

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Emily Hansen, JBC Staff
DATE November 18, 2021
SUBJECT Department Hearing Process and Common Questions

Goals of this discussion:

- Provide an overview of the hearing process, including background and recent process changes;
- Determine the common questions that will be included for response by all departments.

BACKGROUND

Following the JBC Staff briefings in November and December, hearings are scheduled with each department. Typically, agendas for these meetings address questions asked by members during staff briefings and include open time for the department to discuss their budget priorities with the Committee.

Within a day of the staff briefing, JBC Staff draft the questions and organize them into an agenda. This is shared with departments to prepare responses, which are distributed to JBC members two days before the hearing. This is fairly work intensive for both JBC and department staff, and requires a quick turnaround.

Agendas also include a set of "common questions," which are questions that all departments respond to. These tend to address statewide issues or concerns that have been identified across a number of departments or requests. In recent years, once all responses are received, JBC Staff have compiled all common question responses into a single document saved to Box for reference by JBC members and staff.

For the time being, departments will be encouraged to participate in the hearing process in-person.

WHAT IS THE PURPOSE/GOAL OF HEARINGS?

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

UPDATED APPROACH

Last year, the Committee implemented a few process changes to the hearing process that staff recommends continuing, including:

Creating two separate hearing products: a hearing agenda (the conversation with departments) and written-only responses.

- The **Hearing Agenda** includes only questions the Committee wishes to discuss with the department at the hearing. These questions are meant to encourage conversation rather than provide data.

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- **Written-only questions** should address information and data that may be necessary for figure setting, but do not necessitate a policy conversation with the department. Analysts will provide departments with a later deadline to fulfill these requests, likely in mid-January.

Identifying the type of response desired. To implement the two separate products, staff and members were encouraged to clarify during the briefing whether a question should be addressed by the department at the hearing or if a written-only response was sufficient.

The public hearing agenda no includes the names of members that asked the question. Including names can help members follow-up on questions. Previously, staff had prepared versions with and without names. By eliminating the second document we reduced errors and staff workload.

COMMON QUESTIONS

The common questions from the last budget cycle are included below for the Committee's review. There are a few items to consider in setting the common questions for the upcoming cycle:

- Several questions have been carried forward from year to year. Are the questions still relevant?
- Do these questions and responses inform your decision making at figure setting?
- Common questions add significant length to the hearing documents.

FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1 Please describe the Department's actions to implement the Health, Life, and Dental decrease in lieu of a 5.0 percent General Fund salary base reduction. Please include dollar and percentage share data on planned "allocations" of the decrease to all divisions and programs within the Department. Please describe the use of vacancy savings, delayed hiring, and the implementation of one-time or ongoing operating savings. Please describe the urgency of the Department's need to engage in a furlough in FY 2020-21 due to the inability to achieve savings in other ways.
- 2 Please provide an update on how changes implemented in response to the COVID-19 pandemic have changed the nature of the Department's work. Please address programmatic, budgetary, and leased space impacts.

WRITTEN ONLY RESPONSES

- 1 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.
- 2 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

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OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.

The 2020 report will be published on December 7, 2020 and can be found at this link: <http://leg.colorado.gov/content/audits>. JBC staff will send out an updated link once the report is published.

- 3 For the FY 2020-21 hearing process, the Department was asked to respond to the following questions related to public awareness campaigns.

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?

Please provide an update to your response from last year, including any changes to existing campaigns and/or the addition or discontinuation of campaigns.

- 4 Please identify how many rules you have promulgated in the past year (FY 2020-21). 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.
- 5 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.
- 6 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?
- 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 2019-20 that were not the result of legislation or a decision item.

For all FY 2021-22 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

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c. Describe the evaluation process you used to determine the number of FTE requested.

- 8 Please describe any programmatic impacts resulting from cash fund transfers impacting the department as part of the FY 2019-20 and FY 2020-21 balancing process.

In addition, the Committee had requested two common questions regarding federal funds. Staff has drafted the following language for consideration:

- 9 Please describe federal funds from the American Rescue Plan Act (ARPA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act that have been allocated to the Department outside of the budget process, and how those funds have been utilized.
- 10 Does the Department expect to receive funds from the Federal Infrastructure Investment and Jobs Act? If so:
- a. How much do you expect to receive?
 - b. What are the major categories of funding?
 - c. What is the anticipated timing?
 - d. What will be the process for accessing the funds? For example, will the funds be based on a formula allocation or a grant request? Will any amounts be pass-through funding for local governments?
 - e. How much flexibility will the State have in deciding how the funds are used? Based on this, do you expect the funds to be custodial or subject to appropriation?