

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2024-25

LEGISLATIVE DEPARTMENT (LONG BILL APPROPRIATIONS ONLY)

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

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DEPARTMENT OVERVIEW

The Legislative Branch includes the elected members of the House of Representatives and the Senate, and the necessary staff to support these legislators in their duties and responsibilities. The staff include those employed by the House and the Senate, and those employed by the following legislative service agencies:

- Office of the State Auditor;
- Joint Budget Committee Staff;
- Legislative Council Staff; and
- Office of Legislative Legal Services.

The legislative service agency staff are full-time nonpartisan professionals. The House and the Senate employ both partisan and nonpartisan professional staff, and some of these staff serve part-time when the General Assembly is in session.

GENERAL NOTES ABOUT THIS PACKET

While the majority of appropriations for the Legislative Department are included in a separate bill (e.g., S.B. 23-197), some line item appropriations for the Department are included in the Long Bill. These Long Bill appropriations provide funding for:

- studies and analyses that are required by statute or the State Constitution; and
- statewide common policies that relate to services provided by the Executive Branch agencies (e.g. workers' compensation) and one appropriation related to the Public Employees' Retirement Association's (PERA's) unfunded liability.

This document only includes staff recommendations for Long Bill appropriations.

Unlike Executive and Judicial Branch departments, the Legislative Department does not submit a budget request to the Joint Budget Committee. Instead, each legislative agency Director makes a recommendation to their respective oversight committee, and the budget approved by the oversight committee is submitted to the Executive Committee. The Executive Committee is responsible for proposing the Legislative Branch budget to the General Assembly, and introducing the annual legislative appropriation bill.

➔ STAFF RECOMMENDATION FOR PLACEHOLDER

Staff recommends that the JBC approve a General Fund place holder as part of its FY 2024-25 budget proposal to cover the appropriations that are included in the 2024 Legislative Appropriation Bill. Staff also requests permission to adjust this placeholder if necessary based on any amendments to the Legislative Appropriation Bill.

Staff currently anticipates that the Executive Committee will take final action on the legislative agency budget requests on Friday, February 23. Staff will prepare a memo for the JBC once the legislative appropriation bill is introduced identifying the required General Fund place holder.

LEGISLATIVE DEPARTMENT: LONG BILL APPROPRIATIONS

(1) LEGISLATIVE COUNCIL

PROPERTY TAX STUDY PURSUANT TO SECTION 39-1-104 (16), C.R.S.

This line item provides funding for Legislative Council Staff to annually contract for a statutorily required “valuation for assessment” study. The objective of this study is to determine whether county assessors are correctly and consistently applying constitutional and statutory provisions to arrive at the actual value of properties.

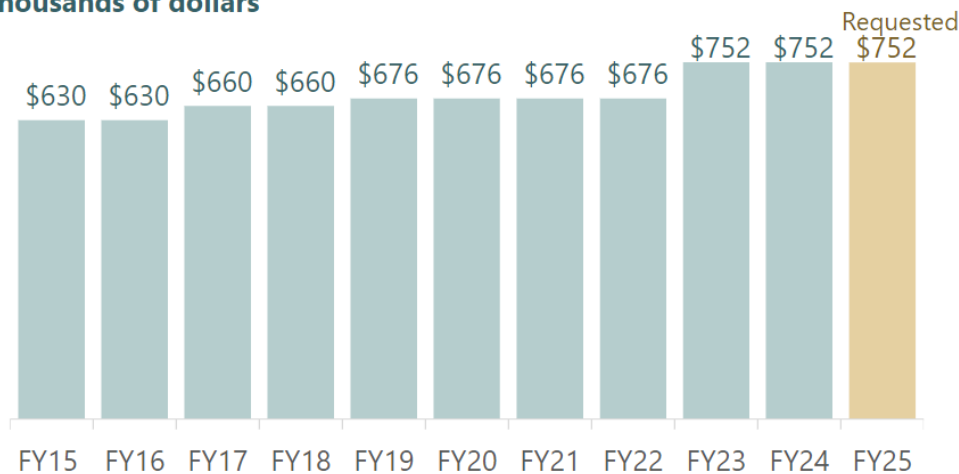
The audit of county assessor valuations follows a two-year cycle, with odd numbered fiscal years involving the bulk of the data gathering, field work, and analysis as new levels of value are being established through reappraisals updating the "base year" levels of value. Even-numbered years tend to focus more on directives of the State Board of Equalization, maintaining the audit database, and monitoring the actions of the counties, but also include a detailed abstract of properties used by legislative staff in analyzing proposals to change the state's property tax system.

