Joint Budget Committee

Joint Budget Committee FY 2025-26 Operating Budget Request

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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Contents

How to Use this Document: The Department Overview contains a table summarizing the staff recommended changes. Brief explanations of each change follow the table. Sections following the Department Overview and the division summary tables provide more details about the changes.

Department Overview

As the General Assembly's permanent fiscal and budget review agency, the Joint Budget Committee (JBC) studies the management, operations, programs, and fiscal needs of the departments of Colorado state government[1]. The JBC holds hearings and reviews the budget requests from executive and judicial branch agencies, and introduces the annual general appropriation bill (called the Long Bill) to fund the operations of state government. The JBC also reviews the need for mid-year adjustments to appropriations and introduces “supplemental” bills when necessary to make those changes.

The six-member JBC is comprised of two majority party members and one minority party member from each legislative chamber. Members serve two-year terms and are selected following the general election. A Senator serves as Chair and a Representative serves as Vice Chair in the first year following the general election, and then switch positions in the next year. The remaining four members are selected from the House and Senate Appropriations Committees’ membership.

The JBC has a non-partisan, full-time professional staff of fifteen budget and policy analysts, three administrative staff positions, and one Staff Director. The Staff Director assigns each analyst one or more departments and programs of state government. JBC analysts review related budget requests, statutes, and other pertinent information, and meet with agency personnel and other individuals to learn about the operations of assigned departments and programs. Over the course of the budget cycle, JBC analysts:

- present departmental budget requests to the JBC and make recommendations for appropriations;
- may make recommendations concerning budget-related operational or policy issues;
- draft supplemental bills and the Long Bill based on JBC actions; and
- draft amendments to supplemental bills and the Long Bill, and enroll any amendments that are adopted.

In addition, JBC analysts prepare fiscal analyses of other legislation that is referred to the Appropriations Committees, draft appropriation clauses for such bills, and provide staff support for both Appropriations Committees. Finally, JBC analysts respond to research requests from other committees, individual legislators, the press, and the public.

Summary of Staff Recommendations

Overall, staff recommends a total appropriation of $3,270,044 General Fund and 20.3 FTE for Fy 2025-26. That represents a net increase of $103,123 General Fund (3.3 percent) and a decrease of 0.4 FTE relative to FY 2024-25, as summarized in the table on the following page. As discussed below, this recommendation includes a *placeholder* amount for salary and benefit

[1] See Sections 2-3-201 through 2-3-210, C.R.S.

common policy increases as approved by the Executive Committee on February 4, 2025. Should the Joint Budget Committee and/or the Executive Committee change the common policy, staff requests permission to adjust the corresponding amounts for the appropriation.

Joint Budget Committee
FY 2025-26 Budget Request Summary

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2024-25 Appropriation[1]	**$3,166,921**	**$3,166,921**	**$0**	**$0**	**$0**	**20.7**
Changes from the FY 2024-25 Appropriation						
Employee compensation and benefits	$142,494	$142,494	$0	$0	$0	0.0
Centrally appropriated line items	6,820	6,820	0	0	0	0.0
R1 Convert administrative position to seasonal	-31,651	-31,651	0	0	0	-0.4
R2 Operating expenses reduction	-14,540	-14,540	0	0	0	0.0
Total FY 2025-26 Request[1]	**$3,270,044**	**$3,270,044**	**$0**	**$0**	**$0**	**20.3**
$ Change from prior year	$103,123	$103,123	$0	$0	$0	-0.4
% Change from prior year	3.3%	3.3%	n/a	n/a	n/a	-1.9%

1. Appropriation and request include centrally appropriated amounts for PERA Amortization Equalization Disbursement and PERA Supplemental Amortization Equalization Disbursement.

