

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM JBC Staff
DATE April 26, 2018
SUBJECT JBC Bill Drafts

This memo includes the following bill drafts for the Committees consideration.

- JBC Bill #59 –
 - LLS 1263 “Concerning Committee of Reference Involvement in the Joint Budget Committee’s Preparation of the Annual General Appropriations Act.” (Robin Smart)
 - LLS 1264 “Concerning a Change to Rule 25 of the Joint Rules of the Senate and House of Representatives to Clarify the Responsibilities of the Committees of Reference and the Joint Budget Committee with Respect to the Budgeting Process.” (Robin Smart)
- JBC Bill #55 – LLS 0987 “Concerning an Increase in the General Fund Reserve.” (John Ziegler)
- JBC Bill #56 – LLS 0988 “Concerning Changing the Payroll Periods for Salaries Paid Through the State’s Payroll System from Monthly to Biweekly Rather than Twice Monthly.” (Alfredo Kemm)

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REDRAFT

4.25.18

Double underlining
denotes changes from
prior draft

DRAFT

LLS NO. 18-1263.01 Esther van Mourik x4215

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Committee Of Reference Involvement In Budget"

A BILL FOR AN ACT

101 **CONCERNING COMMITTEE OF REFERENCE INVOLVEMENT IN THE JOINT**
102 **BUDGET COMMITTEE'S PREPARATION OF THE ANNUAL GENERAL**
103 **APPROPRIATION ACT.**

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/>.)

Joint Budget Committee. The bill requires a department to include in the SMART act hearing with its assigned joint committee of reference information presented or to be presented to the joint budget committee (JBC) during the hearings the JBC holds to review the department's budget.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

The bill requires the chair of each committee of reference to appoint one committee member to serve as a liaison to the JBC. Appointees must be elected but need not be sworn in at the time of the appointment. The liaison is encouraged to attend the specific hearings the JBC holds to review the budget requests of the department that is assigned to the liaison's committee of reference. The liaison is required to communicate any concerns, comments, or other input from the committee of reference to the JBC related to the preparation of the annual general appropriation act.

No later than January 15 every year, each committee of reference is required to report in writing to the JBC certain departmental budgeting information.

In making the appropriation recommendations in the annual general appropriations act, the bill requires the JBC to consider discussions held between the joint committees of reference and the JBC.

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

2 **SECTION 1.** In Colorado Revised Statutes, 2-7-203, **amend** (1),
3 (2)(a)(III), and (3)(b); and **add** (3)(d) and (3.5) as follows:

4 **2-7-203. Departmental presentations to legislative committees**
5 **of reference - departmental regulatory agendas.** (1) The speaker of
6 the house of representatives and the president of the senate shall assign
7 each department to a house and senate committee of reference for their
8 respective houses. In making the assignments, the speaker and the
9 president shall ensure that the primary functions and responsibilities of
10 the department are within the subject matter jurisdiction of the
11 committees of reference to which it is assigned. THE HOUSE AND SENATE
12 COMMITTEES OF REFERENCE ARE LISTED IN RULE 25 OF THE JOINT RULES
13 OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.

14 (2) (a) Each joint committee of reference shall conduct at least one
15 but not more than three hearings during the interim between legislative
16 sessions between November 1 and the commencement of the following
17 regular legislative session, during which hearings the joint committee

1 shall hear a presentation from each department that is assigned to such
2 committee pursuant to subsection (1) of this section regarding:

3 (III) The department's budget request and associated legislative
4 agenda for the upcoming regular legislative session, INCLUDING
5 INFORMATION PRESENTED OR TO BE PRESENTED TO THE JOINT BUDGET
6 COMMITTEE DURING THE HEARINGS THE JOINT BUDGET COMMITTEE HOLDS
7 TO REVIEW THE EXECUTIVE BUDGET AND THE BUDGET REQUESTS OF EACH
8 DEPARTMENT AS SET FORTH IN SECTION 2-3-203.

9 (3) (b) The chair of the joint budget committee shall assign one
10 member of the joint budget committee to serve as a liaison for each
11 department. ~~The joint budget committee liaison shall inform the joint
12 committee of reference regarding the department's performance
13 management system and performance plan.~~