STATUTORY AUTHORITY: Section 39-1-104 (16)(a), C.R.S.

REQUEST: The Legislative Council Staff requests a continuation appropriation of \$752,000 General Fund for the audit of county assessor values, with no change from the appropriations for FY 2022-23 and FY 2023-24. The following graphic, prepared by Legislative Council Staff, illustrates recent appropriations for this line item and the requested amount.

Property Tax Audit Appropriation

Thousands of dollars



RECOMMENDATION: **Staff recommends approving the request.** This requested amount was approved by the Executive Committee on January 30.

COST OF LIVING ANALYSIS PURSUANT TO SECTION 22-54-104 (5)(C)(III)(A), C.R.S.

This line item provides funding for Legislative Council Staff to contract every other year for a cost-of-living analysis to certify the cost-of-living factor for each school district. As a component of the school finance formula, the cost-of-living factor reflects the differences in the costs of housing, goods, and services among regions in which school districts are located and affects the allocation of funds among districts. Statute requires certification of districts' factors by April 15 every other year, and the factors are effective for the following two state fiscal years.

The costs of this study are supported by a transfer from the appropriation to the Department of Education for the State Share of Districts' Total Program Funding. A Long Bill footnote specifies the maximum amount of the transfer to fund the biennial cost of living analysis.

The FY 2023-24 appropriation provides \$270,000 (shown as reappropriated funds originating from the State Share of Total Program Funding in the Department of Education) for the study to be completed in the current fiscal year. The cost-of-living study conducted during the 2023 interim will determine school district cost-of-living factors for FY 2024-25 and FY 2025-26. **Statute does not require a cost of living analysis in FY 2024-25 – and there is no request for an appropriation.**

STATUTORY AUTHORITY: Section 22-54-104 (5)(C)(III)(A) and (B), C.R.S.;

REQUEST: The Legislative Council Staff is not requesting any appropriation for a cost of living study for FY 2024-25.

RECOMMENDATION: **Staff recommends approving the request (for no appropriation).**

BALLOT ANALYSIS

This line item provides funding for the printing, mailing, and analyses of statewide ballot measures. Sections 1 (7.3) and (7.5) of Article V of the State Constitution requires the nonpartisan staff of the General Assembly to:

- cause to be published in each county the text and title of every statewide initiated or referred measure; and
- prepare and distribute to active registered voters statewide a ballot information booklet that includes the text and title of each statewide measure along with a fair and impartial analysis of each measure.

This provision also requires the General Assembly to provide sufficient appropriations for the preparation and distribution of the ballot information booklet at no charge to recipients.

The expenditures related to these requirements can vary significantly from year to year. Generally, expenses are higher in even election years, and the annual appropriation is intended to fund one-half of the estimated costs over a two-year period, thus allowing the General Assembly to maintain a similar appropriation from year to year.

The annual General Fund appropriation in this line item is credited to the Ballot Information Publication and Distribution Revolving Fund (informally known as the Blue Book Fund). Money in this fund is continuously appropriated to the Legislative Council to pay the costs of publishing the text and title of each measure and the costs of distributing the ballot information booklet.

CONSTITUTIONAL AND STATUTORY AUTHORITY: Sections 1 (7.3) and (7.5) of Article V of the State Constitution; Section 1-40-144.5, C.R.S.

REQUEST: The Legislative Council Staff requests an appropriation of \$3,000,000 General Fund for printing, mailing, and associated costs for ballot analysis, with no change from the FY 2023-24 appropriation. The following table and graphic, prepared by Legislative Council Staff, provide and illustrate recent expenses for printing, postage, and newspaper publication, and projected expenses for the next two fiscal years.

