Indicates that section 24-75-112, C.R.S. provides definitions for certain line items of appropriations.
- **Page 2, line 6-25; and page 3, lines 1-8** - Reflects the designation of the TABOR reserve for FY 2010-11.
- **Page 3, line 15** - Updates the fiscal year for which the long bill appropriations are in effect.
- **Page 8, line 12** - Updates the date pertaining to state contracts authorized by appropriation in the act.

JBC Staff Recommendation for TABOR Reserve Designation - FY 2009-10 and FY 2010-11

Fund/Equity Designated to TABOR	FY 2009-10			FY 2010-11		
	Cite	Dollar Amt	%	Cite	Dollar Amt	%
Major Medical	(I)	94,000,000	34.2%	(I)	94,000,000	35.5%
Subsequent Injury						
Workers Compensation						
DOW CF (Liquid Assets)	(II)	13,000,000	4.7%	(II)	20,000,000	7.6%
DOW CF (Equity Assets)		87,000,000	31.6%		80,000,000	30.2%
State Buildings	(III)	81,100,000	29.5%	(III)	70,700,000	26.7%
Increase to State Buildings			0.0%			0.0%
Total Available for 3% Reserve		275,100,000	100.0%		264,700,000	100.0%
Required TABOR Reserve Based on LCS March 2010 Forecast		273,100,000			264,700,000	
Above/(Below) Required TABOR Reserve		2,000,000			0	

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

DRAFT

LLS NO. 10-0563.01 John Ziegler

HOUSE BILL

HOUSE SPONSORSHIP

Pommer, Ferrandino, Lambert

SENATE SPONSORSHIP

Keller, Tapia, White

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION FOR PAYMENT OF THE EXPENSES OF THE**
102 **EXECUTIVE, LEGISLATIVE, AND JUDICIAL DEPARTMENTS OF THE**
103 **STATE OF COLORADO, AND OF ITS AGENCIES AND INSTITUTIONS,**
104 **FOR AND DURING THE FISCAL YEAR BEGINNING JULY 1, 2010,**
105 **EXCEPT AS OTHERWISE NOTED.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Provides for the payment of expenses of the executive, legislative, and judicial departments of the state of Colorado, and of its agencies and institutions, for and during the fiscal year beginning July 1, **2009 2010**,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

except as otherwise noted.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Definitions - general provisions.** As used in this
3 act, the following definitions and general provisions shall apply:

4 (1) Section 24-75-112, C.R.S., provides definitions in order to
5 specify the purpose of certain line items of appropriation.

6 (2) (a) For purposes of complying with the provisions of
7 subsection (5) of section 20 of article X in the state constitution, and in
8 accordance with the provisions of this subsection (2), the balance of funds
9 in the funds specified in paragraph (b) of this subsection (2), or such
10 portions thereof as is necessary to be in compliance with said
11 constitutional provision, are hereby designated to constitute the state
12 emergency reserve for the 2009-10 2010-11 fiscal year. The designation
13 of the balance of funds in said funds shall be in the same order of priority
14 as said funds are set forth in paragraph (b) of this subsection (2) and shall
15 be made in the manner such that all of the balance of funds in one fund,
16 to the extent permitted in accordance with paragraph (b) of this
17 subsection (2), shall constitute all or a portion of said state emergency
18 reserve before any balance of funds in any other fund lower in the order
19 of priority of said funds set forth in paragraph (b) of this subsection (2)
20 shall constitute all or part of said state emergency reserve. To the extent
21 that the balance of funds, or any portion thereof, in one or more of the
22 funds set forth in paragraph (b) of this subsection (2) are not necessary to
23 be in compliance with said constitutional provision, said balance of funds,
24 or portion thereof, shall not be designated to constitute any portion of said
25 emergency reserve.

1 (b) The funds designated to constitute the state emergency reserve
2 for the 2009-10 2010-11 fiscal year are:

3 (I) The major medical insurance fund, created in section 8-46-202
4 (1) (a), Colorado Revised Statutes, up to a maximum of \$94,000,000;

5 (II) The wildlife cash fund, created in section 33-1-112 (1)(a),
6 Colorado Revised Statutes, up to a maximum of \$100,000,000; and

7 (III) Up to \$70,700,000 of state properties as designated by the
8 Governor.

