

MEMORANDUM

TO: Joint Budget Committee Members

FROM: John Ziegler, JBC Staff

SUBJECT: FY 2012-13 Joint Budget Committee Budget Submission

DATE: January 24, 2012

The Executive Committee has requested that oversight committees for the legislative staff agencies review and approve staff budgets for the upcoming fiscal year. These individual requests will be reviewed and approved by the Executive Committee then compiled into the Legislative Appropriation Bill.

I have attached a draft of the Joint Budget Committee (JBC) budget that I developed for submission to the Executive Committee by the JBC for FY 2012-13. The staff recommendation includes the following:

- Continuing level of an authorized 16.0 FTE, although 0.2 FTE continues to be held vacant.
- 3.0 percent of Personal Services for seven months and 3.4 percent for five months for the Amortization Equalization Disbursement (AED) payment for PERA.
- 2.5 percent of Personal Services for seven months and 3.0 percent for five months for the Supplemental Amortization Equalization Disbursement (SAED) payment for PERA.
- No increase for salary survey increases based on the request made by the Executive Branch.
- No increase for performance based pay increases based on request made by the Executive Branch.
- An increase for the state PERA contribution (from 7.65 percent to 10.15 percent of salaries) as requested by the Executive Branch. This represents the discontinuation of the policy established in S.B. 11-76.
- Continuing level for operating and travel expenses.

The recommended request to the Executive Committee equates to a 2.1 percent overall increase in the Joint Budget Committee budget for FY 2012-13 over FY 2011-12. If the JBC adopts different common policies in January, I intend to resubmit the JBC budget in accordance with the JBC approved policies.

**JOINT BUDGET COMMITTEE
FY 2012-13 BUDGET REQUEST NARRATIVE**

MISSION STATEMENT:

The Joint Budget Committee staff provides the General Assembly with objective, nonpartisan budget and policy analyses related to the operations, programs, and fiscal needs of Colorado state agencies.

AGENCY BACKGROUND:

Pursuant to Section 2-3-201, C.R.S., the Joint Budget Committee has the following powers and duties:

- to study the management, operations, programs, and fiscal needs of the departments of Colorado state government;
- to hold hearings and to review the budget requests of the departments;
- to make estimates of revenue from existing and proposed taxes;
- and to study and from time to time review the state's fund structure, financial condition, fiscal organization, and its budgeting, accounting, reporting, personnel, and purchasing procedures.

The primary function of the staff is related to preparation of the Long Bill. Analysts review budget requests, prior year staff write-ups, statutes, appropriations reports, audit reports, interim committee reports, other pertinent information, and meet with agency personnel and other individuals to learn about programs, departments and their operations. As soon as practical after November 1, the JBC schedules hearings with the departments. The staff analysts brief the Committee on each budget request a few days prior to the hearing with the department. Briefings and hearings for most departments are scheduled in November and December before the General Assembly convenes in early January.

JBC staff briefings consist of written and oral presentations of budget issues and a review of expenditures and requests. Briefings are aimed at stimulating discussion among the Committee members about each department's budget request, its operations, issues of efficiency and effectiveness, and plans for the future. After the briefing, Committee members decide which issues they wish to discuss with the department. These may be topics presented by the staff during briefings, or other topics Committee members wish to pursue. Staff analysts prepare a detailed agenda of these topics for the hearing. The hearing agenda also allows time for the department to discuss its priorities with the Committee. In addition, the Committee may request staff to work with Legislative Legal Services to prepare bills to address issues raised during the briefing and hearing process.

In January, the Committee considers requests from departments for additional funds, called supplementals, for the current fiscal year. JBC analysts review these requests for additional funding

and make recommendations to the Committee for its approval. In order for the state to have a balanced budget, the JBC may also need to find areas in the budget where funds can be taken back. When revenue shortfalls occur, the Governor must ask departments to restrict spending in order for the state to stay within projected revenues. The JBC staff analysts review these restrictions and make recommendations to the Committee. The Committee then decides where funds can be taken back. Decisions are prepared and introduced as supplemental appropriation bills, which are acted on by the General Assembly.

