

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Emily Hansen, JBC Staff
DATE November 17, 2023
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 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.

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 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 ADD

WRITTEN-ONLY QUESTIONS

- 1 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.

QUESTIONS TO REMOVE

DISCUSSION QUESTIONS

- 2 How many temporary FTE has the Department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the Department's strategy related to ensuring the short term nature of these positions? Does the Department intend to make the positions permanent in the future?

COMMENT: In the previous budget cycle departments indicated that they are unable to provide temporary FTE counts and provided a common response copied below. Staff has instead recommended including FTE in a discussion question related to continuing one-time programs in an effort to identify new temporary FTE that are being continued.

"The Department is unable to provide temporary FTE counts. Temporary FTE are not included in the statutory definition of FTE pursuant to Section 24-75-112(1)(d)(II), C.R.S. which states that FTE does not include contractual, temporary, or permanent season positions. The department has provided as part of the November 1 request the Schedule 14A and 14B which provides actual expenditures. For the upcoming years, the department manages the dollar appropriation which has been affirmed by two Supreme Court cases (Colorado GA vs Owens and Anderson v Lamm)."

QUESTIONS TO AMEND AND RETAIN

DISCUSSION QUESTIONS

- 3 Please describe unencumbered one-time stimulus funds (including CARES Act, ARPA, and one-time General Fund) by bill, budget action, or other source, and any challenges to program implementation or encumbrance. Please further 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).
- 4 Please provide a description, calculation, and the assumptions for the fiscal impact of implementing the provisions of the Partnership Agreement, including but not limited to changes in compensation, annual leave accrual, holiday pay, and paid family and medical leave. Please describe any compensation and leave changes for employees exempt from the Agreement if applicable.

WRITTEN-ONLY QUESTIONS

- 5 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.
- 6 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.
- 7 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, including but not limited to impacts driven by employee compensation, workforce challenges, and construction costs.

- 8 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?
- 9 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 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 2021-22, and projected revenue collections for FY 2022-23 and FY 2023-24.
 - c. List each decision item that the Department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2024-25.
- 10 Please use the attached Template B to summarize the Department's funded and actual FTE for the last three fiscal years and identify the origin of changes in funded FTE. If positions have not been filled, please describe challenges in preventing positions from being filled and how vacancy savings are being utilized.

Template B: Example responses for providing data related to FTE-related common question

Part A: Please summarize the Department's funded and actual FTE for the last three fiscal years.

Trend Information: Funded FTE and Actual FTE				
	Funded FTE*	Actual FTE	Actual Above/(Below) Funded FTE	% Difference
2020-21	299.5	298.0	(1.5)	-0.5%
2021-22	299.5	297.0	(2.5)	-0.8%
2022-23	303.0	300.0	(3.0)	-1.0%
2023-24	310.7	n/a	n/a	n/a
FTE Change over 3 years	11.2			
% Change over 3 years	3.7%			

* "Funded FTE" equals the number of full time equivalent positions specified in the annual Long Bill or in appropriation clauses in other acts. These FTE figures reflect the number of positions that correspond to the amounts appropriated.

Part B: Please identify the origin of changes in funded FTE for FY 2022-23.

FY 2022-23: Status of New Funded FTE				
	Funded FTE	Actual FTE	Actual Above/(Below) Funded FTE	% Difference
TOTAL BASE: 2021-22	299.5	297.0	3.5	(0.0)
<i>Decision Items:</i>				
FY 21-22 R2 Annualization	1.0	0.6	(0.4)	
FY 22-23 R1 Decision Item	1.0	0.5	(0.5)	
Budget and operational efficiencies	(1.0)	(1.0)	0.0	
<i>Bills:</i>				
SB 22-087	0.9	0.5	(0.4)	
HB 23-1242	0.9	0.4	(0.5)	
HB 23-1301	0.7	0.0	(0.7)	
<i>FTE changes unrelated to decision items or bills</i>	0.0	2.0	2.0	
TOTAL: 2022-23	303.0	300.0	(3.0)	(0.0)