



Nothing about us, without us.

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The Colorado Budget Cycle: a very basic outline

Colorado must have a balanced budget—that means we can only spend what we know we have coming in so we cannot accrue these huge deficits (or even small deficits) like other states such as California. The way they know what money they think will have is by budget forecasts that come out four times a year. These are predictions by economists who look at trends and figure out how much tax and other income should be coming in.

Every year the legislature sets the budget for the upcoming year but at the same they are doing things with the budget for the year they are in—it is a little confusing. The state year starts July 01 and ends June 30.

Here is how the budget is set:

July-August: Each state agency puts together ideas for their budget as well as the hard numbers that they cannot control (such as Medicaid caseload). In most years there are decision items, some that cost money and some that save money. In a year like this the decision items will all save money. The agencies do this internally and there is not a way for the public to be part of this other than in a very general way. Each state agency also decides during this time what pieces of legislation they would like to see in the upcoming session.

September-October: The Governor's office takes the ideas from all of the state agencies, looks at the economic forecast that comes out in September, and puts together a budget. There is a lot of back and forth between the Governor and his agencies.

November 01: The Governor presents his budget to the Joint Budget Committee: This is a committee of the legislature that writes the budget. There are three Senators and three representatives. The majority party picks two seats for each house and the minority party picks one. So right now because democrats are the majority there are two Democratic Senators and one Republican Senator, two Democratic representatives and one Republican Representative.

November-December: The JBC holds a briefing and hearing for each state agency. The briefing is when the JBC staff reviews the whole agency and every part of the budget including federal funds, with the committee. The committee identifies concerns and questions for the hearing. The hearing is where the state agency comes in and answers all of the questions that have come up and explains various aspects of their budget and justifies any requests.

January: The JBC finishes any hearings that have not completed. They also do supplemental requests. These are changes that the agencies need to make in their budgets due to unexpected changes such as dramatic increase in caseload, or other factors that could not have been predicted—this is for the current year budget. So in January of 2010 the supplemental requests will be for the 2009/2010 budget cycle we are in right now.

February 15: The Medicaid, Medicaid Mental Health, CHP and MMA Part D Supplementals are due to the JBC

Late February and Early March: The JBC does what is called figure setting and they go through each line of the budget and literally set the figures. They set the budget for the whole state by looking at the budget for each agency. This includes our general fund (the state money), federal funds as well as funds for special projects called cash funds (for example driver license fees are directed to fund some things related to driving including motor vehicle offices). All parts of the budget go in this document. Decision Items are Change Requests that cost money. Change Requests that save money are Base Reduction Items.

Supplementals and Budget Request Amendments are also Change Requests.

March Comebacks—this is when each state agency gets one more time to plead their case before the JBC.

March towards the end of the month or even in April the budget is published. It is offered as a piece of legislation called the Long Bill. Once it is offered it is introduced in one house (one year it will be a Senate bill and start there, the next year it will be a House bill). It is introduced then sent to appropriations committee, then sent to the whole group. At this point each party (Democrat and Republican) break into a caucus and debate what they do and don't like about the budget. Then they go back 'on the floor' in formal session and lawmakers can offer amendments. Each amendment is voted on and then the budget as a whole gets a vote. Then they do the whole process in the next house. If the amendments are different between the Senate and House (and they always are) the bill goes back to the JBC to work out the differences. They do one more revision and then the bill goes back and each house has to vote again. Once the budget is passed it goes to the Governor. The Governor has line item veto authority but that is not as specific as people think—for example he cannot veto one part of Medicaid like a specific service because most of the Medicaid funding is all lumped in one line item. He usually does a few minor veto's (any governor does this) and then the budget is done. If 2/3 of the legislature wanted they can override a veto but that rarely if ever happens.

This all has to be finished by the end of **April** because the legislature adjourns in early **May**. Agencies often have to pass rules to implement new aspects of the budget and they have to get ready to do this right away because the budget year begins July 01. The budget also has reports that are due at various times that the state agencies need to prepare.

July-October—while the state is looking at writing the budget for the next year they are implanting the budget actions that occurred during the current year—so right now they are preparing for 2010/2011 budget and implementing the 2009/2010 budget. Most laws are effective either July 01, October 01 or 90 days after it is passed.

The state constitution requires a balanced budget. Constitutional requirements such as Tabor or Amendment #23 limit where budget cuts can occur. The legislature can only meet for 120 days under another constitutional requirement, unless a special session is called by the Governor.

If at any time the Governor thinks that the budget will not balance he has very broad authority to take dramatic actions to balance the budget. He can make cuts or call a special session but he cannot let things go on and have an unbalanced budget.

About the JBC

The JBC members are elected by their respective caucuses in the Senate and appointed by the House Speaker and House Minority Leader in the House. The majority party in each house has two members on the JBC and the minority party in each house has one member on the JBC. The Chair changes annually between a House JBC member and a Senate JBC Member from the majority party. The Long Bill is introduced in the house of the presiding JBC Chair (Senate bill in 2009 since Sen. Keller was JBC Chair, in 2010, it will probably be Rep. Pommer).

The JBC also holds 20 minute information sessions with non-state agency interest groups during their 5 PM briefing sessions once the Session starts. These informal briefing sessions are to provide the Committee members with additional information such as the closure of acute in-patient psychiatric beds at facilities, community corrections or developmentally disabled provider issues, etc. The Committee decides in early November at their first meeting if they wish to continue with these sessions.

This document is produced by the Colorado Cross-Disability Coalition for use by our members

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