

House Bill 08-1320  
The "Long Bill Recast"

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House Bill 08-1320  
***Concerning a change in the designation of certain appropriations that are currently designated as cash funds exempt appropriations***  
***Effective July 1, 2008***

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House Bill 08-1320  
The House Bill:  
• Changed the term Cash Funds Exempt throughout legislation to either Cash or Reappropriated  
• Changed Cash Funds Exempt transfer provisions  


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## History

- In 1994 the 5-column Long Bill was introduced
  - Objective to inform legislators when they are spending money potentially refundable by the General Fund
- Created a perception
  - Budget = TABOR



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## History

- Persistent disconnect between the Long Bill presentation and the TABOR calculation
  - Long Bill based on original source of the funds
  - TABOR assessed with each transaction
    - Once federal always federal for TABOR, but federal pass-thru awards from agency to agency have been budgeted as Cash Fund Exempt
    - Transfers or services between state agencies
- Long Bill is an expenditure control mechanism, it does not function well as a revenue control



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## Why Now?

- JBC feels usefulness of TABOR concepts in the Long Bill has passed
  - Difficult to understand
  - Sometimes incorrect
- Opportunity to address confusion and clarify duplications in the Long Bill



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## How have we made it work?

- OSC work around
  - Maintain two separate indicators
    - Budget indicator to match Budget presentation
    - Background indicator to track TABOR revenue
  - For non-transfer revenue source codes (RSRC)
    - Budget and TABOR required to align
    - Certain codes duplicated as exempt (EX) and nonexempt (NE) to match who uses them
  - Transfer codes:
    - Budget indicator (GCF) to match budget presentation
    - All exempt (EX) for TABOR except when district boundary crossing




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## Why it did not work?

### Budget Indicator by TABOR Indicator

TABOR Indicator	Budget (GCF) Indicator
COMM HOG PERMIT	W
DAMAGE AWARDS	W
EXEMPT INTEREST	W
FEDERAL FUNDS	F/W
GIFTS	W
NONEXEMPT*	C/W
OTHER FINANCING	C/F/W/X
PROPERTY SALES	W
TRANSFERS	C/W

\*(APPR code =999 converts C/Wto G)

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## What does HB 08-1320 do?

- Impact of the name of the Cash Funds Exempt column to Reappropriated



- Removes TABOR concept from the Long Bill (Partially – GFE still exists)
- Maintains five column format

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## Long Bill Reconfiguration

Changes content of Cash column and new Reappropriated (formerly Cash Funds Exempt) column, to include:

Cash	Reappropriated
Appropriation from another agency, and the spending authority for the transfer is NOT budgeted in that agency [implied authority]	Appropriation from another agency, and the spending authority for the transfer IS budgeted in that agency [(t) noted]
Fund Balance Authority	
Gifts, Grants, Donations	
TABOR exempt items such as gifts, damage awards, property sales, etc.	
TABOR enterprise revenue	

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## Keep in Mind That...



- Creates an agreed upon budget definition of the “true” size of government
  - Not all duplications are identified as Reappropriated
    - Implied spending authority is not reflected in the Long Bill
- Does not completely remove TABOR concept from the Long Bill
  - General Fund Exempt still presented as a column

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## Keep in Mind That...



- Reappropriations are not equal to accounting transfers
  - Reappropriated column will include program revenues if duplicated (ISF and legal service charges)
  - Reappropriated column will not include all accounting transfers; excludes transfers where the source agency does not have an appropriation [implied authority]

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## Keep in Mind That...

- Divorcing the TABOR concept from the budget will be difficult, for example
  - Both TABOR exempt and nonexempt revenue will be annotated in the Cash column
  - Agencies will have to code revenue based on TABOR indicator and the budget (GCF) indicator
- To help, TABOR indicator has been published in the Chart of Accounts



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## Key Assumptions

- Assume five columns are distinct and are the legal budget (Cash and Reappropriations columns cannot be combined)
- Assume expense/diture allocation is the same regardless of column 4 title (Cash Funds Exempt or Reappropriated)
  - After Federal
  - Before Cash



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## OSC's Initial Evaluation

- The OSC attempted to anticipate the JBC's recast
  - Why, inadequate time between Long Bill draft and budget booking deadline to wait
  - How,
    - Obtained recast format for FY07-08 and compared to original (about 8,000 lines)
    - Identified revenue sources that were not budgeted in the same column as last year
      - Considered same column if budgeted as Cash Funds Exempt last year, and Reappropriated in recast version



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## OSC's Initial Evaluation

- For column changes:
  - Reconfigured more than 160 revenue source codes to match their new column (mostly transfer codes)
    - Created new codes
    - Changed budget (GCF) indicator
  - Retained existing budget (GCF) indicators:
    - G, X, C, W, and F
    - W now = Reappropriated



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## OSC's Initial Evaluation

- Preserved transfer code smart coding
  - Second character indicates Long Bill column
  - Aligns with budget (GCF) indicator
  - Avoids need to look up budget indicator for annotations
    - A = Cash
    - B = Reappropriated
- Changed titles of all transfer codes
  - NE (nonexempt) to CS (Cash)
  - EX (exempt) to RE (Reappropriated)



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# OSC's Initial Evaluation

- Spreadsheet summarizes OSC analysis
  - Purple highlight indicates a change
    - New code cited, if created
    - Budget indicator change noted

NEW OR CHANGED CODE	NEW REVENUE SOURCE CODE	CODE	ACCOUNT	ACCT_NAME	GCF	TABOR
		3601	313601	INSURANCE PREMIUM TAX	C	NONEXEMPT
		3602	313602	REFUNDS, INSURANCE PREMIUM	C	NONEXEMPT
		3603	313603	INTERAGENCY INSURANCE PREM	W	TRANSFERS
Change GCF to C and leave TABOR = Transfers.						
		5850	315850	COURT ORDERED AWARDS	W	DAMAGE AWARDS
5851	Add new code with GCF = C and TABOR = Damage Awards.					