Description of Incremental Changes

Employee compensation and benefits: Staff recommends an increase of $142,494 General Fund to cover the increased costs for employee salaries and benefits, consistent with placeholder common policies approved by the Executive Committee on February 4, 2025. Please note that the Executive Committee decision was clearly a placeholder pending potential adjustments to common policies by the Joint Budget Committee. This total includes:

- $67,790 for the employer contribution for Health, Life, Dental, and Vision insurance. Consistent with the Executive Branch request and the placeholder approved by the Executive Committee, this is staff's estimate of the amount necessary for the State contribution to absorb all premium increases for FY 2025-26.
- $67,121 for salary increases. This amount includes $53,869 associated with a 2.5 percent salary survey request (framed as an across-the-board increase in the Executive Branch request although implementation will differ for Legislative agencies) and $13,252 for a 0.6 percent "step-like" increase to maintain parity with the step system in the Executive Branch.
- A net increase of $6,506 for associated increases for the basic employer PERA contribution, Medicare, Family Medical Leave Insurance, short-term disability, and a decrease in the costs associated with the RTD Ecopass.

Staff also requests permission to modify these amounts as necessary based on final decisions by the Joint Budget Committee and the Executive Committee.

Centrally appropriated line items: Staff recommends an increase of $6,820 General Fund for adjustments for the centrally appropriated line item(s) for supplemental payments to the Public Employees' Retirement Association (PERA) pension fund (formerly AED and SAED). This amount does not account for a recommended reduction associated with request R1 (Convert Administrative Position to Seasonal), discussed below.

R1 Convert Administrative Position to Seasonal: Staff recommends a reduction of $31,651 General Fund and 0.4 FTE associated with a proposal to convert one of the two Administrative Assistant positions to "seasonal" from November 1 through May 15. In effect, the recommendation is for a "JBC-session only" position. This position would largely cover the front desk in the lobby, as well as other duties as assigned during the briefing/hearing cycle and then through the Session. The reduction includes $29,343 and 0.4 FTE from the Joint Budget Committee line item (salary and benefits) and $2,308 from the centrally appropriated line item(s) for supplemental payments to PERA.

R2 Operating Expenses Reduction: Staff recommends a net reduction of $14,540 General Fund related to operating expenses within the Joint Budget Committee line item. The net reduction includes the following adjustments:

- A decrease of $11,300 (69.3 percent) from the current allocation of $16,300 for "Purchased Services" (reducing the allocation to $5,000). The intent of these funds has been for professional development. While staff continues to seek to provide more professional development opportunities, the funds have been underutilized. In light of the constraints facing the State, staff recommends taking the reduction.
- A decrease of $8,240 (62.2 percent) from the existing $13,240 allocation for out-of-state travel (reducing the allocation to $5,000). This allocation primarily allows for attendance at conferences and professional development opportunities. Staff would prefer to reinstate the appropriation in the future if resources are available – but $5,000 would be sufficient to support recent actual usage.
- A reallocation/increase of $5,000 from the above amounts to reserve funds for Information Technology Professional Services. Staff recommends retaining this amount to help support contract development and maintenance costs for the staff's budget database (CLIMBS).

➔ R1 Convert administrative position to seasonal

Request/Recommendation

Staff recommends that the Committee approve a reduction of $31,651 and 0.4 FTE associated with a proposal to convert one of the two Administrative Assistant II positions from a year-round/permanent position to a seasonal position from November 1 through May 15. The seasonal position would largely staff the front desk in the lobby but will also continue to take on additional duties as assigned. Relative to the current budget, the reduction includes:

- $29,343 from the Joint Budget Committee line item (for salary and benefits).
- $2,308 from the centrally appropriated supplemental payments to PERA.

Analysis

Staff is proposing this as a budget balancing measure – but also to experiment with a different model for the JBC Staff Administrative Team. Following the renovations to the third floor of LSB (including adding the front desk and the new conference room in the lobby area), the General Assembly approved an additional Administrative Assistant position for the JBC Staff for FY 2023-24. With the increase, the Administrative Team (excluding the Director) currently consists of 3.0 FTE, including the Office Administrator and two administrative assistants.

Two years into the experiment with 3.0 permanent FTE, the model has proven challenging. Given the State's current budgetary challenges, and with one of the two Administrative Assistant II positions currently vacant, staff recommends experimenting with a seasonal position to staff the front desk from November 1 through May 15. Doing so should ensure coverage for the front desk throughout the briefing and hearing process and the session, allowing the other two positions to focus on other core tasks. Staff is also hopeful that this process may identify promising candidates should it prove necessary to return to 3.0 permanent positions.