The JBC makes funding decisions for the upcoming fiscal year during February and March. As part of this process, analysts make recommendations that are explained line item by line item to the Committee on the number of employees, funding, and footnotes/requests for information for each department. The Committee votes on each line item recommendation. Analysts recalculate where applicable based on the Committee's final decisions and draft the Long Bill. The Capital Development Committee (CDC) submits its recommendations on funding for capital projects. The JBC reviews the CDC's recommendations and incorporates them into the Long Bill. At the end of the figure setting process, Committee members make changes to bring total funding in line with the revenue projections, constitutional limits, and statutory spending limits. Staff analysts prepare the Long Bill and write a narrative to explain the decisions made by the Committee. The narrative also provides comparative information to the rest of the General Assembly.

After the Long Bill is introduced, legislative consideration begins in the party caucuses, where JBC members explain their decisions and answer questions from their colleagues, with help from the staff. The staff drafts all changes requested by legislators as amendments for action during floor debate. After both houses pass the Long Bill, the JBC members act as conference committee to resolve differences between the houses. The staff assists the Conference Committee during their deliberations and is responsible for drafting the various parts of the Conference Committee Report and working with Legal Services to ensure the entire report is put together correctly. The staff is also responsible for enrolling amendments and adjusting totals as the Long Bill makes its way through the process.

In addition, to assisting the Committee in preparing the Long Bill and any supplemental appropriations bills, the JBC analysts staff the Appropriations Committees in the House and the Senate. Staff work with the Fiscal Note staff in preparing an Appropriation Committee Staff Note and any technical amendments for Appropriations meetings. This also involves analysis of sponsor amendments to bills scheduled for Appropriations so that this information is available at the meeting.

After the legislative session is over, the JBC staff writes the Appropriations Report and the Budget in Brief which explains funding decisions made by the General Assembly. These documents are published by July 1 of each year. During the summer and fall, the Committee meets as needed (typically two to three times during the June to October time frame for one to three days each meeting). Members tour areas of the state to visit state facilities and meet with groups and individuals to receive input on budget and management issues. State agencies also request to meet with the Committee to inform members of a problem or to seek direction on various matters. During

the interim staff members are assigned to follow interim committees and assist in their deliberations if needed.

FY 2012-13 BUDGET REQUEST:

PERSONAL SERVICES - This amount is the salaries and benefits for the staff. The office is authorized for 16.0 FTE in FY 2011-12. These positions are 1.0 Staff Director, 13.0 Analysts, and 2.0 Support Staff. Since 2008, 0.2 FTE of the 13.0 analysts have been held vacant as a result of the economic downturn. The FY 2012-13 request is for a continuation of the existing 16.0 FTE. The FY 2012-13 request includes:

- No increase for salary survey adjustments based on Executive Committee direction.
- No increase for performance based pay adjustments based on Executive Committee direction.
- A decrease for health, life, and dental insurance based on the estimated number of participants and the rates in common policies.
- Increases for the additional Amortization Equalization Disbursement and the Supplemental Amortization Equalization Disbursement for PERA as required by statute.
- An increase for the state PERA contribution (from 7.65 to 10.15 percent of salaries) to restore the amount reduced in the FY 2011-12 budget as a result of the provisions in S.B. 11-76.

OPERATING EXPENSES - This amount is the operating costs associated with the work performed by the staff and the Committee. The request is for \$22,983 which is a continuation of the amount appropriated in FY 2011-12.

TRAVEL - The request is for \$1,500 for travel which is a continuation of the amount appropriated in FY 2011-12. These funds will be used for staff travel to meet with departments within the State of Colorado and Committee travel for interim site visits.

TOTAL - The overall FY 2012-13 request is for a continued level of 16.0 FTE and a 2.1 percent increase above the appropriation for FY 2011-12.