# OSC's Initial Evaluation

REAPPROPRIATED

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				FEDERAL FUNDS
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	<del>CASH FUNDS EXEMPT</del>	
\$	\$	\$	\$	\$	\$	\$
<b>(B) Mental Health Community Programs</b>						
<b>(1) Mental Health Services for the Medically Indigent Services for 10,296 Indigent Mentally Ill Clients<sup>6A, 6B</sup></b>						
	37,534,243					
	37,784,604	31,389,126			161,909(T) <sup>e</sup>	5,983,208 <sup>6C</sup>
	<i>250,361</i>					6,233,569 <sup>6D</sup>
Early Childhood Mental Health Services <sup>6A</sup>	1,152,786	1,152,786				
Assertive Community Treatment Programs <sup>6A</sup>	1,297,274	648,637			648,637(L) <sup>f</sup>	
Alternatives to Inpatient Hospitalization at a Mental Health Institute <sup>6A</sup>	2,977,822	2,977,822				
Enhanced Mental Health Pilot Services for Detained Youth <sup>6A</sup>	500,414	500,414				
	<u>43,462,539</u>					
	43,712,900					
	<i>250,361</i>					

Stays in column as RE due to T notation

Moves to Cash column, lack of T notation – Requires new annotation

<sup>a</sup> This amount shall be transferred from the Division of Vocational Rehabilitation.

<sup>b</sup> Of this amount, it is estimated that ~~\$5,209,448~~ \$5,459,809 shall be from the Mental Health Services Block Grant and \$773,760 shall be from the Homeless Prevention Block Grant.

<sup>c</sup> This amount shall be from local matching funds.

## OSC's Initial Evaluation

- Analysis preliminary
  - Not able to consider changes from FY06-07 to FY08-09
  - May have misinterpreted use of codes
- Additional changes are inevitable
  - Contact Melissa Moynham at 303-866-3850 or [melissa.moynham@state.co.us](mailto:melissa.moynham@state.co.us)
    - For transfer codes, be sure to provide sending agency's COFRS agency code and fund and receiving agency's agency code and fund



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## Long Bill Booking Impact

- Many of the automated Long Bill booking documents will have the wrong revenue source codes and/or budget (GCF) indicators
- Only annotate revenue source codes used
  - Spread workload
  - Cleanup annotations
- Please remember to coordinate level 3 approval with FAST member



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# Long Bill Booking Impact

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FUNCTION:          DOCID: AP 999 09000000002          04/30/08  10:06:54 AM
STATUS: PENDING  BATID:          ORG:
H- APPROPRIATION DATE: ACCOUNTING PRD: BUDGET FY: 09
    FUND: 461          AGENCY: 999    ORGANIZATION:

FUNDING SOURCE CODE: SAA FUND SOURCE DESC: CORR EXP RSV TRF
SPENDING AUTHORITY INDICATOR: 07 HEADNOTE:

GEN EXEMPT DETAIL OPT: N CASH EXEMPT DETAIL OPT: N
                                CASH DETAIL OPT: Y FEDERAL DETAIL OPT: N
    
```

	AMOUNTS	I/D	B/A OPTION
TOTAL:	0	I	
GENERAL:	0	I	E
GENERAL EXEMPT:	0	I	E
CASH:	0	I	E
CASH EXEMPT:	0	I	E
FEDERAL:	0	I	E

H--\*S403-READY FOR APPROVAL 3                      H--\*S405-READY FOR APPROVAL 5

If detail option = Y, B/A Option must be blank on this screen

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FUNCTION:          DOCID: AP 999 09000000002          04/30/08  10:06:06 AM
STATUS: PENDING  BATID:          ORG:          001-002 OF 002
APPR REST GCF REVENUE
ACT CODE RES/RF IND TYPE WK SOURCE APPROPRIATION NAME
-----
AMOUNT I/D B/A OPT COMMENTS
01- A 806          0 I          CORRECTIONS EXPANSION RESERVE
02- A          0 I          C 3603
03-          0 I          E
04-
05-
06-
07-
    
```

B/A Option should automatically populate. Must = E if matching cash detail option = Y on page 1; otherwise this field should be blank.

The detail option on page 1 must = Y to match the GCFWX field. In this example the GCFWX field is C, so the detail option on page 1 for Cash must = Y.

## Long Bill Booking Impact

- Still see Cash Funds Exempt on COFRS AP documents
  - COFRS expected to be updated in August 2008



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## Other Long Bill Changes

- Be aware of other changes
  - Single line to bottom line funding and vice versa
  - Realignment of groups



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## HB 08-1320's Impact on Nonappropriated Activity

- All non-federal, nonappropriated activity now falls into the Cash budget column
  - Without TABOR concept in budget, activity does not meet criteria for inclusion as Reappropriated
- No codes specifically changed
  - However, many may have already been changed because budgeted in another agency
  - Contact Melissa Moynham 303-866-3850 for coding

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## Transfers

- Cash to Cash Funds Exempt transfers no longer necessary
  - Revenue and Fund Balance now both reside in Cash column
- Bill allows for bidirectional Cash to Reappropriated transfers
  - May be limited by footnote
  - Governor designates by Nov. 1 all line item transfers approved pursuant to revised C.R.S 24-75-107.5
  - Repealed June 30, 2010



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## The End

**Contact your FAST member  
at any time with questions.**



**Thank you!**

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