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Nonpartisan Services for Colorado's Legislature

HB 18-1298

FINAL FISCAL NOTE

Drafting Number: LLS 18-0529 Date: July 23, 2018
Prime Sponsors: Rep. Pettersen; Bridges Bill Status: Postponed Indefinitely
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Bill Topic: COLORADO SECURE SAVINGS PLAN

Summary of Fiscal Impact: State Revenue (potential), State Expenditure (minimal), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill would have created the Colorado Secure Savings Board in the Office of the Governor to study the feasibility of creating a retirement savings plan. Beginning in FY 2018-19, it may have increased state revenue and would have minimally increased state agency workload.

Appropriation Summary: No appropriation was required.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The bill establishes the Colorado Secure Savings Plan board in the Office of the Governor 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 director of the Office of State Planning and Budgeting (OSPB) and eight additional trustees who are appointed by the Governor and confirmed by the Senate.

The board is required to conduct the following four analyses within two years of the appointment of the board's membership, and update certain legislative committees after one year:

- 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, to be administered by a newly created statutory public entity of the same name;
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 accept any gifts, grants, and donations to pay for the costs of the analyses. The board may delay implementation of one or more of the analyses if it does not obtain adequate funds 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 Revenue

Beginning in FY 2018-19, the bill may increase state cash fund revenue to the Office of the Governor by an unknown amount. The bill allows the Colorado Secure Savings Plan board to accept gifts, grants, and donations, or any other funds from public and private entities, to cover the cost of the required analyses. As of this writing, no source of funding has been identified. Revenue from gifts, grants, or donations is not subject to TABOR.

State Expenditures

Beginning in FY 2018-19, the bill will minimally increase workload in OSPB for its director 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 funds are received to cover the costs of the analyses required under the bill, and then an implementation plan is recommended to a future Governor and General Assembly, related costs will be reflected in a future fiscal note.

Effective Date

The bill takes was postponed indefinitely by the Senate State, Veterans and Military Affairs Committee on May 1, 2018.

State and Local Government Contacts

Governor
Personnel

Labor
Revenue

Law
State Planning and Budgeting