

First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 13-0704.01 Jason Gelender x4330

**SENATE BILL 13-109**

**SENATE SPONSORSHIP**

**Lambert, Hodge, Steadman**

**HOUSE SPONSORSHIP**

**Duran, Levy, Gerou**

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**Senate Committees**  
Appropriations

**House Committees**  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING INDIRECT COST RECOVERY FROM PROGRAMS, AND, IN**  
102 **CONNECTION THEREWITH, ESTABLISHING AN INDIRECT COSTS**  
103 **EXCESS RECOVERY FUND AND DEPARTMENTAL ACCOUNTS**  
104 **WITHIN THE FUND FOR THE PURPOSE OF ALLOWING**  
105 **DEPARTMENTS OF STATE GOVERNMENT TO USE MONEYS**  
106 **COLLECTED AS PAYMENT FOR INDIRECT COSTS OVER MULTIPLE**  
107 **FISCAL YEARS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unamended  
February 11, 2013

HOUSE  
Amended 2nd Reading  
February 8, 2013

SENATE  
3rd Reading Unamended  
February 4, 2013

SENATE  
2nd Reading Unamended  
February 1, 2013

**Joint Budget Committee.** When a state government agency's indirect cost collections for a fiscal year differ from the agency's annual appropriation for indirect costs, the amount collected in excess of the appropriation reverts to the general fund. In following fiscal years, the amount of indirect costs collected by an agency may be insufficient to pay all of its appropriated indirect costs, in which case the agency must seek a supplemental appropriation or find other means of paying those costs.

In order to more efficiently account for annual fluctuations in the amount of indirect costs collected by state government agencies, the bill:

- ! Creates the indirect costs excess recovery fund (fund) and separate departmental accounts within the fund for all principal departments of state government other than the department of higher education;
- ! Requires all moneys collected and unspent by an agency for indirect costs in excess of the actual indirect costs incurred during the fiscal year to be credited at the end of the fiscal year to the departmental account within the fund;
- ! Allows any moneys in a departmental account within the fund to be appropriated to the department to be used by the department for the purpose of paying for indirect costs in a year in which an under-collection occurs; and
- ! Requires the state treasurer to credit all interest and income earned on the deposit and investment of moneys in any account of the fund to the account.

The bill also requires the state controller to report annually to the joint budget committee of the general assembly regarding the revenues, expenditures, and balance of each account of the indirect costs excess recovery fund.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** part 14 to article  
3 75 of title 24 as follows:

4                                   PART 14

5                                   INDIRECT COSTS EXCESS RECOVERY FUND

6           **24-75-1401. Indirect costs excess recovery fund - creation -**  
7 **departmental accounts - use of fund - definitions.** (1) AS USED IN THIS  
8 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1 (a) "INDIRECT COSTS" MEANS THE INDIRECT COST ASSESSMENT  
2 LINE ITEMS IN THE ANNUAL GENERAL APPROPRIATION ACT THAT  
3 REPRESENT EXPECTED COLLECTIONS OF STATEWIDE AND DEPARTMENTAL  
4 INDIRECT COSTS FROM CASH FUNDED, REAPPROPRIATED FUNDED, OR  
5 FEDERAL FUNDED PROGRAMS FOR THE PURPOSE OF PAYING  
6 DEPARTMENTAL OR STATEWIDE OVERHEAD COSTS AS ALLOCATED TO  
7 THOSE PROGRAMS IN THE ANNUAL GENERAL APPROPRIATION ACT.

8 (b) "STATE AGENCY" OR "AGENCY" MEANS ANY BOARD, BUREAU,  
9 COMMISSION, DEPARTMENT, INSTITUTION, DIVISION, SECTION, OR OFFICER  
10 OF THE STATE EXCEPT THOSE WITHIN THE DEPARTMENT OF HIGHER  
11 EDUCATION DESIGNATION IN THE ANNUAL GENERAL APPROPRIATION ACT.

12 (2) THE INDIRECT COSTS EXCESS RECOVERY FUND IS CREATED IN  
13 THE STATE TREASURY. A SEPARATE ACCOUNT FOR EACH PRINCIPAL  
14 DEPARTMENT OF STATE GOVERNMENT OTHER THAN THE DEPARTMENT OF  
15 HIGHER EDUCATION IS CREATED WITHIN THE FUND. BEFORE THE CLOSE  
16 OF THE STATE'S ACCOUNTING SYSTEM EACH FISCAL YEAR, THE STATE  
17 TREASURER SHALL CREDIT ALL MONEYS COLLECTED BY A STATE AGENCY  
18 FOR INDIRECT COSTS FOR THE FISCAL YEAR IN EXCESS OF THE ACTUAL  
19 AMOUNT EXPENDED DURING THE FISCAL YEAR TO THE ACCOUNT FOR THE  
20 DEPARTMENT THAT INCLUDES THE AGENCY. THE STATE TREASURER SHALL  
21 CREDIT ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND  
22 INVESTMENT OF MONEYS IN ANY ACCOUNT OF THE FUND TO THE ACCOUNT.

23 (3) EACH ACCOUNT OF THE INDIRECT COSTS EXCESS RECOVERY  
24 FUND IS SUBJECT TO ANNUAL APPROPRIATION FOR INDIRECT COSTS BY ITS  
25 CORRESPONDING DEPARTMENT FOR THE SOLE PURPOSE OF PAYING ANY  
26 INDIRECT COSTS INCURRED BY AGENCIES WITHIN THE DEPARTMENT  
27 DURING A FISCAL YEAR THAT EXCEED THEIR ACTUAL INDIRECT COST

1 COLLECTIONS FOR THE FISCAL YEAR.

2 (4) NO LATER THAN NOVEMBER 1, 2013, AND NO LATER THAN  
3 EACH NOVEMBER 1 THEREAFTER, THE STATE CONTROLLER SHALL REPORT  
4 TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY  
5 REGARDING THE REVENUES, EXPENDITURES, AND BALANCE OF EACH  
6 ACCOUNT OF THE INDIRECT COSTS EXCESS RECOVERY FUND AS OF JUNE 30  
7 OF THE PRIOR FISCAL YEAR.

8 **SECTION 2. Safety clause.** The general assembly hereby finds,  
9 determines, and declares that this act is necessary for the immediate  
10 preservation of the public peace, health, and safety.