

Department of Treasury
 FY 2008-09
 January 15, 2009

Priority	Yes or No	Enter One	Division	Title	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE	List
	Corresponding FY 2009-10 Impact?	One Time or Base/Ongoing?										Other Department(s) Affected
1	No	One Time	Administration	Cyber Security	(\$25,792)	(\$25,792)	\$0	\$0	\$0	\$0	0.0	No
2	Yes	One Time		Delay FPPA Payments Until FY 2011-12	(\$34,777,172)	\$0	(\$34,777,172)	\$0	\$0	\$0	0.0	No
Total - Reductions					(\$34,802,964)	(\$25,792)	(\$34,777,172)	\$0	\$0	\$0	0.0	

Department of Treasury
 FY 2009-10
 January 15, 2009

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	Corresponding FY 2008-09 Impact -- Yes or No?	One Time or Base/Ongoing?										Other Department(s) Affected
1	Yes	One Time		Delay FPPA Payments Until FY 2011-12	(\$34,777,172)	\$0	(\$34,777,172)	\$0	\$0	\$0	0.0	No
Total - Reductions					(\$34,777,172)	\$0	(\$34,777,172)	\$0	\$0	\$0	0.0	

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Cyber Security
 Department: Treasury Dept. Approval by: Date: January 15, 2009
 Priority Number: OSPB Approval: Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	109,888	266,586	(25,792)	240,794	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	109,888	266,586	(25,792)	240,794	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Administration, Operating Expenses	Total	109,888	266,586	(25,792)	240,794	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	109,888	266,586	(25,792)	240,794	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request:

Letternote Revised Text:

Cash or Federal Fund Name and COFRS Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments:



DEPARTMENT OF TREASURY

*Budget Reduction Proposal
January 15, 2009*

*Cary Kennedy
State Treasurer*

Cyber Security

Proposal:

During the FY 2008-09 budget process Treasury requested and was granted a budget amendment related to Cyber Security. The amendment allows Treasury to contract with the Colorado Information Security Office (CISO) for staff time and also provides for security system costs. However, as of the date of this report, the contract with the CISO has not commenced.

Summary of Request:

- Reduce cyber security appropriation to reflect the fact that the costs will only be incurred during the second half of FY 2008-09 rather than throughout the entire year.

Assumptions and Tables to Show Calculations:

	Budget Amendment	Proposed Reduction	New Totals
CISO Staff Time	44,339 (0.5 FTE)	22,170	22,169 (0.25 FTE)
Security System Costs	25,000	3,622	21,378
Totals	69,339	25,792	43,547

Current Statutory Authority or Needed Statutory Change:

There is no statutory change necessary for this action.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Delay FPPA Payments until FY 2011-12 **
 Department: Treasury Dept. Approval by: *ck* Date: January 14, 2009
 Priority Number: 1 of 2 OSPB Approval: *ck* Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	34,777,172	34,777,172	(34,777,172)	0	34,777,172	0	34,777,172	(34,777,172)	0	(23,501,178)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	34,777,172	34,777,172	(34,777,172)	0	34,777,172	0	34,777,172	(34,777,172)	0	(23,501,178)
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(3) SPECIAL PURPOSE, Fire and Police Pension Association - Old Hire Plans	Total	34,777,172	34,777,172	(34,777,172)	0	34,777,172	0	34,777,172	(34,777,172)	0	(23,501,178)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	34,777,172	34,777,172	(34,777,172)	0	34,777,172	0	34,777,172	(34,777,172)	0	(23,501,178)
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

** Numbers reflect change from current JBC Plan; however, reducing FY 2008-09 through FY 2010-11 payments below \$25,321,079 will require a change in statute.

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number:
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments:



OFFICE OF THE GOVERNOR

*Budget Reduction Proposal
January 15, 2009*

*Todd Saliman
Director, OSPB*

Proposal to Suspend State Contributions to FPPA

Proposal:

Legislation passed in 1978 established a contribution plan for the State, employers and employees to reduce local fire and police pension plans' unfunded liabilities over a 40-year period. Since 1980, the State has contributed over \$537.8 million towards these "Old Hire" pension plans. State contributions, currently set at a minimum of \$25.3 million per 31-30.5-307, C.R.S. (2008), have been made since 1980 for all but four years – once in 1987 and again for three years from 2003 to 2005 – due to recessionary periods. This proposal is for a legislative change to suspend these payments for three fiscal years, beginning in FY 2008-09, to help address General Fund revenue shortfalls anticipated for these years.