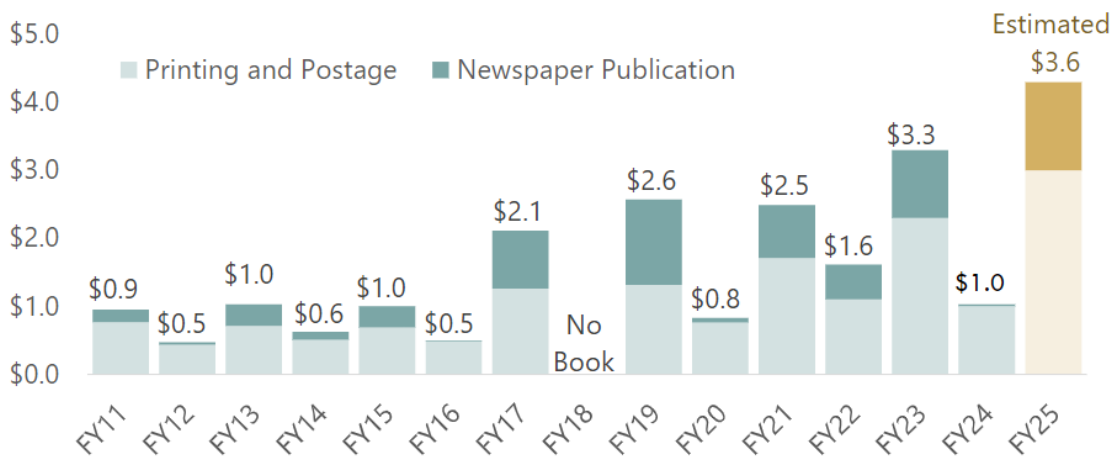
History and Forecast of Blue Book Fund Balance

	Actual	Actual	Actual	Actual	Estimated	Estimated
Budget Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Blue Book	2019 Book	2020 Book	2021 Book	2022 Book	2023 Book	2024 Book
Begin Balance	\$1,504,101	\$2,100,863	\$1,251,202	\$1,240,222	\$385,536	2,379,407
Appropriation	\$1,400,000	\$1,600,000	\$1,600,000	\$2,500,000	\$3,000,000	\$3,000,000
Expenditures	\$829,666	\$2,467,576	\$1,611,990	\$3,327,810	\$1,040,198	\$3,602,754
Net Interest	\$26,429	\$17,915	(\$1,010)	(\$26,876)	* \$34,068.65	\$25,808
End Balance	\$2,100,863	\$1,251,202	1,240,222	\$385,536	* 2,379,407	1,802,461

*estimated figures are in green

Blue Book Costs: History & Estimates

Millions of dollars



The request is based on the following assumptions:

- a similar number of measures in the 2024 election as in 2022;
- historical increases in the cost of paper and postage; and
- maintaining a reasonable fund balance.

RECOMMENDATION: Staff recommends approving the request. This requested amount was approved by the Executive Committee on January 30.

(2) GENERAL ASSEMBLY

PERA DIRECT DISTRIBUTION

This line item was first included in the FY 2019-20 budget as a common policy allocation payment for the State portion of the annual PERA Direct Distribution (DD) payment established by S.B. 18-200. The State portion of the payment is used to pay down the unfunded liability for the State and Judicial PERA divisions.

The allocation of this State portion to each department is proportional to PERA Amortization Equalization Disbursement (AED) and the PERA Supplemental AED authorized by S.B. 04-257 and S.B. 06-235. A new line item appropriation to each department provides an appropriation of General Fund, cash funds, reappropriated funds, and federal funds based on a billing allocation for the State portion of the \$225.0 million annual PERA DD payment. The sources of funds for each department are based on the sources of funds that support employee salaries.

In addition to the appropriations to each department, the annual Long Bill includes a corresponding informational appropriation of \$225.0 million to the Department of the Treasury. This appropriation consists of reappropriated funds collected from all departments for the State and Judicial PERA divisions (\$59.6 million for FY 2024-25), and a direct appropriation of General Fund for the School and Denver Public Schools PERA divisions (\$165.4 million for FY 2024-25).

