



**Legislative  
Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-0443	<b>Date:</b>	May 21, 2018
<b>Prime Sponsors:</b>	Rep. Neville P. Sen. Neville T.; Smallwood	<b>Bill Status:</b>	Postponed Indefinitely
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**Bill Topic:** JOINT CMT OF REFERENCE REVIEW OF DEPT BUDGET REQUEST

**Summary of  
Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill establishes additional requirements and new timeframes for the General Assembly and state agencies to share information relevant to the creation of the state's annual budget. It increases workload and costs for state agencies on an ongoing basis.

**Appropriation  
Summary:** For FY 2018-19, the bill requires an appropriation of \$312,449 and an allocation of 2.1 FTE to multiple agencies, including the Joint Budget Committee Staff, Legislative Council Staff, and the Governor's Office of State Budgeting and Planning.

**Fiscal Note  
Status:** The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Table 1**  
**State Fiscal Impacts Under HB 18-1229**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$312,449	\$303,043
	Centrally Appropriated	35,594	35,594
	<b>Total</b>	<b>\$348,043</b>	<b>\$338,637</b>
	<b>Total FTE</b>	<b>2.1 FTE</b>	<b>2.1 FTE</b>
<b>Transfers</b>		-	-

## **Summary of Legislation**

This bill establishes additional requirements and new time frames for the General Assembly and state agencies to share information relevant to the creation of the state's annual budget.

**Timing of presenting budget information.** The bill imposes new time frames and submission requirements of information to the Joint Budget Committee (JBC) and relevant joint committee of reference (joint committee) as shown in Table 2.

**Table 2**  
**Timing of Presentation of Budget Information under HB18-1229**

<b>Budget item</b>	<b>Current Law Requirement</b>	<b>Process under HB18-1229</b>
Budget request	Due to the JBC by November 1	Due to the JBC and joint committee by October 1
Budget amendment	Due to the JBC by January 15	Due to the JBC and joint committee by December 15
Budget amendment related to a supplemental request or request for supplemental appropriation for the current fiscal year	Due to the JBC by January 2	Due to the JBC and joint committee by December 2
Supplemental request from the Department of Education, Department Corrections, or Division of Youth Services in the Department of Human Services	Due to the JBC by January 15	Due to the JBC and joint committee by December 15
Emergency supplemental requests	Considered by the JBC as needed	Considered by the JBC as needed; joint committees may meet during the legislative session only to consider.

**Timing of presenting department regulatory agendas.** Under current law, each joint committee is required to conduct at least one, but no more than three, hearings for departments between November 1 and the beginning of the next regular session. This bill repeals the cap on the number of hearings and allows those hearings to begin as early as October 1.

**Joint committee responsibilities.** Each joint committee is required to make written recommendations concerning each of its department's budget request to the JBC no later than November 1 of each year. Each joint committee must also provide written recommendations concerning any budget amendments and requests for supplemental appropriations. JBC staff is required to assist the committees with these duties and to inform each joint committee, in writing, which of its recommendations were or were not adopted by the JBC in its appropriations recommendations.

## **Assumptions**

The fiscal note relies on the following assumptions:

- JBC staff will work with state agencies during the interim to obtain as much information as possible prior to the October 1 budget submission deadline, rather than the current November 1 deadline, in order to prepare briefing documents and other materials for both the joint committees and the JBC;
- Each joint committee will conduct budget briefing meetings during the month of October for state agencies, but not any statutory public entities;
- Briefing meetings of joint committees will take twice as long as those of the JBC and follow the same pattern as those of the JBC (e.g. the divisions of each department will be heard in the same manner per [http://leg.colorado.gov/jbc\\_schedule](http://leg.colorado.gov/jbc_schedule))
- Each individual committee of reference will hold a separate meeting in October to develop initial recommendations for submission to the JBC;
- Each joint committee will conduct one joint meeting at some point between mid December and the start of the legislative session to consider budget amendments and supplemental requests and to develop its recommendations for the JBC;
- Legislators will require per diem and reimbursement for travel and expenditures for attendance at each joint committee meeting held outside of the legislative session;
- Joint committees will meet from 9am to 5pm, with breaks and lunch, totaling six hours of work per day;
- Workload will increase for the JBC staff to assist the JBC members in communicating with the individual committees of reference concerning whether or not its recommendations were adopted;
- The addition of 80-90 other legislators in the budget development process will increase workload for JBC staff to respond to questions and to staff meetings of the joint committees;
- The JBC's existing structure and workflow will remain unchanged, but changing the deadlines for submission of budget-related documents will create additional workload for the JBC, JBC staff, and state agencies in January through March in order to update information received after the October 1 budget submission deadline (e.g. student pupil counts for school finance, the end of the federal fiscal year, and any corrections related to the final reconciliation of the state fiscal year, among others);
- JBC staff will present any emergency supplementals to the applicable joint committee during the legislative session using the same analysis it prepares for the JBC members; and
- JBC staff will not support the joint committees as a full-time staff.

Table 3, below, shows the expected pattern of meetings for each joint committee.

