



**Legislative
Council Staff**
Nonpartisan Services for Colorado's Legislature

HB 18-1430

REVISED FISCAL NOTE

(replaces fiscal note dated April 30, 2018)

Drafting Number:	LLS 18-0409	Date:	May 3, 2018
Prime Sponsors:	Rep. Van Winkle; Young Sen. Lundberg	Bill Status:	House Appropriations
		Fiscal Analyst:	Aaron Carpenter 303-866-4918 Aaron.Carpenter@state.co.us

Bill Topic: STATE AGENCY LONG-RANGE FINANCIAL PLAN

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill requires state agencies to develop a long-range financial plan. The bill will increase state expenditures and workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the House Finance Committee.

**Table 1.
State Fiscal Impacts Under HB18-1430**

		FY 2018-19	FY 2019-20	FY 2020-21
Revenue		-	-	-
Expenditures	General Fund	-	\$77,962	\$79,936
	Centrally Appropriated		\$14,147	\$15,585
	Total	-	\$92,109	\$95,521
	Total FTE	-	0.9 FTE	1.0 FTE
Transfers		-	-	-
TABOR		-	-	-

Summary of Legislation

This bill requires all state agencies to develop and update a long-range financial plan each year. The long-range financial plan must be presented every year, when an agency submits its budget request starting in November 1, 2019. The Departments of State, Treasury, Law, as well as the Judicial Branch and the Office of State Planning and Budgeting must decide what is included in the long-term financial plans for their respective agencies. Plans may include:

- a statement of an agency's mission;
- a description of an agency's major functions;
- a description of an agency's performance goals;
- a performance evaluation of an agency's major programs; and
- a description of anticipated trends, conditions, or events affecting the agency.

Assumptions

The fiscal note assumes that based on common practice and a least cost implementation approach, the Office of State Planning and Budgeting (OSPB) will coordinate and submit long-range financial plans on behalf of each agency in the Executive Branch. The fiscal note also assumes that long-range financial plans developed by the Departments of State, Treasury, Law, and the Judicial Branch will include information that can be gathered within existing appropriations.

State Expenditures

This bill will increase state General Fund expenditures by \$92,109 and 0.9 FTE in FY 2019-20 and by \$95,521 and 1.0 FTE in FY 2020-21 and future years, as shown in Table 2 and discussed below. No expenditures are incurred in FY 2018-19.

**Table 2
 Expenditures Under HB 18-1430**

Cost Components	FY 2018-19	FY 2019-20	FY 2020-21
Office of State Planning and Budgeting			
Personal Services	-	\$72,404	\$78,986
Operating Expenses and Capital Outlay Costs	-	\$5,558	\$950
Centrally Appropriated Costs*	-	\$14,147	\$15,585
FTE – Personal Services	-	0.9 FTE	1.0 FTE
Dept (Subtotal)	-	\$92,109	\$95,521
Total	-	\$92,109	\$95,521
Total FTE	-	0.9 FTE	1.0 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Office of State Planning and Budgeting. The bill will increase expenditures for the OSPB by \$77,962 and 0.9 FTE in FY 2019-20 and by \$79,936 and 1.0 FTE in FY 2020-21 to hire a policy and budget analyst to compile all the necessary information for the long-range financial plan for each Executive Branch state agency. Costs include personal services and capital, outlay, and annual operating costs. For FY 2018-19, the FTE is prorated to reflect the General Fund payday shift.

Departments of State, Law, and Treasury, and Judicial Branch. The bill will increase workload for the Departments of State, Law, Treasury, and Judicial Branch starting in FY 2019-20 to create a long-range financial plan and to decide what is included in the long-term financial plans for their respective agencies.

All other state agencies. Workload will increase for all state agencies starting in FY 2019-20, to provide the information necessary to OSPB to develop the long-range financial plan. It is assumed that the increase of workload for executive agencies to provide the necessary information to OSPB can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$14,147 in FY 2019-20 and \$15,585 in FY 2020-21.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

Departmental Difference

The Colorado Department of Public Health and Environment (CDPHE) estimates it will require \$80,744 and 0.8 FTE in FY 2019-20 and \$80,980 and 0.8 FTE in FY 2020-21 to provide OSPB the information necessary for all of their programs for a long-range financial plan. The fiscal note assumes that a lot of the work required in the plan is already being done for SMART Act hearings and any additional work for the financial plan will be done by OSPB.

State and Local Government Contacts

All State Agencies