

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0409.01 Ed DeCecco x4216

HOUSE BILL 18-1430

HOUSE SPONSORSHIP

Van Winkle and Young, Everett, Neville P., Wist

SENATE SPONSORSHIP

Lundberg,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REQUIREMENT THAT A STATE AGENCY PREPARE A
102 LONG-RANGE FINANCIAL PLAN.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires each state agency to develop and annually update a long-range financial plan that includes:

- ! The state agency's mission, major functions, and goals;
- ! Anticipated trends, conditions, or events;
- ! The state agency's best and worst performing programs;
- ! A forecast of the state agency's budget requests for the 5

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

- ! state fiscal years after the current budget request; and
- ! A description of any programs currently funded in whole or in part with federal funds or gifts, grants, or donations that the department anticipates will decrease in the future and, therefore, may require state money as a backfill.

The state agency is required to submit its long-range financial plan to the joint budget committee, along with its annual budget request, and post the plan on its official website.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The state of Colorado has experienced substantial economic
5 growth since the last recession and because of that growth the state has
6 been able to effectively provide needed services for all Coloradans;

7 (b) But history has shown that an economic downturn is
8 inevitable, and as such it is the responsibility of the general assembly to
9 properly prepare for both good and bad economic times that lie ahead;
10 and

11 (c) A long-range financial forecast will allow each state agency
12 to anticipate and strategically plan for future contingencies that may
13 impact the state agency's ability to provide needed services, and it will
14 provide additional information to the general assembly so that it can
15 appropriate money in light of possible future changes.

16 **SECTION 2.** In Colorado Revised Statutes, **add 2-3-209** as
17 follows:

18 **2-3-209. Long-range financial plan - definitions.** (1) AS USED
19 IN THIS SECTION, "STATE AGENCY" MEANS A STATE AGENCY THAT SUBMITS
20 A BUDGET REQUEST TO THE JOINT BUDGET COMMITTEE IN ACCORDANCE
21 WITH SECTION 2-3-208, WHETHER THE REQUEST IS SUBMITTED DIRECTLY

1 BY THE STATE AGENCY OR BY THE OFFICE OF STATE PLANNING AND
2 BUDGETING ON BEHALF OF THE STATE AGENCY.

3 (2) EACH STATE AGENCY SHALL DEVELOP A LONG-RANGE
4 FINANCIAL PLAN ON OR BEFORE NOVEMBER 1, 2018, AND UPDATE THE
5 PLAN ON OR BEFORE NOVEMBER 1 OF EACH YEAR THEREAFTER. THE
6 PURPOSE OF THE LONG-RANGE FINANCIAL PLAN IS TO:

7 (a) REQUIRE THE STATE AGENCY TO ANTICIPATE AND
8 STRATEGICALLY PLAN FOR FUTURE CONTINGENCIES THAT MAY IMPACT THE
9 STATE AGENCY'S ABILITY TO MEET ITS PERFORMANCE GOALS;

10 (b) ASSIST THE STATE AGENCY AS IT PREPARES ITS ANNUAL
11 BUDGET REQUEST;

12 (c) PROVIDE ADDITIONAL INFORMATION TO THE GENERAL
13 ASSEMBLY SO THAT IT CAN APPROPRIATE MONEY IN LIGHT OF POSSIBLE
14 FUTURE CHANGES; AND

15 (d) PROVIDE NOTICE TO THE PUBLIC ABOUT THE POTENTIAL
16 GROWTH OR DECLINE OF STATE GOVERNMENT IN THE FUTURE.

17 (3) A STATE AGENCY SHALL INCLUDE THE FOLLOWING
18 COMPONENTS IN THE LONG-RANGE FINANCIAL PLAN:

19 (a) A STATEMENT OF THE STATE AGENCY'S MISSION;

20 (b) A DESCRIPTION OF THE MAJOR FUNCTIONS OF THE STATE
21 AGENCY;

22 (c) A DESCRIPTION OF THE STATE AGENCY'S PERFORMANCE GOALS;

23 (d) A DESCRIPTION OF THE STATE AGENCY'S BEST AND WORST
24 PERFORMING PROGRAMS;

25 (e) A DESCRIPTION OF ANTICIPATED TRENDS, CONDITIONS, OR
26 EVENTS THAT COULD IMPACT THE ABILITY OF THE STATE AGENCY TO MEET
27 ITS GOALS AND OBJECTIVES;

1 (f) A FORECAST OF THE STATE AGENCY'S BUDGET REQUESTS FOR
2 THE FIVE SUCCESSIVE STATE FISCAL YEARS AFTER THE STATE FISCAL YEAR
3 FOR WHICH THE STATE AGENCY MAKES A BUDGET REQUEST THAT IS
4 SUBMITTED ALONG WITH THE LONG-TERM FINANCIAL PLAN;

5 (g) A COMPARISON OF THE FORECASTS FOR THE BUDGET REQUESTS
6 DESCRIBED IN SUBSECTION (3)(f) OF THIS SECTION IN THE CURRENT AND
7 PAST LONG-RANGE FINANCIAL PLANS; AND

8 (h) A DESCRIPTION OF ANY PROGRAMS CURRENTLY FUNDED IN
9 WHOLE OR IN PART WITH FEDERAL FUNDS OR GIFTS, GRANTS, OR
10 DONATIONS THAT THE DEPARTMENT ANTICIPATES WILL DECREASE IN THE
11 FUTURE AND, THEREFORE, MAY REQUIRE STATE MONEY AS A BACKFILL.

12 (4) EACH STATE AGENCY SHALL SUBMIT A COPY OF ITS
13 LONG-RANGE FINANCIAL PLAN TO THE JOINT BUDGET COMMITTEE ALONG
14 WITH ITS BUDGET REQUEST THAT IS SUBMITTED IN ACCORDANCE WITH
15 SECTION 2-3-208; EXCEPT THAT, IF THE OFFICE OF STATE PLANNING AND
16 BUDGETING SUBMITS A BUDGET REQUEST ON BEHALF OF A STATE AGENCY,
17 THE OFFICE MAY ALSO SUBMIT THE STATE AGENCY'S LONG-RANGE
18 FINANCIAL PLAN.

19 (5) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
20 REQUIREMENT TO UPDATE AND SUBMIT THE LONG-RANGE FINANCIAL PLAN
21 CONTINUES INDEFINITELY. A LONG-RANGE FINANCIAL PLAN REMAINS IN
22 EFFECT UNTIL IT IS UPDATED FOR THE NEXT STATE FISCAL YEAR. TO THE
23 EXTENT POSSIBLE, THE STATE AGENCY SHALL UTILIZE INFORMATION THAT
24 IS INCLUDED IN THE STATE AGENCY'S ANNUAL PERFORMANCE REPORT
25 PREPARED IN ACCORDANCE WITH SECTION 2-7-205.

26 (6) EACH STATE AGENCY SHALL POST ITS LONG-RANGE FINANCIAL
27 PLANS ON ITS OFFICIAL WEBSITE AT THE SAME TIME IT IS SUBMITTED TO

1 THE JOINT BUDGET COMMITTEE.

2 **SECTION 3. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly (August
5 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
6 referendum petition is filed pursuant to section 1 (3) of article V of the
7 state constitution against this act or an item, section, or part of this act
8 within such period, then the act, item, section, or part will not take effect
9 unless approved by the people at the general election to be held in
10 November 2018 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.