

CHAPTER 7

OTHER SUMMARY SCHEDULES

7.1 INTRODUCTION

This chapter provides instructions for the elements of the base operating Budget Request. Section 7.2 provides a summary description for the Schedule 5 (Line Item to Statute), Section 7.3 documents the Summary Schedules 6 and 7 (Special Bills and Supplemental Bills), and finally Sections 7.4 – 7.10 provide detailed instruction for the Schedule 9 (Cash Fund Status).

7.2 SCHEDULE 5 – LINE ITEM TO STATUTE

The Schedule 5 provides a brief description of each line item within an agency's budget. The description should be clear to the public, comprehensive, succinct, and avoid the use of acronyms and abbreviations. Also important is the inclusion of the specific Colorado Revised Statute (C.R.S.) citation. The citation, year of the C.R.S. cited, and brief summary should be documented. Please see Appendix A for a template and example for the Schedule 5.

7.3 SCHEDULES 6 AND 7 – BILL SUMMARIES

The Schedule 6, or Special Bills Summary, delineates all bills affecting the department's budget, by Long Bill group, by division or subdivision as necessary, and by Long Bill line item. Entries must include all fund sources and FTE appropriated. This form should be updated each budget cycle to include the appropriation year and two most recently completed fiscal years. Short bill titles should accompany the bill year and number references for easier reading and analysis. The Schedule 7 is the Supplemental Bills Summary and does not require bill titles, but otherwise is built the same as the Schedule 6. Please see Appendix A for a template and example for Schedule 6 and 7. Please add years to the template to ensure all required years are submitted.

7.4 SCHEDULE 9 – CASH FUND STATUS

This chapter provides instructions for reporting on available liquid assets and expenditures related to cash funds. Cash fund reports are prepared for all cash funds to comply with the intent of Section 24-75-402, C.R.S. (2007) and to allow the Office of State Planning and Budgeting and Joint Budget Committee to make informed decisions regarding the utilization of cash funds for budgeting purposes.

During 1998, the General Assembly adopted SB 98-194 which limits most cash fund reserves to 16.5% (or two months) of the current fiscal year's expenditures from the fund. The legislation exempted a number of cash funds, provided a specific methodology for calculating uncommitted reserve balances, and required the State Controller to report the amount of uncommitted reserves for each cash fund subject to SB 98-194 by September 20 of each year.

Based on fund reserve information from the State Controller’s Office and expenditure data from COFRS, each department should submit a separate Schedule 9.A for each cash fund that supports an appropriation in the Long Bill – including funds which are exempt from the requirements of SB 98-194.

In addition to the Schedule 9.A, departments are required to provide a cash fund plan (Schedule 9.B) and analysis for all funds that are subject to SB 98-194 and exceed the target reserve level on June 30 of the current fiscal year. Departments that would like to request a waiver to SB 98-194 requirements should also submit a Schedule 9.C. The specific requirements for the cash fund report, the cash fund plan, and the SB 98-194 waiver are described in this chapter.

Note: Article X, Section 20 of the Colorado Constitution (TABOR) establishes limits on total spending from both general and cash fund sources and specifies that surplus revenue above this spending limit be refunded. However, due to Referendum C, which expires June 30, 2010, cash fund revenues can be retained and grow the State’s TABOR base during the 5-year Referendum C timeout.

7.5 CHANGES SINCE PRIOR YEAR

The Schedule 9.A has been redesigned to allow for a more accurate calculation of available liquid assets. Essentially, the “Cash Fund Reserve Balance” section of the Schedule 9.A now reflects a cash flow report, eliminating any reporting of other non-cash related items such as long-term assets, prepaid assets, accumulated depreciation, etc. As these assets are not readily available resources to support budgetary changes, the Office of State Planning and Budgeting does not believe these items are essential to include in these reports. However, departments will be required to acknowledge any long-term liabilities it may need to support and how it will continue to meet these obligations given current revenues (this has been added to the “Cash Fund Narrative Information” section of the Schedule 9.A).