Summary of Request:

- The proposal will result in reduced General Fund expenditures outside the six percent General Fund appropriation limit of \$25,321,079 in each of the next three fiscal years, beginning in FY 2008-09.
- This assumes that the current Supplemental / Budget Amendment Request by the Treasurer's Office is approved which reduces the State contribution from \$34,777,172 to \$25,321,079, a reduction of \$9,456,093 in the current fiscal year.
- Under the proposed legislative change, the State would be required to pay additional interest on the actuarial unfunded liability for this three year period, thereby increasing future State contribution amounts. The following table outlines the estimated additional cost assuming the plans' asset values as of November 30, 2008 – note that the asset value for the plans have dropped significantly in 2008, resulting in a large unfunded obligation, even before any legislative action.
- The current statutory end date for reaching a fully funded status (April 30, 2012) will need to reflect an updated date of (April 30, 2018). This extension is due partially to the delay in State contributions, but also is due to the substantial decline in asset values associated with the declining financial markets in 2008 and balancing an increased unfunded liability with State contribution payment levels.

Assumptions and Tables to Show Calculations:

- All calculations were provided by the Fire and Police Pension Association's actuary as of January 2009.
- The additional cost to the State associated with delaying contributions to these plans for the next three fiscal years is \$44.6 million.
- To maintain a final balloon payment at or below the current annual payment requirement of \$25.3 million, this proposal assumes that the end date for State contributions will be extended to April 30, 2018 at which time the State would be required to make a final payment of \$16.9 million.

Fiscal Year	Current Payment Plan*	Proposed Payments	Savings / (Costs)
FY 2008-09	\$25,321,079	\$0	\$25,321,079
FY 2009-10	\$25,321,079	\$0	\$25,321,079
FY 2010-11	\$25,321,079	\$0	\$25,321,079
FY 2011-12	\$48,262,620	\$25,321,079	\$22,941,541
FY 2012-13	N/A	\$25,321,079	(\$25,321,079)
FY 2013-14	N/A	\$25,321,079	(\$25,321,079)
FY 2014-15	N/A	\$25,321,079	(\$25,321,079)
FY 2015-16	N/A	\$25,321,079	(\$25,321,079)
FY 2016-17	N/A	\$25,321,079	(\$25,321,079)
FY 2017-18	N/A	\$16,853,167	(\$16,853,167)
Total of Payments	\$124,225,857	\$168,779,641	\$44,553,784

* Assuming Treasurer's negative supplemental request of \$9,456,093 for FY 2008-09 is approved and asset values as of November 30, 2008.

Current Statutory Authority or Needed Statutory Change:

This proposal would require a statutory change to 31-30.5-307 (5) (a) and (b), C.R.S. (2008) to reflect a zero dollar State contribution for the current fiscal year (FY 2008-09) and each of the next two fiscal years (FY 2009-10 and FY 2010-11). In addition, the ending date for reaching a fully funded status will also need to be extended.

31-30.5-307 (5) (a), C.R.S. (2008): Notwithstanding any other provision of law, the state treasurer shall not transfer moneys to the old hire plan members' benefit trust fund pursuant to subsection (2) of this section on September 30, 2003, September 30, 2004, or September 30, 2005. The state treasurer shall resume such transfers beginning on April 30, 2006, and shall make a transfer every April 30 thereafter until 2012 pursuant to subsection (2) of this section or until all state-assisted old hire pension plans are fully funded, whichever comes first.

31-30.5-307 (5) (b) Notwithstanding any other provision of law, the state shall transfer to the old hire plan members' benefit trust fund any amount of unfunded liability accrued as a result of the suspension of the state contribution to the fund pursuant to paragraph (a) of this subsection (5) as determined in the actuarial study filed with the fire and police pension association pursuant to section 31-30.5-306 (1) (b) (II). Such transfers may occur at any time until April 30, 2012.