Department : Legislature

Agency: Joint Budget Committee

No Salary Survey, No Performance Based Pay

Includes 2.5% Adjustment to Restore Employer PERA Contribution Rate

ITEM	Actual		Appropriated		Request		Percent Change Approp
	FY 2010-11 Total Funds	FTE	FY 2011-12 Total Funds	FTE	FY 2012-13 Total Funds	FTE	
PERSONAL SERVICES							
Salaries:							
Staff Director		1.0		1.0		1.0	
Chief Leg. Analyst		3.8		3.1		2.8	
Principal Leg. Analyst		1.0		1.0		1.0	
Senior Leg. Analyst		5.0		6.0		6.0	
Legislative Analyst		2.0		2.9		3.2	
Administrative Personnel		<u>2.0</u>		<u>2.0</u>		<u>2.0</u>	
Subtotal - Salaries	1,207,737	14.8	1,239,634	16.0	1,225,378	16.0	-1.2%
Salary Survey (0.00% - 0.00% SAED Difference = 0.00%)			0		0		
Reclassifications (0.0%)/Performance (0.00%)			0		0		
Vacancy Adjustment (1.15 percent of PS Base)			<u>(14,256)</u>		<u>0</u>		
Total Salaries Adjusted for Salary Survey/Vacancy Adjustments	1,207,737		1,225,378		1,225,378		0.0%
Associated Costs:							
PERA @ 10.15%	88,994		124,376		124,376		
Reduction for PERA Contribution Shift (-2.5%)	0		(30,634)		0		
Medicare Tax @ 1.45%	16,868		17,768		17,768		
Short Term Disability @ 0.177%	2,044		2,169		2,169		
Health/Life/Dental Insurance	<u>84,820</u>		<u>93,000</u>		<u>83,000</u>		
Subtotal - Associated Costs	192,726		206,678		227,313		10.0%
TOTAL PERSONAL SERVICES - GF	1,400,463	14.8	1,432,057	16.0	1,452,691	16.0	1.4%

Department: Legislature
 Agency: Joint Budget Committee

ITEM	Actual		Appropriated		Request		Percent Change Approp
	FY 2010-11 Total Funds	FTE	FY 2011-12 Total Funds	FTE	FY 2012-13 Total Funds	FTE	
OPERATING EXPENSES							
2220 Building Maintenance	0				0		
2230 Equipment Maintenance	840				1,000		
2253 Rental of Equipment	3,408				3,762		
2610 Advertising	946				1,500		
2630 Telephone	10,317				10,275		
2680 Printer Repair Services	0				0		
2830 Office Moving-Purchase Services	0				0		
3118 Food and Food Services	472				500		
3120 Books/Periodicals	0				25		
3121 Office Supplies	3,010				4,590		
3123 Postage	127				300		
3128 Equipment	0				0		
4220 Registration Fees	0				1,031		
TOTAL OPERATING EXPENSES - GF	19,120		22,983		22,983		0.0%
TRAVEL							
2510 In-State Travel (includes JBC Interim Travel)	59		1,500		1,500		
2530 Out-of-State Travel	0		0		0		
TOTAL TRAVEL - GF	59		1,500		1,500		0.0%
TOTAL JBC Before AED and SAED - GF	1,419,642		1,456,540		1,477,174		1.4%

JBC PERA AED (3.0% for 7 months. 3.4 % for 5 months)	27,863		33,902		38,804		14.5%
JBC FY 11 PERA SAED (1.5% for 7 months. 2.0% for 5 months)	20,288						
JBC FY 12 PERA SAED (2.0% for 7 months. 2.5% for 5 months)			27,060				
JBC FY 12 PERA SAED (2.5% for 7 months. 3.0% for 5 months)					33,187		22.6%
GRAND TOTAL JBC WITH PERA AED AND SAED	1,467,793	14.8	1,517,502	16.0	1,549,165	16.0	2.1%
Less Reversion Due to Vacancy/Operating Reductions	(55,042)						
Total Budget Adjusted for Vacancy Reversion	1,522,835		1,517,502		1,549,165		2.1%