9 **SECTION 2. Appropriation.** (1) The sums in this section
10 hereinafter specified, or so much thereof as may be necessary for the
11 purpose, are hereby appropriated out of any moneys in the general fund,
12 the indicated cash funds, reappropriated funds, and federal funds, for the
13 payment of the ordinary operating costs of the executive, legislative, and
14 judicial departments of the state, and of its agencies and institutions, for
15 and during the fiscal year beginning July 1, 2009 2010, and:

16 (a) The figures in the column headed "item & subtotal" are the
17 amounts made available by appropriation for expenditure within each line
18 item, except for the figure beneath the line, which is the subtotal of the
19 figures preceding. The figures in the "total" column are the amounts
20 made available by appropriation for expenditure by the department,
21 division, institution, or program to which the totals relate.

22 (b) The figures in the "general fund", "general fund exempt",
23 "cash funds", "reappropriated funds", and "federal funds" columns
24 indicate the source of funds for the amounts authorized in the expenditure
25 columns.

26 (c) The figures in the "general fund" and "general fund exempt"
27 columns indicate the maximum amount that may be expended from the

1 general fund for the purposes shown.

2 (d) Where the letter "(M)" appears directly to the right of the
3 general fund or general fund exempt figure, that general fund or general
4 fund exempt appropriation, when combined with the related general fund
5 or general fund exempt transfers from the centralized appropriations to
6 the office of the executive director, is used to support a federally
7 supported program and is the maximum amount of general fund or
8 general fund exempt moneys that may be expended in that program,
9 except where otherwise provided. In the event that additional federal
10 funds are available for the program, the combined general fund or general
11 fund exempt amount noted as "(M)" shall be reduced by the amount of
12 federal funds earned or received in excess of the figure shown in the
13 "federal funds" column for that program. In the event that the federal
14 funds earned or received are less than the amount shown in the "federal
15 funds" column, the combined general fund or general fund exempt
16 amount noted as "(M)" shall be reduced proportionately. Where general
17 fund or general fund exempt support is required as a condition for the
18 acceptance of federal funds and the state matching requirements are
19 reduced, the combined general fund or general fund exempt amount noted
20 as "(M)" shall be reduced proportionately. These provisions shall apply
21 only to the general fund or general fund exempt amount which remains
22 unexpended at the time of the change in federal requirements or funding.
23 It is intended that the general fund or general fund exempt amount and the
24 federal funds amount shall be expended in equally proportioned amounts
25 throughout the year.

26 (e) (I) The figures in the "cash funds" or "reappropriated funds"
27 columns, including the figures in any related lettered notes, indicate all

1 non-general fund and non-general fund exempt sources and all nondirect
2 federal fund sources and may be cash funds established by statute,
3 nonstatutory cash accounts, tuitions, overhead reimbursements, certain
4 fees, governmental and nongovernmental "third-party" payments,
5 payments for services, and interagency transfers. Such figures indicate
6 the maximum amount that may be expended from cash funds or the
7 specified cash fund sources for the purposes shown. The amount of each
8 cash funds or reappropriated funds appropriation is expressly declared to
9 be nonseverable from the agency, source, and purpose of such
10 appropriation, and such amount shall not be used for any other agency,
11 source, or purpose.

12 (II) The provisions of this paragraph (e) shall not apply where this
13 act specifically provides otherwise or where cash funds are marked with
14 an "(L)". The "(L)" designation refers to the funds of local governments
15 or to the funds of service organizations from which the state purchases
16 services, the amounts of which are not appropriated in this act and the
17 inclusion of which is informational only.

18 (III) Whenever a state agency receives cash funds or
19 reappropriated funds from a centralized appropriation made to the office
20 of the executive director of such agency's department and this act does not
21 set forth such funds as a duplicate appropriation to said receiving agency,
22 the provisions of this paragraph (e) shall not apply to the receipt of such
23 funds.