In short, given the converted layout of the JBC Staff offices, staff believes that it is necessary to have three administrative positions throughout the "busy season" from November through the session. Doing so will ensure adequate coverage of the front desk to meet the needs of members and the public while allowing two positions to focus on other office operations. However, staff is not currently convinced that the three positions are necessary year-round and recommends that the Committee approve the reduction as a budget balancing measure.

Based on input from other legislative agencies with experience with seasonal positions, staff has calculated the cost/savings for the proposal based on a daily rate for the November 1 to May 15 period (prorating a $50,000 annual salary with a daily rate of $192.31). Relative the existing budget, the recommendation reduces salary costs by $23,077, with the remaining reductions from associated benefits (PERA, Medicare, Health, Life, and Dental, etc.). The recommendation includes a $2,000 incentive bonus for completing the entire November 1 to May 15 period.

➔ R2 Operating expenses reduction

Request/Recommendation

Staff recommends that the Committee approve a net reduction of $14,540 General Fund associated with operating expenses as a budget balancing measure. The recommendation would:

- Reduce the current budget for "Purchased Services" by $11,300 (from $16,300 to $5,000, a 69.3 percent reduction). The funds are intended for professional development costs. Staff would like to add back professional development resources as resources allow; however, this allocation has been underutilized.

- Reduce the budget for out-of-state travel by $8,240 (from $13,240 to $5,000, 62.2 percent). Related to the professional development discussion above, staff would prefer to provide *more* professional development opportunities, including those requiring out of state travel. However, $5,000 would have been sufficient in each of the past several years.
- Reallocate $5,000 from the above reductions to a new Information Technology Professional Services category to provide a dedicated source for potential contract development and maintenance costs related to the budget database (CLIMBS). The office has absorbed some of these costs within vacancy savings in recent years (including approximately $16,000 in FY 2023-24). Given the critical nature of the database, staff recommends retaining a small budget for those costs in case of need.

Analysis

The JBC Staff office runs very "lean" in terms of operating costs. The FY 2024-25 budget is 96.8 personal services expenses (including supplemental payments to PERA associated with those costs). As a result, there are limited opportunities to reduce operating expenses. Operating expenses per FTE are also quite low. However, staff recognizes the fiscal constraints and has targeted reductions that would better align resources with recent costs but still allow the office to fund core priorities.

Line Item Detail – Legislative Appropriation Bill

Joint Budget Committee

This line item includes most funding to support office operations, including funding for:

- Salaries for 20.3 FTE;
- Associated costs of the employer contributions for PERA, Medicare, and short-term disability insurance;
- The employer's share of health, life, and dental insurance benefits;
- Operating expenses; and
- Travel expenses.

Statutory Authority: Section 2-3-204, C.R.S.

Recommendation: Staff recommends an appropriation of $3,043,526 General Fund and 20.3 FTE for this line item. This amount is based on the common policy placeholder adopted by the Executive Committee on February 4, 2024, and it includes the following:

- An increase of $142,494 for employee compensation and benefits based on the placeholder common policies;
- A decrease of $29,343 and 0.4 FTE for the conversion of one administrative assistant position to a seasonal position (R1); and
- A net decrease of $14,540 for operating expenses reductions and reallocations (R2).
- A continuation level of funding for other operating expenses and travel expenses.

Staff requests permission to adjust elements in the above proposed budget in response to any changes in JBC common policies or Executive Committee actions on this budget request.

Amortization Equalization Disbursement Payments

This line item consolidates what had previously been two separate line items for Amortization Equalization Disbursement Payments pursuant to S.B. 04-257 and Supplemental Amortization Equalization Disbursement Payments pursuant to S.B. 06-235. The funds provide additional funding to increase the state contribution for Public Employees' Retirement Association (PERA).

Statutory Authority: Section 24-51-411, C.R.S.

Recommendation: Staff recommends appropriating $226,518 General Fund, which is consistent with Committee common policy and current law (calculated as 10.0 percent of salaries). This amount includes a reduction associated with the seasonal conversion in request R1. Staff requests permission to adjust this amount as necessary based on the JBC and Executive Committee decisions.

