

MEMORANDUM



JOINT BUDGET COMMITTEE

To Members of the Joint Budget Committee
From Andrew McLeer, JBC Staff (303) 866-4959
Date November 12, 2024
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.

HEARING PURPOSE

- 1 Provide departments with the opportunity to speak with the Committee about their budget.
- 2 Provide the Committee with the opportunity to directly ask questions of departments.

Hearings are scheduled with each department following JBC Staff briefings in November and December. JBC Staff set an agenda for the hearing that groups all questions asked during the briefing by topic. The agenda serves as a reference for the Chair to provide the names of presenters and determine if the department is adhering to the timeline proposed by staff.

Questions may fall into two categories:

- 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.
- 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 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 is satisfactory.

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.

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 across a number of departments or requests. Common questions may be discussion

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or 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 the Committee.

Common questions from the last budget cycle are included below for the Committee's review, categorized by staff recommendations for questions to add, remove, or retain. There are a few points 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 figure setting decisions?
- Common discussion questions decrease time available to address department specific questions.

Questions can identify problems that would not otherwise be addressed in the budget process.

QUESTIONS TO REMOVE

DISCUSSION QUESTIONS

- 1 Please describe one-time state and federal stimulus funds that have been allocated to the Department but are not expended as of September, 30, 2023, by bill, budget action, executive action, or other source that allocated funds. The description should include but is not limited to funds that originate from one-time or term-limited General Fund or federal funds originating from the American Rescue Plan Act (ARPA)/State and Local Fiscal Recovery Funds/Revenue Loss Restoration Cash Fund. Please describe the Department's plan to obligate or expend all allocated funds that originate from ARPA by December 2024.

Please describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information:

- a. Original fund source (General Fund, ARPA, other), amount, and FTE;
- b. Original program time frame;
- c. Original authorization (budget decision, legislation, other);
- d. Requested ongoing fund source, amount, and FTE; and
- e. Requested time frame (one-time extension or ongoing).

COMMENT: Departments responded to this question for the FY 2024-25 budget cycle. Staff recommends that questions regarding the replacement of General Fund or ARPA funds with other fund sources be directed to the applicable Departments.

- 2 Provide a prioritized list of budget reductions the Department would propose if 10.0 percent General Fund appropriation reductions were required of every Department.

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COMMENT: In the previous budget cycle, most Departments provided a common response, copied below. Staff recommends utilizing other information to develop potential prioritization of cuts, including responses to Question #8 in the succeeding section of this document.

“We appreciate the question and the desire to partner with the Department on identifying reductions. On November 1st the Governor submitted a balanced budget that provided decision items for increases and reductions that we spent over a half a year to identify and prioritize across the entire Executive Branch. The proposed budget is balanced, maintains a reserve of 15%, and does not require a 10.0 percent reduction in the General Fund to balance. If the economic conditions change the Governor will take actions to propose reduced expenditures and submit a plan to address the shortfall to the General Assembly. If the Joint Budget Committee wants feedback on specific reduction proposals, we welcome the opportunity to work with JBC staff on estimating the impacts and tradeoffs of those proposals.”

- 3 Please provide a description, calculation, and the assumptions for the fiscal impact of implementing compensation provisions of the Partnership Agreement, as well as a qualitative description of any changes to paid annual, medical, holiday or family leave as a result of the Agreement. Please describe any compensation and leave changes for employees exempt from the Agreement if applicable.

COMMENT: Departments provided information on the expected compensation changes for employees under the Partnership Agreement. Staff recommends the Committee direct any further questions on compensation to the Department of Personnel.

WRITTEN-ONLY QUESTIONS

- 4 Please describe any budgetary or administrative impacts from the implementation of H.B. 21-1110 (Laws for Persons with Disabilities) as it pertains to IT accessibility. Please describe any budget requests that include components related to the implementation of IT accessibility requirements.

COMMENT: Implementation of accessibility standards, pursuant to H.B. 21-1110, was required by July 1, 2024.¹ Staff recommends removal of this question because implementation of H.B. 21-1110 should be completed at this time, with non-compliant Departments updating a publicly available report quarterly. Additionally, Departments which are non-compliant would include

¹ The General Assembly has granted a one year grace period to Departments on this deadline through H.B. 24-1454 (Grace Period Noncompliance Digital Accessibility).

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implementation difficulties in response to Question #5, listed in the succeeding section of this document.

QUESTIONS TO AMEND AND RETAIN

WRITTEN-ONLY QUESTIONS

- 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. Please specifically describe the implementation of ongoing funding established through legislation in the last two legislative sessions. 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 rules the Department promulgated in FY 2022-23. With respect to these rules, has the Department 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? Has the Department conducted a cost-benefit analysis of Department rules as a whole? If so, please provide an overview of each analysis.
- 7 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. Using the attached Excel Template A, please:
 - a List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by the 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.
 - b For each source, list actual revenues collected in FY 2023-24, and projected revenue collections for FY 2024-25 and FY 2025-26
 - c List each decision item that the Department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2025-26.
- 8 Describe General Fund appropriation reductions made in the Department for budget balancing purposes in 2020, and whether the appropriation has been restored with General Fund or another fund source through budget actions or legislation.
- 9 Please use the attached Excel Template B to summarize the Department's funded and actual FTE for the last five fiscal years and identify the origin of changes in funded FTE. If

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positions have not been filled, please describe challenges in preventing positions from being filled and how vacancy savings are being utilized.

- 10 Provide a list and brief description of all interagency agreements that the Department is party to, including any statutory authority or requirements for specific interagency agreements. Please further describe any appropriations and transfers of funding between departments associated with interagency agreements.
- 11 For each line item in the Department with FTE please provide the following information for the last five fiscal years.
 - a FTE allocated in the Long Bill and other legislation;
 - b Actual FTE;
 - c Vacancy rate;
 - d Actual expenditures associated with FTE;
 - e Reversions by fund source;
 - f Vacancy savings; and,
 - g Amount transferred to the State Employee Reserve Fund (SERF).