

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Emily Hansen, JBC Staff
DATE November 15, 2022
SUBJECT Department Hearing Process and Common Questions

Goals of this discussion:

- Provide an overview of the hearing process;
- Determine common questions to ask all departments.

WHAT IS THE PURPOSE/GOAL OF HEARINGS?

- 1 Provide departments with the opportunity to speak directly with the Committee about their budget and programs.
- 2 Provide the Committee with the opportunity to directly ask questions of the department and have a productive conversation about issues and concerns.

BACKGROUND

Hearings are scheduled with each department following JBC Staff briefings in November and December. JBC Staff set an agenda for the hearing quickly following staff briefings. The agenda is structured to address all of the questions the Committee asked during the briefing, but also includes unstructured time at the beginning of the hearing for the department to discuss budget priorities.

Questions may fall into two categories: 1) discussion questions; or 2) written-only questions.

- 1 **Discussion questions** are questions the Committee wishes to discuss with the department at the hearing. These questions are meant to encourage conversation rather than provide data. Departments must provide responses two business days before the hearing and structure the hearing presentation around these questions.
- 2 **Written-only questions** are intended to address requests for additional information and data that may be needed, but do not necessitate a policy conversation at the hearing. Departments may provide responses to these questions at a later date at the discretion of the JBC analyst.

During briefings, JBC Staff may ask Committee members to clarify if a particular question is intended for discussion at the hearing, or if a written-only response will satisfy.

Departments will submit a packet to the Committee two business days before the hearing, available to Committee members through Box by the end of the day. The packet consists of the agenda as a cover page, the department's PowerPoint presentation, and written responses to all discussion questions. Preparing the hearing materials requires a tight turnaround and can be a fairly labor intensive process for JBC and department staff.

COMMON QUESTIONS

The Committee typically determines a set of "common questions" asked of all departments. The common questions are intended to address statewide issues or concerns that have been identified

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across a number of departments or requests. Common questions may include both discussion and written-only questions. Once responses are received by all departments, JBC Staff compile all common question responses into a single document saved to Box for reference by JBC members and staff.

The common questions from the last budget cycle are included below for the Committee's review, categorized by staff recommendations for questions to retain and questions to remove. There are a few items to consider in selecting the common questions for the upcoming cycle:

- Several questions have been carried forward from year to year. Are the questions still relevant?
- Will these questions and responses help to inform decision making?
- Hearings are a labor intensive process for departments, and common questions add significant length to the hearing documents.

QUESTIONS RECOMMENDED TO RETAIN OR AMEND

DISCUSSION QUESTIONS

- 1 Please describe THE IMPLEMENTATION PLAN FOR NEW PROGRAMS ADDED TO THE DEPARTMENT FROM one-time ~~federal~~ stimulus funds (such as the CARES Act, ARPA, AND ONE-TIME GENERAL FUND), ~~that the Department has received or expects to receive~~ AS WELL AS ANY CHALLENGES OR DELAYS TO PROGRAM IMPLEMENTATION.

Staff has already received information on ARPA and one-time stimulus funds, and recommends amending the question to address program implementation concerns.

WRITTEN-ONLY QUESTIONS

- 2 What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations, ~~as well as cost impacts driven by COVID-19 and supply chain interruptions.~~

If inflation and other cost pressures are an interest area of the Committee, staff recommends moving this question to a discussion question.

- 3 How is the Department's caseload changing and how does it impact the Department's budget? Are there specific population changes, demographic changes, or service needs (e.g. aging population) that are different from general population growth?
- 4 State revenues are projected to exceed the TABOR limit in each of the next two fiscal years. Thus, increases in cash fund revenues that are subject to TABOR will require an equivalent amount of General Fund for taxpayer refunds. Please:
 - a. List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by your department that is subject to TABOR and that exceeds \$100,000 annually. Describe the nature of the revenue, what drives the amount collected each year, and the associated fund where these revenues are deposited.

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- b. For each source, list actual revenues collected in FY 2020-21, and projected revenue collections for FY 2021-22 and FY 2022-23.
 - c. List each decision item that your department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2022-23.
- 5 Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.
 - 6 Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.
 - 7 In some cases, the roles and duties of existing FTE may have changed over time. Please list any positions that have been created in the Department since FY 2020-21 that were not the result of legislation or a decision item. PLEASE DESCRIBE TEMPORARY AND PERMANENT CHANGES THAT MAY HAVE OCCURRED AS A RESULT OF THE COVID-19 PANDEMIC.

For all FY 2023-24 budget requests that include an increase in FTE:

- a. Specify whether existing staff will be trained to assume these roles or these duties, and if not, why;
- b. Specify why additional FTE are necessary; and
- c. Describe the evaluation process used to determine the number of FTE requested.

QUESTIONS RECOMMENDED TO REMOVE

DISCUSSION QUESTIONS

- 8 Please provide an update on how remote work policies implemented in response to the COVID-19 pandemic have changed the Department's long-term planning for vehicle and leased space needs. Please describe any challenges or efficiencies the Department has realized, as well as to what extent the Department expects remote work to continue.

WRITTEN-ONLY QUESTIONS

- 9 Please describe the most significant one-time federal funds from stimulus bills (e.g., CARES Act and ARPA) and other major new federal legislation (e.g., Federal Infrastructure Investment and Jobs Act) that the Department has received or expects to receive. For amounts in new federal legislation that have not yet been distributed, please discuss how much flexibility the State is expected to have in use of the funds.

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Staff has received data on ARPA and one-time stimulus funding and recommends removal of this question. Specific questions may be addressed on a Department by Department basis.

- 10 Please describe any ongoing or newly identified programmatic impacts for the Department resulting from cash fund transfers as part of the FY 2019-20 and FY 2020-21 balancing process.
- 11 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations with a fiscal impact identified in the Office of the State Auditor's "Annual Report: Status of Outstanding Audit Recommendations"? What is the Department doing to resolve these HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.

The 2021 report was published on December 6, 2021 and can be found at this link: https://leg.colorado.gov/sites/default/files/documents/audits/2154s_2021_annual_report_status_of_audit_recommendations.pdf

At the recommendation of the Office of the State Auditor (OSA), staff recommends removing this question. The OSA has determined that oversight committees provide sufficient opportunity to address audit recommendations not yet implemented.

- 12 Please describe the Department's FY 2020-21 vacancy savings, as well as projected vacancy savings for FY 2021-22 and FY 2022-23. How has the Department utilized vacancy savings in recent years?

Staff has already received data through a common RFI and recommends that specific questions can be asked on a Department by Department basis.

- 13 Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media. Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?