



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# FINAL FISCAL NOTE

<b>Drafting Number:</b>	LLS 19-0428	<b>Date:</b>	August 2, 2019
<b>Prime Sponsors:</b>	Sen. Donovan; Pettersen Rep. Kraft-Tharp; Hansen	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** COLORADO SECURE SAVINGS PLAN BOARD

- |                                  |   |  |
|----------------------------------|---|--|
| <b>Summary of Fiscal Impact:</b> | <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 creates the Colorado Secure Savings Board in the Office of the State Treasurer to study the feasibility of creating a retirement savings plan for private sector employees. The bill will increase state expenditures in FY 2019-20 only.

**Appropriation Summary:** For FY 2019-20, the bill requires and includes an appropriation of \$800,000 to the Department of the Treasury.

**Fiscal Note Status:** The final fiscal note reflects the enacted bill.

**Table 1  
State Fiscal Impacts Under SB 19-173**

		FY 2019-20	FY 2020-21
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	up to \$800,000	-
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## **Summary of Legislation**

The bill establishes the Colorado Secure Savings Plan board in the Office of the State Treasurer to study the feasibility of creating a retirement savings plan and other approaches to increase the amount of retirement savings by Colorado's private sector workers.

The board consists of the State Treasurer and eight additional members who are appointed by the Governor. The board is required to conduct the following four analyses and prepare a final report to the Governor and the General Assembly on its findings by February 28, 2020:

- a detailed market and financial analysis to determine the financial feasibility and effectiveness of creating the Colorado Secure Savings Plan in the form of an automatic enrollment payroll deduction to an individual retirement account;
- a detailed market and financial analysis to determine the financial feasibility and effectiveness of a small business marketplace plan to increase the number of businesses in the state that offer retirement savings plans for their employees, to be administered by the Colorado Department of Labor and Employment (CDLE);
- an analysis of the effects that greater financial education among Colorado residents would have on increasing their retirement savings; and
- an analysis of the effects that not increasing Coloradans' retirement savings would have on current and future state and local government expenditures.

The board may delay implementation of one or more of the analyses if it does not obtain adequate funding to cover the costs of the analyses.

After conducting the analyses, if the board finds that there are approaches to increasing retirement savings for private-sector employees in a convenient, low-cost, and portable manner that are financially feasible and self-sustaining, the board is required to recommend a plan to implement its findings to the Governor and the General Assembly.

## **State Expenditures**

In FY 2019-20, the bill will increase state expenditures by up to \$800,000 to conduct the four analyses required by the bill. The fiscal note assumes the board will contract with an outside entity to prepare these studies and, based on similar studies of this scope, it is assumed that each study can be completed for between \$100,000 to \$200,000. The bill also increases workload for the State Treasurer to serve on the board and for CDLE, to the extent the agency is consulted by the board on issues related to the small business marketplace plan; these workload increase can be accomplished within existing appropriations.

If an implementation plan is recommended to the Governor and General Assembly, any funding required will be addressed through future legislation.

## **State Appropriations**

For FY 2019-20, the bill requires a General Fund appropriation of \$800,000 to the Office of the State Treasurer.

**Effective Date**

The bill was signed into law by the Governor and took effect on May 20, 2019.

**State and Local Government Contacts**

Governor            Labor            Treasury