



COLORADO
Department of Revenue

Executive Director's Office

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October 20, 2017

To: Joint Budget Committee
Capital Development Committee

RE: DRIVES Budget Status Update

The funding for DRIVES was appropriated in two long bills in the Capital Construction sections. The fiscal year (FY) 2014-15 long bill (HB 14-1336) appropriated \$41 million. The FY 2015-16 long bill (SB 15-234) appropriated an additional \$52 million.

The language in the long bill for capital construction appropriations states "...the appropriation therefore shall remain available until completion of the project or for a period of three years, whichever comes first, at which time unexpended and unencumbered balances shall revert...".

The contract with the vendor, FAST Enterprises, encumbered \$58 million from the start of the project. The \$41 million appropriated in the FY 2014-15 long bill was fully encumbered by the \$58 million contract and shall not revert even though the project has not yet spent \$41 million to date and the three year time period expired in FY 2016-17.

The \$52 million appropriated in the FY 2015-16 long bill will reach the three year mark on April 4, 2018 as the Governor signed SB 15-234 on April 4, 2015. According to the Capital Construction Accounting manual published by the Office of the State Controller (OSC), funds revert at the end of a fiscal year which would be June 30, 2018 for this appropriation. The OSC does have a process in place to request continuation of expiring project funds. This process also includes allowing the carry forward of unencumbered amounts.

This process will happen in the spring of this fiscal year, 2017-18 prior to June 30, 2018 to allow for the funding to remain available for one additional year to the conclusion of the project. The final project financial activity is scheduled to occur in February 2019 during fiscal year 2018-19.

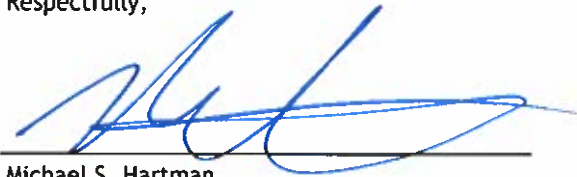
Status update as of October 10, 2017

DRIVES appropriation total is \$93 million between the two long bills. DRIVES total expenditures since the start of the project through October 10, 2017 is \$31.5 million and the DRIVES encumbrances remaining total \$37 million.


DRIVES Expenditures by Fiscal Year:

FY15	310,176.79
FY16	10,223,859.58
FY17	20,346,399.02
FY18 as of Oct 10, 2017	<u>641,338.63</u>
Total expenditures	<u><u>31,521,774.02</u></u>

Respectfully,



Michael S. Hartman
Executive Director



Lorri Dugan
Chief Financial Officer