7.6 COORDINATION AMONG DEPARTMENTS

The department with the original cash fund appropriation must account for cash funds that are transferred between departments. The department responsible for managing the cash fund must show the expenditures from all departments in its Schedule 9. The managing department must coordinate submission of expenditure and revenue information so that the managing department can construct a master Schedule 9. The master Schedule 9 will be submitted to OSPB by the managing department in its budget submission and should show all activity in the fund.

Exhibit 7-1 outlines the cash funds that are appropriated to multiple departments and the lead department for coordinating the reported information. Although the managing department is responsible for producing the master Schedule 9s, each department that receives an appropriation from the fund or is otherwise involved with the fund should also include a department-specific Schedule 9 in its budget submission

This chart does not include the Donations Cash Fund (COFRS 115) or the Division of Registrations Cash Fund (COFRS 189). Each department will submit its own department-

specific schedules for the Donations Cash Fund without statewide coordination. The Department of Regulatory Agencies is responsible for reporting all activity in the Division of Registrations Cash Fund.

**Exhibit 7-1
Multiple Department Cash Fund Tracking**

Cash Fund Name (COFRS#)	Departments with Appropriations from the Fund	Lead Department/ Agency for Reporting
Animal Cruelty (COFRS 11H)	Judicial Department Department of Agriculture	Judicial Department
Persistent Drunk Driver (COFRS 11Y)	Department of Human Services Department of Transportation Department of Revenue Judicial Department	Department of Human Services
Violent Offender ID (COFRS 12Y)	Judicial Department Department of Public Safety	Judicial Department
Traumatic Brain Injury (COFRS 16X)	Department of Human Services Judicial Department	Department of Human Services
Collaborative Management Incentive (COFRS 18Q)	Department of Human Services Judicial Department	Department of Human Services
Identity Theft and Financial Fraud (COFRS 19Q)	Department of Law Department of Public Safety Department of Regulatory Agencies Department of State	Department of Public Safety
Adolescent Substance Abuse Prevention (COFRS 19Y)	Judicial Department Department of Human Services	Department of Human Services
Alcohol and Drug Driving Safety (COFRS 118)	Department of Human Services Judicial Department	Judicial Department
Law Enforcement – DUI (COFRS 122)	Department of Public Health and Environment Department of Human Services Judicial Department	Judicial Department
Vital Records (COFRS 124)	Department of Public Health and Environment Judicial Department	Department of Public Health and Environment
Displaced Homemakers (COFRS 136)	Judicial Department Department of Labor and Employment	Department of Labor and Employment
Mineral Leasing (COFRS 153)	Department of Local Affairs Department of Treasury	Department of Treasury
Nuclear Materials Transport (COFRS 186)	Department of Regulatory Agencies Department of Public Safety Department of Revenue	Department of Regulatory Agencies
Hazardous Materials (COFRS 188)	Department of Regulatory Agencies Department of Public Safety Department of Revenue	Department of Regulatory Agencies
Children's Trust Fund (COFRS 229)	Department of Public Health and Environment Judicial Department	Department of Public Health and Environment

Cash Fund Name (COFRS#)	Departments with Appropriations from the Fund	Lead Department/ Agency for Reporting
Drug Offender Surcharge (COFRS 255)	Department of Corrections Department of Human Services Judicial Department Department of Public Safety	Department of Corrections
Disaster Emergency Fund (COFRS 260)	Office of the Governor Department of Human Services Department of Local Affairs	Office of the Governor
Sex Offender Surcharge (COFRS 283)	Department of Corrections Judicial Department Department of Public Safety Department of Human Services	Department of Corrections
Limited Gaming Fund (COFRS 401)	State Historical Society Department of Revenue Department of Local Affairs Department of Public Safety	Department of Revenue
Law Enforcement Assistance Fund (COFRS 403)	Department of Transportation Judicial Department Department of Public Health and Environment Department of Human Services	Department of Transportation
Air Account (COFRS 406)	Department of Public Health and Environment Department of Revenue Department of Treasury	Department of Treasury
Search and Rescue Fund (COFRS 420)	Department of Local Affairs Department of Natural Resources	Department of Local Affairs
Fleet Management (COFRS 607)	Statewide Common Policy	Department of Personnel and Administration

