



Legislation Text

File #: 22-1443, Version: 1

Finance Item/Grant Request Template

Date Submitted: 11-7-2022

**Requesting Agency: Finance
Division:**

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance making cash transfers and appropriations in Denver Human Services to zero the balances and close special revenue funds:

13005,13017,13302,13303,13305, 13306, and 13307.

Authorizes Denver Human Services to make cash transfers, rescissions, and appropriations to zero the balances and close the following special revenue funds for accounting purposes: 13005, 13017, 13302, 13303, 13305, 13306, 13307. The Committee approved filing this item at its meeting on 11-8-2022.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

This ordinance request would enable DHS to make cash transfers to bring the balances in seven different funds to zero so they can be administratively closed. Because the transfers are all within the human services fund series, there is no net effect on the fund series. There are no policy or programmatic changes associated with this ordinance request. It is for accounting purposes only.

Reducing the number of funds DHS uses to administer programs will have the benefit of better aligning the department's revenues and expenditures. Currently some funds have negative balances due to revenues associated with the fund's expenditures being recorded in a different fund. There are six DHS funds with negative balances because DHS historically recorded all the local property tax revenue to support the expenditures in these funds in the Service Delivery and Administration Fund (13008). In one instance, there is a positive balance in a fund that is no longer used, which DHS proposes to transfer to the Service Delivery and Administration Fund

(13008) so this fund can be closed.

The fund-by-fund details are as follows.

Fund	Cash Balance	Proposed Action
Service Delivery and Administration (13008)	+242,183,455	Use the balance in this fund to make transfers to bring DHS funds with negative balances to zero.
Child Welfare (13005)	- \$81,897,745	Transfer \$81,897,745 from the Service Delivery and Administration Fund (13008) to this fund to bring its balance to zero so it can be administratively closed.
Child Care (13017)	- \$12,563,502	Transfer \$12,563,502 from the Service Delivery and Administration Fund (13008) to this fund to bring its balance to zero so it can be administratively closed.
Aid to the Blind (13302)	- \$5,398	Transfer \$5,398 from the Service Delivery and Administration Fund (13008) to this fund to bring its balance to zero so it can be administratively closed.
Aid to Needy Disabled (13303)	- \$5,629,021	Transfer \$5,629,021 from the Service Delivery and Administration Fund (13008) to this fund to bring its balance to zero so it can be administratively closed.
General Assistance (13305)	-4,664,868	Transfer \$4,664,868 from the Service Delivery and Administration Fund (13008) to this fund to bring its balance to zero so it can be administratively closed.
Local Funded Community Service (13306)	- \$61,115,451	Transfer \$61,115,451 from the Service Delivery and Administration Fund (13008) to this fund to bring its balance to zero so it can be administratively closed.
Old Age Pension (13307)	+\$2,245,186	Transfer \$2,245,186 from the Old Age Pension Fund (13307) to the Service Delivery and Administration Fund (13008) to bring the Old Age Pension Fund's balance to zero so it can be administratively closed.

Background:

- Section 20-18 of D.R.M.C. establishes the human services special revenue fund series and identifies it as fund number 13000. Within this broad fund series for human services functions, DHS maintains multiple sub-funds, which are also referred to as funds, but which have existed for a particular purpose. All funds in the 13000 series begin with 13.
- According to D.R.M.C. Section 20-19: “For special revenue accounts in fund nos. 11000, 12000, **13000**, 14000, 15000, 16000, 17000, and 18000, closure of unused accounts may occur administratively without need for an ordinance. **Upon completion of the restricted purpose or upon notice from an expending authority that a special revenue fund account has no further purpose, the special revenue fund account may be closed as prescribed by the manager of finance and the expending authority for the corresponding special revenue fund.**” [emphasis added]
- Over the last few years, DHS has worked closely with the Budget and Management Office and the City Attorney’s Office to review all the funds that are included in the 13000-fund series and identify opportunities for consolidation. This work enhances the agency’s ability to transparently align and account for human services expenditures and revenues. Starting with its 2022 budget, DHS no longer requested any appropriations in any of the funds listed above with negative balances. Instead, DHS is using the Service Delivery and Administration Fund (13008) to appropriate those costs.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):
 transfers, rescissions, and appropriations

Amount: See above

Budget Year: 2022

**Fund and Funding Source (Fund/Org/Grant Number, if applicable):
See above**

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: None