Joint Budget Committee Operating Budget: Staff Director Recommendation							
	FY 2023-24 Actual		FY 2024-25 Appropriation		FY 2025-26 Recommendation		
Description	General Fund	FTE	General Fund	FTE	General Fund	FTE	% Change
Personal Services							
Salaries:							
Staff Director		1.0		1.0		1.0	
Administrative Personnel		2.9		3.0		2.6	
Chief Legislative Budget and Policy Analyst		4.0		3.0		3.0	
Principal Legislative Budget and Policy Analyst		2.0		6.0		6.0	
Senior Legislative Budget and Policy Analyst		5.0		2.0		2.0	
Legislative Budget and Policy Analyst		4.9		5.0		5.0	
Interns/assistants		0.3		0.7		0.7	
Subtotal - Salaries and Payouts	$2,017,651	20.1	$2,081,353	20.7	$2,198,309	20.3	
Salary Survey/Step-like increase	0		136,956		67,121		
Professional Services & IT Professional Services	16,916		4,000		9,000		
Subtotal: Salaries and Professional Services	**$2,034,567**		**$2,222,309**		**$2,274,430**		**2.3%**
Associated Costs:							
PERA: Employer Share for Defined Contribution and Defined Benefit Plans	$225,457		$255,525		$258,417		
Medicare Tax	29,437		32,791		33,445		
Short Term Disability Insurance	2,811		3,358		3,390		
Paid Family and Medical Leave Insurance	0		9,798		10,001		
Health, Life, and Dental Insurance	225,457		287,874		350,523		
Transportation Stipend	43,540		44,800		44,800		
RTD EcoPass	1,700		1,700		1,300		
Subtotal - Associated Costs	**$528,402**		**$635,846**		**$701,876**		**10.4%**
Total Personal Services	**$2,562,969**	19.0	**$2,858,155**	20.7	**$2,976,306**	20.3	4.1%
Operating Expenses							
Equipment Maintenance	$1,433		$200		$200		
IT Maintenance/ Noncapitalizable IT	13,485		19,552		19,552		

Joint Budget Committee Operating Budget: Staff Director Recommendation							
	FY 2023-24 Actual		FY 2024-25 Appropriation		FY 2025-26 Recommendation		
Description	General Fund	FTE	General Fund	FTE	General Fund	FTE	% Change
Rental of Equipment	936		4,300		4,300		
Advertising	0		200		200		
Communication Charges - OIT	8,300		11,800		11,800		
Printing and Reproduction Services	31		25		25		
Purchased Services	0		16,300		5,000		
Food and Food Services	8,614		4,300		4,300		
Books/Periodicals/Subscriptions	882		958		958		
Office Supplies	4,951		6,725		6,725		
Postage	8		400		400		
Noncapitalizable Equipment	0		0		0		
Noncapitalizable Furniture and Office Systems	0		0		0		
Official Functions	1,324		200		200		
Registration Fees/ Professional Development	3,400		3,560		3,560		
Information Technology - Direct Purchases	0		0		0		
Capital Project Services	0		0		0		
Subtotal - Operating Expenses	**$43,364**		**$68,520**		**$57,220**		**-16.5%**
Travel							
Rental/Motor Pool Mile Charge	$450		$700		$700		
In-State Travel	3,285		4,300		4,300		
Out-of-State Travel/ Out of State Common Carrier	1,286		13,240		5,000		
Subtotal - Travel	**$5,021**		**$18,240**		**$10,000**		**-45.2%**
TOTAL JBC Before Additional PERA Payments	**$2,611,354**		**$2,944,915**		**$3,043,526**		**3.3%**
JBC Supplemental PERA Payments	194,414		222,006		226,518		2.0%
Grand Total	**$2,805,768**	**19.0**	**$3,166,921**	**20.7**	**$3,270,044**	**20.3**	**3.3%**

LINE ITEM DETAIL – LONG BILL

The annual Long Bill includes centrally appropriated amounts for the Legislative Department, including the Joint Budget Committee. These include:

- PERA Direct Distribution
- Workers' Compensation
- Legal Services
- Payment to Risk Management and Property Funds
- Maintenance of Legislative Space
- Payments to OIT
- CORE Operations

Staff recommendation for the above line item appropriations, along with others that are included in the Long Bill, will be presented to the Committee on Thursday, February 20, 2025.