7.7 REQUESTING FEE INCREASES

With the exception of statutorily triggered fee increases and capital 202 projects, Executive Branch departments may increase the level of a fee **only with OSPB's prior approval**. In order to officially request a fee increase, a department must submit a memo to its OSPB analyst with a copy to the OSPB Director. This memo must, at a minimum, include the following: (a) an explanation of why the increase is being requested (including a programmatic justification); (b) actual amounts for the prior five fiscal years of (i) the level of the fee, (ii) the amount of revenues generated by the fee, (iii) the level of expenditures said fee revenues are to support, and (iv) the fiscal year-end cash balance of the respective fund; (c) estimates for the three fiscal years of (i) the level of the fee, (ii) the amount of revenues generated by the fee, (iii) the level of expenditures said fee revenues are to support; and (d) annual projections illustrating that the requested fee structure will enable the department to stay in compliance with 24-75-402 (3) (c), C.R.S. (2007).

7.8 SCHEDULE 9.A – CASH FUND STATUS

Schedule 9.A (Appendix A) is used to demonstrate that a cash fund's liquid assets are adequate to support current and requested budgetary actions. It is important that departments include all cash

funds and the statutory or constitutional provisions that create or authorize them. Anything called a Fund, whether in the Long Bill or a Special Bill, or in the State Controller's Office, for which the department is responsible must have a Schedule 9. The required table elements are presented in four parts, which are described below.

For cash funds with multiple parts (for example, the CBHP Trust Fund has both the Main Trust Fund and the Supplemental Tobacco Litigation Settlement Account), it would be best to duplicate the first part of the Schedule 9.

Part 1 – Available Liquid Cash Fund Balance

The first part of Schedule 9.A includes actual and projected cash flow information. The required table elements are described below – to the extent possible, the Office of State Planning and Budgeting requires that departments show as much detail as is reasonable to denote the types of cash inflow and outflow for a particular fiscal year. If additional row headers are reasonably required, departments should add them as necessary.

Required at the top of every Schedule 9 is the department name, budget cycle year, COFRS fund number and legal statutory title, and the statutory C.R.S. citation for the fund.

Columns are defined in the following manner for the Schedule 9.A:

Actual Years: Report beginning of year cash assets in the fund, actual cash flow in, cash expenditures out of the fund, and ending cash assets in the fund balance for the last two actual years as they appear in COFRS.

Estimate Year: Report the actual beginning of year cash assets in the fund, anticipated cash flow in and expenditures out of the fund, and an estimated year-end cash asset amount. Note that departments will need to describe the methodology used to estimate anticipated cash flow in and any anticipated expenditures in the “Revenue Drivers” or Expenditure Drivers” rows of the “Cash Fund Narrative Information” section of the Schedule 9.A (described below).

Request and Projected Years: Report the anticipated beginning of year cash assets in the fund from the bottom of the Estimate Year column, anticipated cash flow in and expenditures out of the fund, and an estimated year-end cash asset amount. Departments will need to describe the methodology used to estimate anticipated cash flow in and any anticipated expenditures in the “Revenue Drivers” or Expenditure Drivers” rows of the “Cash Fund Narrative Information” section of the Schedule 9.A.

Rows are defined in the following manner for the Schedule 9.A:

Cash in Beginning Fund Balance: This should be cash assets only. All other assets such as accounts receivables, investments, prepaid and capital assets, accumulated depreciation and all short- and long-term liabilities should be excluded from this figure.

Cash Inflow During the Fiscal Year: These items include cash collections from fee revenue, cash transfers, realization of receivables, and the sale of capital assets, investments, collections from loans, etc. Whenever possible, departments should itemize new cash in these buckets for greater transparency.

