

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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
Appropriations

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.

HOUSE
Amended 2nd Reading
May 4, 2018

- ! 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, 2019, AND UPDATE THE
5 PLAN ON OR BEFORE NOVEMBER 1 OF EACH OF THE NEXT FOUR YEARS
6 YEAR THEREAFTER. THE PURPOSE OF THE LONG-RANGE FINANCIAL PLAN
7 IS TO:

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

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

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

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

18 (3) THE DEPARTMENT OF STATE, THE DEPARTMENT OF TREASURY,
19 THE DEPARTMENT OF LAW, AND THE JUDICIAL BRANCH SHALL EACH
20 PUBLISH THE REQUIRED COMPONENTS OF THE LONG-TERM FINANCIAL PLAN
21 FOR THEIR RESPECTIVE STATE AGENCIES. THE OFFICE OF STATE PLANNING
22 AND BUDGETING SHALL PUBLISH THE REQUIRED COMPONENTS OF THE
23 LONG-TERM FINANCIAL PLAN IN ITS ANNUAL BUDGET INSTRUCTIONS FOR
24 ALL OTHER STATE AGENCIES. A LONG-TERM FINANCIAL PLAN SUBMITTED
25 PURSUANT TO THIS SUBSECTION (3) MAY INCLUDE THE FOLLOWING
26 COMPONENTS:

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

1 (b) A DESCRIPTION OF THE MAJOR FUNCTIONS OF THE STATE
2 AGENCY;

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

4 (d) A PERFORMANCE EVALUATION OF THE STATE AGENCY'S MAJOR
5 PROGRAMS, INCLUDING AN IDENTIFICATION OF PROGRAMS THAT MAY NOT
6 BE MEETING THE PROGRAM OBJECTIVES OR PERFORMANCE GOALS, AND A
7 RECOMMENDATION ON STRATEGIES TO IMPROVE PERFORMANCE;

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

11 (f) A FORECAST OF THE STATE AGENCY'S BUDGET REQUESTS FOR
12 THE THREE SUCCESSIVE STATE FISCAL YEARS AFTER THE STATE FISCAL
13 YEAR FOR WHICH THE STATE AGENCY MAKES A BUDGET REQUEST THAT IS
14 SUBMITTED ALONG WITH THE LONG-TERM FINANCIAL PLAN;

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

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

22 (4) EACH STATE AGENCY SHALL SUBMIT A COPY OF ITS
23 LONG-RANGE FINANCIAL PLAN TO THE JOINT BUDGET COMMITTEE ALONG
24 WITH ITS BUDGET REQUEST THAT IS SUBMITTED IN ACCORDANCE WITH
25 SECTION 2-3-208; EXCEPT THAT, IF THE OFFICE OF STATE PLANNING AND
26 BUDGETING SUBMITS A BUDGET REQUEST ON BEHALF OF A STATE AGENCY,
27 THE OFFICE MAY ALSO SUBMIT THE STATE AGENCY'S LONG-RANGE

1 FINANCIAL PLAN.

2 (5) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
3 REQUIREMENT TO UPDATE AND SUBMIT THE LONG-RANGE FINANCIAL PLAN
4 CONTINUES AS SET FORTH IN SUBSECTION (2) OF THIS SECTION. A
5 LONG-RANGE FINANCIAL PLAN REMAINS IN EFFECT UNTIL IT IS UPDATED
6 FOR THE NEXT STATE FISCAL YEAR. TO THE EXTENT POSSIBLE, THE STATE
7 AGENCY SHALL UTILIZE INFORMATION THAT IS INCLUDED IN THE STATE
8 AGENCY'S ANNUAL PERFORMANCE REPORT PREPARED IN ACCORDANCE
9 WITH SECTION 2-7-205.

10 (6) EACH STATE AGENCY SHALL POST ITS LONG-RANGE FINANCIAL
11 PLANS ON ITS OFFICIAL WEBSITE AT THE SAME TIME IT IS SUBMITTED TO
12 THE JOINT BUDGET COMMITTEE.

13 **SECTION 3. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2018 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.