


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0378
Prime Sponsor(s): Rep. Stephens
 Sen. Scheffel

Date: February 4, 2010
Bill Status: House SVMA
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING INCREASING THE TRANSPARENCY IN THE USE OF GIFTS, GRANTS, AND DONATIONS TO FUND PROGRAMS BY STATE AGENCIES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
General Fund	\$482,294	\$441,198
FTE Position Change	9.2 FTE	9.2 FTE
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill directs any state agency that receives gifts, grants, and donations to make an annual report to the General Assembly. Beginning in 2011, the report will list each gift, grant, or donation received; its source and use; and its impact on the sustainability of certain programs. Upon receipt of a gift, grant, or donation from a non-governmental entity, a state agency is to request a letter from the donor that specifies the amount, duration, purpose, and bill number, if applicable.

As of January 1, 2011, all bills that rely on gifts, grants, or donations for funding are to include a notice of funding provision. This provision directs a state agency to report to the Legislative Council when sufficient funding is received. Relevant portions of the bill may be repealed if funding is not received within 18 months. The Legislative Council is required to:

- keep a record of all bills passed during each legislative session that rely on gifts, grants, or donations;
- track gifts, grants, and donations received for any interim committee dependent on such funds to ensure sufficient funds are available; and
- track information from state agencies and make a report as of January 2013 on all bills that have not received adequate funding from gifts, grants, or donations, as required under the bill.

State Expenditures

HB10-1178 will increase costs to the General Fund by \$482,294 and 9.2 FTE in FY 2010-11 and \$441,198 and 9.2 FTE in FY 2011-12 in the Department of Higher Education for the University of Colorado, Adams State College, and Colorado Mountain College.

Cost Components	FY 2010-11	FY 2011-12
Personal Services	\$432,838	\$432,838
FTE	9.2	9.2
Operating Expenses and Capital Outlay	49,456	8,360
TOTAL	\$482,294	\$441,198

The Department of Higher Education requires \$446,224 and 9.2 FTE in FY 2010-11 to implement this bill. Under current law, institutions of higher education are exempted from the requirement to report the receipt of federal monies to the State Controller. Accordingly, federal and other grant monies are not tracked through a centralized accounting function. However, these institutions receive significant amounts of gifts, grants, and donations each year. The University of Colorado system, for instance, receives an average of 6,500 separate gifts each year, not including donations made to their foundation. To meet the requirements of HB10-1178, the University of Colorado, Adams State College, and Colorado Mountain College will require staff to follow up with donors for letters and implement a centralized process for tracking gifts, grants, and donations.

Other Agencies. The majority of gift, grants, and donations received by the state are from federal sources, and the bill allows state agencies to use information reported to the State Controller to meet the requirements for reporting on federal grants. For state agencies that receive gifts, grants, and donations from non-governmental entities, it is anticipated that the costs to request letters from donors and make an annual report to the General Assembly can be absorbed within existing resources.

This fiscal note assumes that donations received in cash donation bins at Department of Natural Resources' facilities, education events, and fundraisers would not require a letter from the donor; and that a state agency would not be prohibited from expending monies if a donor does not provide the requested letter.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB10-1178*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$65,320	\$65,320
Supplemental Employee Retirement Payments	16,096	19,586
TOTAL	\$81,416	\$84,906

**More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

State Appropriations

The Department of Higher Education will require a General Fund appropriation of \$482,294 and 9.2 FTE in FY 2010-11, including \$465,936 to the University of Colorado, \$9,466 to Adams State College, and \$6,892 to Colorado Mountain College.

Departments Contacted

All Departments