Cash Outflow During the Fiscal Year: Items should include both appropriated and non-appropriated cash expenditures. Appropriated amounts will appear in the Long Bill or special bill appropriations and should reflect the amounts detailed at the end of the Schedule 9.A in the “Fund Expenditure Line Item Detail” (described below). Non-appropriated amounts may include purchases of capital assets and investments, new prepaid expenses recorded, etc.

Available Liquid Fund Balance Prior to New Requests: This amount shall equal Cash Assets as of July 1 of the fiscal year, plus Cash Inflow, less Cash Outflow. This represents the amount of remaining liquid assets available for budgetary purposes. If departments have existing long-term liability obligations, the Available Liquid Fund Balance Prior to New Requests should not be committed without full consideration of these existing obligations.

Change Requests Using Liquid Assets: This section itemizes any new requests for existing cash assets in the fund.

Actual / Anticipated Liquid Fund Balance: This amount shall equal the Available Liquid Fund Balance Prior to New Requests less any Change Requests Using Liquid Assets. For November 1 Executive Budget Requests, the two actual years and the estimate year will equal the prior to new requests amount.

Part 2 – Fee Levels

Fee Level. List each fee and indicate the historical, current, and projected fee levels, whether they are flat rate amounts or percentages of total collections.

Part 3 – Cash Fund Reserve Balance

The third part of Schedule 9.A should include information on cash fund reserves. The table elements are described below.

Uncommitted Fee Reserve Balance. Report the uncommitted fee reserve balance. This balance is calculated in two steps. First, previously appropriated funds are subtracted from the total reserve balance. Second, the portion of the balance attributable to fees is estimated based on the percentage of revenue from fees. This information should be taken directly from the reports provided by the State Controller’s Office.

Target/Alternative Fee Reserve Balance. Report the target fee reserve balance, which is estimated as 16.5% of total prior year expenditures. Some funds have an alternative reserve established in statute that serves as a target.

Excess Uncommitted Fee Reserve Balance. Report the uncommitted fee reserve balance in excess of the target or alternative fee reserve balance.

Assessment of Potential for Compliance. Report the status of the fund with regards to the targeted fund balance. If the fund is not within the targeted reserve limit, indicate how the department intends to bring the reserves back into compliance. Some actions may indicate that the department must also complete the Schedule 9.B and 9.C. If the fund exceeds the targeted reserve, a Schedule 9.B must be attached. The schedule 9.B is used to describe planning for a waiver, a statute change, fee reduction, one-time expenditure(s) or ongoing expenditure(s). If

planning a waiver, attach both Schedules 9.B and 9.C. If the compliance deadline has passed and the fund has an excess reserve, fees must be lowered to bring the fund into compliance.

Part 4 – Cash Fund Narrative Information

The fourth section in Schedule 9.A provides narrative information on the cash fund. The required table elements are described below. ALL FIELDS ARE REQUIRED TO BE COMPLETED. If a section is not applicable, please indicate so and why.

Purpose/Background of Fund. Provide a short description of the activities for which the fund is appropriated. Include any relevant legislative history directing the use of the fund.

Fee Sources. Describe all fee sources contributing to the cash fund and indicate whether the department has the authority to change the fee level.

Non-Fee Sources. Describe all non-fee sources contributing to the cash fund and indicate whether non-fee cash funds are anticipated in future years.

Long Bill Group/Division Supported by Fund. List the Long Bill group(s) or division(s) supported by the cash fund.

Statutory or Other Restriction on Use of Fund. Provide citations and a complete description of any statutory or other restrictions on how the cash funds can be expended. This section should provide any relevant information, in addition to, the statutory citation for the creation of the fund.

Revenue Drivers. Provide detailed information on factors that increase or decrease revenues, that influence the timing of revenue collections, and events that may influence the amount of revenue collected. If the fund has multiple revenue sources, provide a breakout of revenue by each source.