From FY 2019-20 through FY 2021-22, the appropriation to the Legislative Department for the PERA DD payment was included in the annual legislative appropriation bill. The State's \$225.0 million payment was suspended for FY 2020-21 through H.B. 20-1379. Beginning in FY 2022-23, the Executive Committee and the JBC approved a staff recommendation to include the annual PERA DD appropriation in the Long Bill rather than the legislative appropriation bill. However, for FY 2022-23, this appropriation was not included because S.B. 21-228 required payments that would otherwise be paid from the General Fund would instead be paid from the PERA Payment Cash Fund.

STATUTORY AUTHORITY: Section 24-51-414 (2), C.R.S.

RECOMMENDATION: Staff recommends including in the Long Bill an appropriation of \$813,975 General Fund, consistent with Committee action on statewide compensation policies. Staff requests permission to adjust that amount to align with any changes to the common policy.

WORKERS' COMPENSATION

This line item is used to pay the Department of Personnel for the Legislature's share for inclusion in the State's workers' compensation program for state employees.

STATUTORY AUTHORITY: Section 24-30-1510.7, C.R.S.

RECOMMENDATION: Staff recommends a Long Bill appropriation of \$117,114 General Fund, consistent with Committee action on operating common policies. Staff requests permission

to adjust this amount as necessary based on any changes to the common policy for FY 2024-25.

LEGAL SERVICES

This line item appropriation is used to pay the Department of Law for the provision of legal services for the Legislature.

STATUTORY AUTHORITY: Sections 24-31-101 (1)(a), C.R.S., and 24-75-112 (1)(i), C.R.S.

RECOMMENDATION: **Staff recommendation is pending future action by the Committee.** Staff requests permission to ultimately reflect the amount approved by the Committee when the common policy is established. The current appropriation is \$24,082 General Fund.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item appropriation is used to pay the Department of Personnel for the Legislature's share of liability and property insurance. The State's liability program is used to pay liability claims and expenses brought against the State.

STATUTORY AUTHORITY: Section 24-30-1510 and 24-30-1510.5, C.R.S.

RECOMMENDATION: **Staff recommends a Long Bill appropriation of \$147,074 General Fund, consistent with Committee action on operating common policies. Staff requests permission to adjust this amount as necessary based on any changes to the common policy for FY 2024-25.**

MAINTENANCE OF LEGISLATIVE SPACE

This line item appropriation is used to pay the Department of Personnel for the Legislature's share of the costs of maintaining State buildings that are part of the Capitol Complex. In addition to the Capitol, the Legislative Services Building, and legislative office space in the State Services Building at 1525 Sherman Street, this payment includes funding for parking and the equivalent of 26 days of use of the conference center at 1525 Sherman Street.

STATUTORY AUTHORITY: Section 24-30-1104 (4) and Part 1 of Article 82 of Title 24, C.R.S.

RECOMMENDATION: **Staff recommends a Long Bill appropriation of \$2,613,508 General Fund, consistent with Committee action on operating common policies. Staff requests permission to adjust this amount as necessary based on any changes to the common policy for FY 2024-25.**

PAYMENTS TO OIT

This line item appropriation is used to pay the Governor's Office of Information Technology for information technology services provided for the Legislature.

STATUTORY AUTHORITY: Section 24-37.5-104, C.R.S.

RECOMMENDATION: **The staff recommendation is pending future action by the Committee.** Staff requests permission to ultimately reflect the amount approved by the Committee when the common policy is established. The current appropriation is \$58,916 General Fund.

CORE OPERATIONS

This line item appropriation is used to pay the Department of Personnel for the Legislature's share of the costs of the Colorado Operations Resource Engine (CORE) system. This is the accounting system that is used to record all State revenues and expenditures.

STATUTORY AUTHORITY: Section 24-30-209, C.R.S.

RECOMMENDATION: **Staff recommends a Long Bill appropriation of \$8,542 General Fund, consistent with Committee action on operating common policies. Staff requests permission to adjust this amount as necessary based on any changes to the common policy for FY 2024-25.**