



STATE FISCAL IMPACT

Drafting Number: LLS 14-0846
Prime Sponsor(s): Sen. Hodge
 Rep. Gerou

Date: January 28, 2014
Bill Status: Senate Appropriations
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SHORT TITLE: TARGET RESERVE FOR DPA REVOLVING FUND

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Recommended by the Joint Budget Committee, this bill sets an alternate target reserve for the Department of Personnel Revolving Fund in the Department of Personnel and Administration (DPA). The new reserve is established as 16.5 percent of the amount expended in a given fiscal year, plus any balance identified in the capital outlay reserve. The bill clarifies that any uncommitted capital outlay reserves available at the end of a fiscal year may be appropriated for capital outlay through the annual budget process.

Background

The Department of Personnel Revolving Fund is currently used to fund the Capitol Complex Facilities and Integrated Document Solutions programs. Both programs have significant capital assets (equipment and facilities) that accumulate depreciation through fees paid by other state agencies. Accumulated depreciation is counted within the fund balance, and therefore against the target reserve. If the fund balance grows beyond the target reserve, one of two things may happen: service prices may have to decrease, thus preventing the accumulation of depreciation; or excess funds are swept into the General Fund. If excess moneys are swept into the General Fund, the portion of fees paid with federal moneys may need to be refunded.

State Expenditures

This bill does not alter state expenditures, but instead modifies the allocation of state moneys. The bill allows the DPA to use accumulated depreciation for future capital asset purchases, with the approval of the General Assembly.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Joint Budget Committee Staff