Expenditure Drivers. Provide detailed information on factors that increase or decrease expenditures, that cause routine expenditures, and events that cause periodic expenditures from the fund.

Explanation of any Long-term Liability Funding Requirements. A department should outline any long-term liabilities that will place demands on the available cash assets within the fund that are not outlined in the “Available Liquid Cash Fund Balance” section of the Schedule 9.A, and whether the fund has sufficient revenue to cover these obligations in the long term.

Part 5 – Fund Expenditures Line Item Detail

This fifth section of the Schedule 9.A provides line item detail and change requests for selected funds. This section must be completed if:

- Cash fund expenditures in the last actual year exceeded \$200,000; or
- A change request is supported by revenue from the cash fund.

If neither of these conditions apply, indicate that this section is not applicable. The Department of Higher Education is exempt from this requirement. This section of the Schedule 9.A should be organized by Long Bill Group or Division. For each line item that is supported by the cash fund,

provide two years of actual expenditures, estimated expenditures for the current year, and requested expenditures. The request year should also identify all change requests that are supported by the cash fund.

7.9 SCHEDULE 9.B – CASH FUND RESERVE PLAN

For those cash funds that require a plan to meet the target reserve level, the department should describe the proposed course of action and the potential impacts of the plan in the Schedule 9.B (Appendix A). *It is expected that plans will not drive a General Fund impact in the out years.* The required elements in a cash fund reserve plan, Schedule 9.B, are described below.

Action. Provide a simple title for the action plan.

Description. Provide a comprehensive description of the plan, including how it coincides with the department's authority and objectives. Identify any associated decision or base reduction items by tracking number and title. Include a description of the plan's impact on the program and on the public (e.g., population X will benefit from a fee reduction). If applicable, provide an estimate of any non-fee funding required for the request year to implement the plan. If seeking a waiver, include justification to support the funds inability to be in compliance by the targeted deadline.

Assumptions and Calculations. Provide detailed information on the assumptions and calculations used when developing the plan. This may include, but is not limited to, assumptions on number of clients to be served, dollar impact of fee reductions, and extent program may be expanded as a result of plan.

7.10 SCHEDULE 9.C – WAIVER

For those cash funds that require a waiver to meet the target reserve level, the department should use a Schedule 9.C (see Appendix A). Waiver requests are due to the OSPB on August 17. The required elements for a SB 98-194 waiver are described below.

Programs Funded by the Cash Fund. List all programs the fund supports.

Line Items Funded by the Cash Fund. Using the most recent Long Bill and special bills, provide the Long Bill Line item(s) supported by the Cash Fund including: Total Funds, FTE, General Fund, Cash Fund *appropriation for this fund only*, other cash fund appropriations, Cash Fund Exempt (Reappropriated Funds) and Federal Funds. Include the total of all line items as well as detailed line item information.

Amount of Excess Reserve as of July 1, 2008. Report the amount in excess of the targeted reserve as of July 1 of the current fiscal year.

Deadline for Compliance. Report the statutory deadline for reducing the fund balance below the target or alternative reserve level. This deadline depends on the amount of excess uncommitted reserves and can be pulled from the Schedule 9.A.

Estimated Cash Fund Target Reserve on the Compliance Date. Report the current estimated cash fund target reserve on the compliance date.

Estimated Amount of Uncommitted Reserve on the Compliance Date. Report the estimated amount of uncommitted reserve on the target date.

Estimated Amount of Uncommitted Reserve to be Waived. Anticipated total cash fund in excess of the targeted review on the first day of the waiver period.

Estimated Amount of Cash Fund Reserve Target at End of Waiver. Anticipated total cash fund reserve balance on the last day of the waiver period.

Justification for Waiver. Short two to three sentence statement that justifies the request for a waiver and summarizes the detailed explanation provided in the Schedule 9.B.

Beginning Date. Starting date for the waiver period.

Ending Date. Ending date for the waiver period.

Plan. Attach Schedule 9.B. Provide evidence that supports a waiver vs. compliance within the deadline.