

JOINT BUDGET COMMITTEE



JOINT BUDGET COMMITTEE FY 2018-19 OPERATING BUDGET REQUEST

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
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MISSION STATEMENT

The Joint Budget Committee staff provides the General Assembly with objective, nonpartisan budget and policy analyses related to the operations, programs, and fiscal needs of Colorado state agencies.

FY 2018-19 BUDGET REQUEST

PERSONAL SERVICES

This amount is the salaries and benefits for the staff. The office is authorized for 16.0 FTE in FY 2017-18. These positions are 1.0 staff director, 13.0 analysts, and 2.0 support staff. **The FY 2018-19 recommendation is for a continuation of the existing 16.0 FTE.** The FY 2018-19 request includes:

- A 3.0 percent increase for salary survey based on the level requested by the Executive Branch.
- An increase for health, life, and dental insurance based on the estimated number of participants and the rates in the Joint Budget Committee common policy adopted on January 18, 2018.
- Increases for the additional Amortization Equalization Disbursement and the Supplemental Amortization Equalization Disbursement for PERA as required by statute.
- An increase to annualize prior year salary costs.

Staff requests permission to adjust elements in the above request in the event the Joint Budget Committee policy or the Executive Committee actions regarding these items change.

OPERATING EXPENSES

This amount is the operating costs associated with the work performed by the staff and the Committee. **The amount recommended for FY 2018-19 is \$27,683 which is a continuation of the amount appropriated in FY 2017-18.**

TRAVEL

These funds will be used for staff travel to meet with departments within the State of Colorado, attend the national NCSL convention, and Committee travel for interim site visits. **The amount recommended for FY 2018-19 is \$5,500 which is a continuation of the amount appropriated in FY 2017-18.**

TOTAL

The overall amount recommended for FY 2018-19 is a continued level of 16.0 FTE and an increase in the General Fund appropriation of 3.8 percent above the appropriation for FY 2017-18.

AGENCY BACKGROUND

Pursuant to Section 2-3-201, C.R.S., the Joint Budget Committee has the following powers and duties:

- to study the management, operations, programs, and fiscal needs of the departments of Colorado state government;
- to hold hearings and to review the budget requests of the departments;
- to make estimates of revenue from existing and proposed taxes, and;
- to study and from time to time review the state's fund structure, financial condition, fiscal organization, and its budgeting, accounting, reporting, personnel, and purchasing procedures.

The primary function of the staff is related to preparation of the Long Bill. Analysts review budget requests, prior year staff write-ups, statutes, appropriations reports, audit reports, interim committee reports, other pertinent information, and meet with agency personnel and other individuals to learn about programs, departments and their operations. As soon as practical after November 1, the JBC schedules hearings with the departments. The staff analysts brief the Committee on each budget request a few days prior to the hearing with the department. Briefings and hearings for most departments are scheduled in November and December before the General Assembly convenes in early January.

JBC staff briefings consist of written and oral presentations of budget issues and a review of expenditures and requests. Briefings are aimed at stimulating discussion among the Committee members about each department's budget request, its operations, issues of efficiency and effectiveness, and plans for the future. During the briefing, Committee members decide which issues they wish to discuss with the department. These may be topics presented by the staff during briefings, or other topics Committee members wish to pursue. Staff analysts prepare a detailed agenda of these topics for the hearing. The hearing agenda also allows time for the department to discuss its priorities with the Committee. In addition, the Committee may request staff to work with Legislative Legal Services to prepare bills to address issues raised during the briefing and hearing process.

In January, the Committee considers requests from departments for additional funds, called supplementals, for the current fiscal year. JBC analysts review these requests for additional funding and make recommendations to the Committee. The Committee makes decisions on these requests during the staff supplemental presentations. In order for the state to have a balanced budget, the JBC may also need to find areas in the budget where funds can be taken back. When revenue shortfalls occur, the Governor must ask departments to restrict spending in order for the state to stay within projected revenues. The JBC staff analysts review these restrictions and make recommendations to the Committee. The Committee then decides where funds can be taken back. Committee decisions are prepared and introduced as supplemental appropriation bills, which are acted on by the General Assembly.

The JBC makes funding decisions for the upcoming fiscal year during February and March. As part of this process, analysts make recommendations that are explained line item by line item to the Committee on the number of employees, funding, and footnotes/requests for information for each department. The Committee votes on each line item recommendation. Analysts recalculate where applicable based on the Committee's final decisions and draft the Long Bill. The Capital Development Committee (CDC) submits its recommendations on funding for capital projects. The JBC reviews the CDC's recommendations and incorporates them into the Long Bill. At the end of the figure setting process, Committee members make changes to bring total funding in line with the revenue projections, constitutional limits, and statutory spending limits. Staff analysts prepare the Long Bill and write a narrative to explain the decisions made by the Committee. The narrative also provides comparative information to the rest of the General Assembly.

