

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 31, 2012)

Drafting Number: LLS 12-0088
Prime Sponsor(s): Rep. Gerou
 Sen. Lambert

Date: February 2, 2012
Bill Status: House Appropriations
Fiscal Analyst: Kirk Mlinek (303-866-4782)

TITLE: CONCERNING A REPORT RELATED TO THE FEDERAL MONEYS RECEIVED BY THE EXECUTIVE BRANCH.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
Total	<u>\$149,124</u>	<u>\$141,932</u>
General Fund		
Department of Personnel	6,369	6,369
Higher Education (University of Colorado System)	67,016	84,651
Cash Funds		
Department of Labor and Employment Employment Support Fund	21,535	0
Reappropriated Funds — Indirect Cost Recoveries		
Department of Public Health and Environment	54,204	50,912
FTE Position Change	1.9 FTE	1.8 FTE
Effective Date: August 7, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See Appropriation section.		
Local Government Impact: None		

This revised fiscal note corrects one omission and one error in the fiscal note dated January 31, 2012. The omission concerns funding for the Department of Higher Education, University of Colorado System; the Appropriation section properly includes the appropriation required for the Department of Health and Environment to implement the bill.

Summary of Legislation

For each separate grant of federal moneys received, current law requires Executive Branch departments and agencies to report, by October 1 each year, to the state controller the federal program for which the moneys were received, a citation of the program's federal statutory authority, and the amount received under each program, including indirect cost recoveries. Each November the state controller submits a Report of Federal Assistance for all state agencies to the General Assembly. The bill requires that the following information be added to the annual report:

- the purpose for which the moneys were used;
- the percentage of federal moneys that the state agency used for administrative expenses;

- the total amount of all federal moneys received by the state agency;
- the percentage of the state agency's total spending that was from federal moneys; and
- plans for operating the state agency if there is a reduction of either 5 percent or more, or 25 percent or more, of all federal moneys received by the state agency.

The bill defines "state agency" to mean a principal department of the executive branch of state government specified in section 24-1-110, C.R.S., a state institution of higher education, or an office created in the office of the governor.

Background

The controller's Report of Federal Assistance for FY 2010-11 details \$9.3 billion in direct federal funds, and \$2.5 billion in passed-through funds, for a total of \$11.8 billion in federal funds received by the state. As the name implies, "passed-through" funds are received by one agency and transferred to another agency. The most recent report is 172 pages in length.

State Expenditures

The bill will increase costs by \$149,124 and 1.9 FTE in FY 2012-13 and \$141,932 and 1.8 FTE in FY 2013-14 and subsequent years. Costs for impacted agencies are described below.

Labor and Employment. For FY 2012-13, the department requires \$21,535 CF and 0.3 FTE at the Budget and Policy Analyst III level. The department administers 136 federal grants and will spend 4 hours per grant to comply with the bill. The source of funds is the Employment Support Fund (section 8-77-109 (1), C.R.S.). No appropriations are required beyond FY 2012-13.

Personnel and Administration. For FY 2012-13 and future years, the department requires \$6,369 GF and 0.1 FTE for purposes of hiring temporary help at the Accountant II level to produce the required annual report. The current report of 174 pages is expected to grow to approximately 500 pages. The focus of the temporary position will be data compilation.

Public Health and Environment. For FY 2012-13, the department requires \$54,204 and 0.7 FTE at the Budget and Policy Analyst III level. The department administers 300 grants and will spend an average of 5 hours per grant complying with the requirements in the bill. The position will be funded from indirect cost recoveries.

Department of Higher Education. For FY 2012-13, the University of Colorado System requires \$67,016 GF and 0.8 FTE. The funding and FTE levels reflect a reduction from the 1.0 FTE requested due to the delay in funding associated with the referendum clause and the paydate shift. The request for FY 2013-14 is \$84,651GF and 1.0 FTE. The University of Colorado system administers 2,000 grants valued at \$600 million. It will take an average of 2 hours per grant to comply with the provisions of the bill.

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 1.

Table 1. Expenditures Not Included Under HB12-1008*		
Cost Components	FY 2012-13	FY 2013-14
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$11,417	\$11,068
Supplemental Employee Retirement Payments	7,514	8,613
TOTAL	\$18,931	\$19,681

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

For FY 2012-13, the Department of Administration requires an appropriation of \$6,369 and 0.1 FTE; the Department of Labor and Employment requires an appropriation of 21,535 CF (Employment Support Fund) and 0.3 FTE; the Department of Public Health and Administration requires an appropriation of \$54,204 Reappropriated Funds; and the Department of Higher Education requires an appropriation of \$67,016 GF.

Departments Contacted

All