24 (IV) Whenever the controller creates an account solely for the
25 purpose of establishing the obligation of a state agency to generate cash
26 funds or reappropriated funds for distribution to another state agency to
27 which such funds are appropriated by this act, the provisions of this

1 paragraph (e) shall not apply to the account created or to such
2 distribution.

3 (f) Where the letter "(H)" appears directly to the right of a cash
4 funds or reappropriated funds figure, that appropriation, when combined
5 with the related cash funds or reappropriated funds transfers from the
6 centralized appropriations to the office of the executive director, is used
7 to support a federally supported program and is the maximum amount of
8 cash funds or reappropriated moneys that may be expended in that
9 program, except where otherwise provided. In the event that additional
10 federal funds are available for the program, the combined cash funds or
11 reappropriated funds amount noted as "(H)" shall be reduced by the
12 amount of federal funds earned or received in excess of the figure shown
13 in the "federal funds" column for that program. In the event that the
14 federal funds earned or received are less than the amount shown in the
15 "federal funds" column, the combined cash funds or reappropriated funds
16 amount noted as "(H)" shall be reduced proportionately. Where cash
17 funds or reappropriated funds support is required as a condition for the
18 acceptance of federal funds and the state matching requirements are
19 reduced, the combined cash funds or reappropriated funds amount noted
20 as "(H)" shall be reduced proportionately. These provisions shall apply
21 only to the cash funds or reappropriated funds amount which remains
22 unexpended at the time of the change in federal requirements or funding.
23 It is intended that the cash funds or reappropriated funds amount and the
24 federal funds amount shall be expended in equally proportioned amounts
25 throughout the year.

26 (g) Reappropriated funds means moneys appropriated again
27 subsequent to an initial appropriation in the same fiscal year. The

1 designation of moneys as reappropriated funds has no bearing on whether
2 the moneys constitute a grant from the state of Colorado pursuant to
3 section 20 (2) (d) of article X of the state constitution.

4 (h) (I) The figures in the "federal funds" column earned or
5 received under the following federal programs which are subject to a state
6 match or which are subject to transfer to other block grants shall be limits
7 on the amount of expenditures of such funds, and such funds shall be
8 expended in accordance with applicable state and federal statutes,
9 including all provisions of this act:

10 Title XX Social Services Block Grant

11 Preventive Health Services Block Grant

12 Maternal and Child Health Block Grant

13 (II) The figures in the "federal funds" column earned or received
14 under the following federal programs shall be limits on the amount of
15 expenditures of such funds, and such funds shall be expended in
16 accordance with applicable state and federal statutes, including all
17 provisions of this act:

18 Child Care Development Funds

19 Temporary Assistance to Needy Families Block Grant

20 Welfare-to-Work Block Grant

21 (III) The figures in the "federal funds" column for all other
22 programs are anticipated federal funds, and, although these funds are not
23 appropriated in this act, they are noted for the purpose of indicating the
24 assumption used relative to those funds in developing the basic
25 appropriations amounts.

26 (i) The general assembly accepts no obligation directly or
27 indirectly for support or continuation of non-state-funded programs or

1 grants where no direct or indirect state contribution is required.
2 Furthermore, the general assembly accepts no obligation for costs
3 incurred by or claimed against nonappropriated federally funded
4 programs.

5 (j) No moneys appropriated by this act shall knowingly be paid to
6 any organization, business firm, person, agency, or club which places
7 restrictions on employment or membership based on sex, sexual
8 orientation, race, age, marital status, creed, color, religion, national origin,
9 ancestry, or physical handicap.

10 (k) Pursuant to section 24-30-202 (2), Colorado Revised Statutes,
11 the controller shall examine all state contracts entered into during the
12 fiscal year commencing July 1, 2009 2010, to determine whether such
13 contracts are authorized by an appropriation within this act, and, pursuant
14 to section 24-30-202 (3), Colorado Revised Statutes, no agency shall
15 incur obligations by contract in excess of the amounts appropriated by
16 this act.