After the Long Bill is introduced, legislative consideration begins in the party caucuses, where JBC members explain their decisions and answer questions from their colleagues. The staff assists the JBC members in responding to these inquiries as needed. The staff drafts all changes requested by legislators as amendments for action during floor debate. The staff is also responsible for enrolling amendments and adjusting totals as the Long Bill progresses through the process. The JBC members act as conference committee to resolve differences between the houses after both houses pass the Long Bill. The staff assists the Conference Committee during the conference committee deliberations and is responsible for drafting the various parts of the conference committee report. Then, working with Legal Services, the staff ensures the entire report is written correctly. The conference committee report is then presented to both houses for consideration.

In addition to assisting the Committee in preparing the Long Bill and any supplemental appropriations bills, the JBC analysts staff the Appropriations Committees in the House and the Senate. JBC staff and Legislative Council Staff Fiscal Note staff prepare an Appropriation Packet that is presented to the appropriations committees. The packet includes a JBC staff analysis, any technical amendments for appropriations meetings, and a Legislative Council staff fiscal note. JBC staff also provides analysis of sponsor amendments to bills scheduled for appropriations so that appropriations committee members have this information available at the meeting.

After the legislative session is over, the JBC staff writes the Appropriations Report and the Budget in Brief which explains funding decisions made by the General Assembly. These documents are published by July 1 of each year. During the summer and fall, the Committee meets as needed (typically two to three times during the June to October time frame for one to three days each meeting). Members tour areas of the state to visit state facilities and meet with groups and individuals to receive input on budget and management issues. State agencies also request to meet with the Committee to inform members of a problem or to seek direction on various matters. During the interim staff members are assigned to follow interim committees and assist in their deliberations if needed.

Department : Legislature
 Agency: Joint Budget Committee

ITEM	Actual		Appropriated		Request		Percent Change Approp
	FY 2016-17 Total Funds	FTE	FY 2017-18 Total Funds	FTE	FY 2018-19 Total Funds	FTE	
PERSONAL SERVICES							
Salaries:							
Staff Director		1.0		1.0		1.0	
Chief Leg. Analyst		3.8		5.0		5.0	
Principal Leg. Analyst		4.0		5.0		5.0	
Senior Leg. Analyst		4.0		2.0		2.0	
Legislative Analyst		1.0		1.0		1.0	
Administrative Personnel		<u>2.0</u>		<u>2.0</u>		<u>2.0</u>	
Subtotal - Salaries	1,395,696	15.8	1,471,601	16.0	1,471,601	16.0	0.0%
Annualize Prior Year Salary Survey and Merit			0		7,285		
Salary Survey (3.0%) based on Executive Committee Direction			<u>0</u>		<u>44,367</u>		
Total Salaries Adjusted for Salary Survey/Vacancy Adjustments	1,395,696		1,471,601		1,523,253		3.5%
Associated Costs:							
PERA @ 10.15%	139,407		149,368		154,610		
Medicare Tax @ 1.45%	20,012		21,338		22,087		
Short Term Disability @ 0.170%	2,657		2,796		2,590		
Health/Life/Dental Insurance	<u>114,314</u>		<u>115,400</u>		<u>127,140</u>		
Subtotal - Associated Costs	276,390		288,902		306,427		6.1%
TOTAL PERSONAL SERVICES - GF	1,672,086	15.8	1,760,503	16.0	1,829,679	16.0	3.9%

Department: Legislature
 Agency: Joint Budget Committee

ITEM	Actual		Appropriated		Request		Percent Change Approp
	FY 2016-17 Total Funds	FTE	FY 2017-18 Total Funds	FTE	FY 2018-19 Total Funds	FTE	
OPERATING EXPENSES							
2230 Equipment Maintenance	926				880		
2252 - Rental/Motor Pool Mile Charge	0				403		
2253 Rental of Equipment	3,154				3,700		
2610 Advertising	150				1,500		
2630 Communication Charges - OIT	8,442				9,800		
2680 Printer Repair Services	11				0		
2820 Purchased Services	429				1,000		
3118 Food and Food Services	1,039				1,100		
3121 Office Supplies	2,162				3,500		
3123 Postage	1,936				1,500		
3128 Equipment	0				500		
3132 Noncapitalizable Furniture and Office Systems	0				1,200		
3140 Noncapitalizable Information Technology	78				1,600		
4118 Official Functions	53				0		
4220 Registration Fees	<u>605</u>				<u>1,000</u>		
TOTAL OPERATING EXPENSES - GF	18,986		27,683		27,683		0.0%
TRAVEL							
2510,2511,2513 In-State Travel (includes JBC Interim Travel)	2,373		4,500		4,500		
2530 Out-of-State Travel and 2531 Out of State Common Carrier	<u>577</u>		<u>1,000</u>		<u>1,000</u>		
TOTAL TRAVEL - GF	2,951		5,500		5,500		0.0%
TOTAL JBC Before AED and SAED - GF	1,694,023		1,793,686		1,862,862		3.9%
JBC PERA AED (5.0% for 12 months)	65,473		73,580		76,163		3.5%
JBC FY 17 PERA SAED (4.5% for 7 months. 5.0% for 5 months)	64,673						
JBC FY 18 and BEYOND PERA SAED (5.0% for 12 months)			73,580		76,163		3.5%
GRAND TOTAL JBC WITH PERA AED AND SAED	1,824,169	15.8	1,940,846	16.0	2,015,188	16.0	3.8%