**Table 3**  
**Joint Committee Meetings Under HB 18-1229**

Joint Committee	Number of Legislators	Assigned Departments	Meetings
Joint Agriculture and Natural Resources	13 Representatives 11 Senators	Agriculture Natural Resources	3 meetings
House Transportation and Senate Agriculture	13 Representatives 11 Senators	Colorado Energy Office	None; not currently state funded
Joint Finance	13 Representatives 5 senators	Revenue Treasury	3 meetings
Joint Business	13 Representatives 7 Senators	Labor and Employment Personnel & Administration Regulatory Agencies Office of Economic Development	4 meetings
Joint Education	13 Representatives 7 Senators	Education Higher Education	4 meetings
Joint Local Government	13 Representatives 5 Senators	Local Affairs	3 meetings
Joint State Affairs	9 Representatives 5 Senators	Governor's Office Military and Veterans Affairs State	4 meetings
Joint Transportation	13 Representatives 5 Senators	Transportation	3 meetings
Joint Health*	26 Representatives 5 Senators	Health Care Policy & Financing Human Services Public Health and Environment	8 meetings
Joint Judiciary	11 Representatives 5 Senators	Corrections Judicial Law Public Safety	6 meetings

\* All joint committees are comprised of two individual committees of reference, except Joint Health, which includes three individual committees of reference. While there is currently some overlap in legislators, member reimbursement is calculated on the number of committee spaces as this could change in the future.

### **State Expenditures**

This bill increases state expenditures by \$348,043 and 2.1 FTE in FY 2018-19 and by \$338,637 and 2.1 in FY 2019-20 and future years, paid from the General Fund. Workload also increase for all state agencies. These impacts are shown in Table 4 and described below.

**Table 4**  
**Expenditures Under HB 18-1229**

<b>Cost Components</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Governor's Office of State Planning and Budgeting</b>		
Personal Services	\$29,636	\$29,636
Operating Expenses and Capital Outlay Costs	\$5,178	\$475
Centrally Appropriated Costs*	\$6,893	\$6,893
FTE – Personal Services	0.5 FTE	0.5 FTE
<b>Dept (Subtotal)</b>	<b>\$41,707</b>	<b>\$37,004</b>
<b>Joint Budget Committee</b>		
Personal Services	\$79,794	\$79,794
Operating Expenses and Capital Outlay Costs	\$5,938	\$1,235
Centrally Appropriated Costs*	\$16,933	\$16,933
FTE – Personal Services	1.3 FTE	1.3 FTE
<b>Dept (Subtotal)</b>	<b>\$102,665</b>	<b>\$97,962</b>
<b>Legislative Council Staff</b>		
Personal Services	\$18,414	\$18,414
Operating Expenses and Capital Outlay Costs	-	-
Centrally Appropriated Costs*	\$3,907	\$3,907
FTE – Personal Services	0.3 FTE	0.3 FTE
<b>Dept (Subtotal)</b>	<b>\$22,321</b>	<b>\$22,321</b>
<b>General Assembly</b>		
Legislator Per Diem	\$87,737	\$87,737
Legislator Reimbursement	\$85,752	\$85,752
Centrally Appropriated Costs*	\$7,861	\$7,861
<b>Dept (Subtotal)</b>	<b>\$181,350</b>	<b>\$181,350</b>
<b>Total</b>	<b>\$348,043</b>	<b>\$338,637</b>
<b>Total FTE</b>	<b>2.1 FTE</b>	<b>2.1 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Governor's Office of State Planning and Budgeting.** Personnel costs assume 0.5 FTE Budget Analyst I to assist the office and state agencies with corrections related to the new compressed time frames under the bill. Capital outlay costs are included in the first year and standard operating costs are included each year.

**Joint Budget Committee Staff.** Personnel costs assume a total of 1.3 FTE Budget Analyst I positions are required to meet the requirements of the bill. Capital outlay costs are included in the first year and standard operating costs are included each year. If workload exceeds the amount assumed in this fiscal note, the JBC Staff will request additional appropriations through the annual budget process.

**Legislative Council Staff.** Personnel costs assume 0.3 FTE research analyst to help staff the joint committee meetings. Capital outlay costs are included in the first year and standard operating costs are included each year.

**General Assembly.** Legislator per diem and reimbursement costs assume the standard rates and full attendance at each joint committee meeting.

**State agencies.** All state agencies will have increased workload to respond to additional requests for information and to correct budget-related submissions resulting from the new compressed time frames. As of this writing, the impact to each individual agency is assumed to be accomplished within existing appropriations. Should workload exceed available capacity, the fiscal note assumes that affected agencies will request additional appropriations through the annual budget process.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$35,394 in FY 2018-19 and \$35,394 in FY 2019-20.

## **Effective Date**

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on February 28, 2018.

## **State Appropriations**

For FY 2018-19, the bill requires the following appropriations:

- \$18,414 General Fund and an allocation of 0.3 FTE to Legislative Council Staff in the Legislative Department;
- \$173,489 General Fund to the General Assembly;
- \$85,732 General Fund and an allocation of 1.3 FTE to the Joint Budget Committee Staff in the Legislative Department; and
- \$34,814 General Fund and an allocation of 0.5 FTE to the Governor's Office of State Budgeting and Planning.

## **State and Local Government Contacts**

All State Agencies