

CHAPTER 356

GOVERNMENT - STATE

HOUSE BILL 18-1430

BY REPRESENTATIVE(S) Van Winkle and Young, Everett, Neville P., Wist, Bridges, Kennedy, Lewis, Michaelson Jenet, Rankin, Ransom, Reyher, Sandridge, Winkler;
also SENATOR(S) Lundberg, Baumgardner, Gardner, Kefalas, Lambert, Martinez Humenik, Moreno, Priola, Scott, Smallwood, Sonnenberg, Tate, Grantham.

AN ACT**CONCERNING THE REQUIREMENT THAT A STATE AGENCY PREPARE A LONG-RANGE FINANCIAL PLAN.**

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

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

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

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

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

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

2-3-209. Long-range financial plan - definitions. (1) AS USED IN THIS SECTION, "STATE AGENCY" MEANS A STATE AGENCY THAT SUBMITS A BUDGET REQUEST TO THE JOINT BUDGET COMMITTEE IN ACCORDANCE WITH SECTION ~~2-3-208~~, WHETHER THE REQUEST IS SUBMITTED DIRECTLY BY THE STATE AGENCY OR BY THE OFFICE OF STATE PLANNING AND BUDGETING ON BEHALF OF THE STATE AGENCY.

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(2) EACH STATE AGENCY SHALL DEVELOP A LONG-RANGE FINANCIAL PLAN ON OR BEFORE NOVEMBER 1, 2019, AND UPDATE THE PLAN ON OR BEFORE NOVEMBER 1 OF EACH OF THE NEXT FOUR YEARS THEREAFTER. THE PURPOSE OF THE LONG-RANGE FINANCIAL PLAN IS TO:

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

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

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

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

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

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

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

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

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

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

(f) 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.

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

STATE AGENCY, THE OFFICE MAY ALSO SUBMIT THE STATE AGENCY'S LONG-RANGE FINANCIAL PLAN.

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

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

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

Approved: June 1, 2018