

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE MODIFICATION OF AGENCIES THAT PERFORM OVERSIGHT OF THE COMMERCIAL VEHICLE INDUSTRY THROUGH A TRANSFER OF THE PORTS OF ENTRY SECTION IN THE DEPARTMENT OF REVENUE TO THE COLORADO STATE PATROL IN THE DEPARTMENT OF PUBLIC SAFETY BY A TYPE 2 TRANSFER.

Prime Sponsors: Representative McFadyen
Senator Hodge

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Date Prepared: April 15, 2010

Summary of Amendments Made to the Bill After the 03/26/10 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs

Does Not Concur

Updated Analysis

Reason for the Update

The Legislative Council Staff Revised Fiscal Note dated March 26, 2010, did not quantify the indirect cost allocations in the Departments of Public Safety and Revenue. JBC Staff has quantified those costs and adjusted the appropriations to both departments. Those costs are detailed in the "Amendments/Appropriation Status" section of this document. As updated by JBC staff, the transfer of Ports of Entry from the Department of Revenue to the Department of Public Safety will incur \$455,468 in additional General Fund costs.

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to:

- Transfer Ports of Entry to the Department of Public Safety - adds a provision to transfer the Ports of Entry from the Motor Carrier Services Division within the Department of Revenue to the Colorado State Patrol within the Department of Public Safety in FY 2010-11. The appropriation clause transfers \$7,856,015 total funds and 131.2 FTE.

- Adjust centrally appropriated line items - adds a provision to transfer \$1,497,988 total funds from various centrally appropriated line items associated with Ports of Entry in the Department of Revenue to the Colorado State Patrol in the Department of Public Safety for FY 2010-11. The centrally appropriated line items transferred include: Health, Life, and Dental; Short-term Disability; S.B. 04-257 Amortization Equalization Disbursement; S.B. 06-235 Supplemental Amortization Equalization Disbursement; Shift Differential; Workers' Compensation; Operating Expenses; Legal Services; Multiuse Network Payments; Payment to Risk Management and Property Funds; Vehicle Lease Payments; Communications Services Payments; and Utilities.
- Appropriate General Fund related to switching computer tie-ups - adds a provision appropriating \$102,822 General Fund in FY 2010-11 to the Department of Revenue to move data circuits and decouple the existing ports of entry computer system from multiple databases and its accounting software. The Department of Revenue does not require an appropriation of \$224,550 General Fund for computer programming costs as identified in the Legislative Council Staff Fiscal Note dated March 26, 2010, because the Long Bill includes an appropriation for the Department of Revenue to implement legislation that requires computer programming hours. Programming costs in the Department of Revenue to implement legislation are shown in the Long Bill line item titled "Programming Costs for 2010 Session Legislation." The appropriation clause also adds a provision appropriating \$111,000 General Fund in FY 2010-11 to the Department of Public Safety, Colorado State Patrol for 1,500 hours of computer programming to connect the ports of entry computer system with the state's accounting system, COFRS.
- Appropriate General Fund related to conducting a performance review - adds a provision appropriating \$63,385 General Fund in FY 2010-11 to the Division of Public Safety, Colorado State Patrol, Motor Carrier Services, for Operating Expenses for a contractor to conduct a thorough performance review of the Ports of Entry after they have been transferred to the State Patrol.
- Increase/(decrease) indirect costs from cash funds and federal funds - adds a provision adjusting indirect cost assessments and indirect cost recoveries based on the transfer of Ports of Entry from the Department of Revenue to the Department of Public Safety. The Department of Revenue is transferring \$1,012,304 in cash funds and federal funds used to offset indirect cost recoveries. The Department of Public Safety's re-calculated indirect cost plan shows that it will receive an additional \$732,813 in cash funds and federal funds from indirect costs as a result of the transfer and will be able to refinance \$732,813 in General Fund.
- Increase General Fund and cash funds due to a decrease in indirect costs from cash funds and federal funds - adds a provision appropriating \$911,074 General Fund and \$101,230 cash

funds in FY 2010-11 to the Department of Revenue to backfill the cash funds (HUTF "Off-the-Top") used to finance its indirect cost rate.

The changes identified above are detailed in the table below:

Summary of Fiscal Impact of H.B. 10-1113			
	Department of Public Safety	Department of Revenue	Net Fiscal Impact
Transfer Ports of Entry to Department of Public Safety	\$7,856,015	(\$7,856,015)	\$0
FTE Transferred	131.2	(131.2)	0.0
Adjust centrally appropriated line items	1,497,988	(1,497,988)	0
Appropriate General Fund related to switching computer tie-ups	111,000	102,822	213,822
Appropriate General Fund related to conducting a performance review	63,385	0	63,385
Increase/(decrease) indirect costs from cash funds and federal funds	732,813	(1,012,304)	(279,491)
Increase General Fund and cash funds due to a decrease in indirect costs from cash funds and federal funds	<u>0</u>	<u>1,012,304</u>	<u>1,012,304</u>
Total	\$10,261,201	(\$9,251,181)	\$1,010,020
FTE	<u>131.2</u>	<u>(131.2)</u>	<u>0.0</u>
Total General Fund	(558,428)	1,013,896	455,468
Cash Funds (Not Including HUTF)	233,805	(129,372)	104,433
Total Highway Users Tax Fund "Off-the-Top"	8,944,611	(9,288,911)	(344,300)
Total Reappropriated Funds	878,263	(83,844)	794,419
Total Federal Funds	762,950	(762,950)	0

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

Two programs, the International Registry Program and the Commercial Driver's License Program, will remain in the Motor Carrier Services Division of the Department of Revenue. The appropriation for these program is \$964,376 total funds and 13.0 FTE, including \$593,570 General Fund and \$370,806 cash funds from the Highway Users Tax Fund "Off-the-Top".