14 (d) THE CHAIR OF EACH COMMITTEE OF REFERENCE LISTED IN RULE
15 25 OF THE JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES
16 SHALL APPOINT ONE COMMITTEE MEMBER TO SERVE AS A LIAISON TO THE
17 JOINT BUDGET COMMITTEE. APPOINTEES MUST BE ELECTED BUT NEED NOT
18 BE SWORN IN AT THE TIME OF THE APPOINTMENT. THE LIAISON IS
19 ENCOURAGED TO ATTEND THE SPECIFIC HEARINGS THE JOINT BUDGET
20 COMMITTEE HOLDS, AS SET FORTH IN SECTION 2-3-203, TO REVIEW THE
21 BUDGET REQUESTS OF THE DEPARTMENT THAT IS ASSIGNED TO THE
22 LIAISON'S COMMITTEE OF REFERENCE. THE LIAISON SHALL COMMUNICATE
23 ANY CONCERNS, COMMENTS, OR OTHER INPUT FROM THE COMMITTEE OF
24 REFERENCE TO THE JOINT BUDGET COMMITTEE RELATED TO THE
25 PREPARATION OF THE ANNUAL GENERAL APPROPRIATION ACT.

26 (3.5) NO LATER THAN JANUARY 15, 2019, AND EACH JANUARY 15
27 THEREAFTER, EACH COMMITTEE OF REFERENCE LISTED IN RULE 25 OF THE

1 JOINT RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES SHALL
2 COMMUNICATE IN WRITING TO THE JOINT BUDGET COMMITTEE THE
3 FOLLOWING INFORMATION:

4 (a) THE COMMITTEE OF REFERENCE'S GOALS FOR AND DIRECTIONS
5 TO EACH DEPARTMENT IT OVERSEES;

6 (b) THE COMMITTEE OF REFERENCE'S RECOMMENDATIONS
7 CONCERNING THE DISPOSITION OF EACH DEPARTMENTAL BUDGET DECISION
8 ITEM FOR EACH DEPARTMENT IT OVERSEES;

9 (c) THE COMMITTEE OF REFERENCE'S RECOMMENDED
10 APPROPRIATIONS OR CHANGES FOR EACH DEPARTMENTAL BUDGET LINE
11 ITEM FOR EACH DEPARTMENT IT OVERSEES;

12 (d) THE COMMITTEE OF REFERENCE'S RECOMMENDATIONS
13 REGARDING APPROPRIATIONS FOR PROGRAMS FUNDED THROUGH LINE
14 ITEMS IN THE ANNUAL GENERAL APPROPRIATION ACT FOR EACH
15 DEPARTMENT IT OVERSEES; AND

16 (e) THE COMMITTEES OF REFERENCE'S CONCERNS AND DIRECTIONS
17 REGARDING FUTURE-YEAR FUNDING FOR EACH DEPARTMENT IT OVERSEES.

18 **SECTION 2.** In Colorado Revised Statutes, 2-3-203, **amend**
19 (1)(b.1)(I)(A) as follows:

20 **2-3-203. Powers and duties of the joint budget committee -**
21 **repeal.** (1) The committee has the following power and duties:

22 (b.1) (I) (A) Effective July 1, 2004, to hold hearings as required
23 and to review the executive budget and the budget requests of each state
24 agency and institution, including capital construction, capital renewal, or
25 controlled maintenance budget requests as prioritized, pursuant to rule 45
26 of the joint rules of the senate and house of representatives, by the capital
27 development committee, and information technology budget requests as

1 prioritized, pursuant to rule 45 of the joint rules of the senate and the
2 house of representatives, by the joint technology committee, and to make
3 appropriation recommendations to the appropriations committees, or any
4 successor committees, of each house. IN MAKING THE APPROPRIATION
5 RECOMMENDATIONS TO THE APPROPRIATIONS COMMITTEES, THE JOINT
6 BUDGET COMMITTEE SHALL CONSIDER THE DISCUSSION HELD BETWEEN
7 THE JOINT COMMITTEES OF REFERENCE AND THE JOINT BUDGET
8 COMMITTEE AS REQUIRED IN RULE 25 OF THE JOINT RULES OF THE SENATE
9 AND THE HOUSE OF REPRESENTATIVES.

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

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REDRAFT

4.25.18

Double underlining
denotes changes from
prior draft

DRAFT

LLS NO. R18-1264.01 Esther van Mourik x4215

Joint Resolution

SPONSORSHIP

(None),

SPONSORSHIP

(None),

BILL TOPIC: "Committees Of Reference Involvement In Budget"

JOINT RESOLUTION

101 CONCERNING A CHANGE TO RULE 25 OF THE JOINT RULES OF THE
102 SENATE AND HOUSE OF REPRESENTATIVES TO CLARIFY THE
103 RESPONSIBILITIES OF THE COMMITTEES OF REFERENCE AND THE
104 JOINT BUDGET COMMITTEE WITH RESPECT TO THE BUDGETING
105 PROCESS.

1 *Be It Resolved by the [REDACTED] of the Seventy-first General*
2 *Assembly of the State of Colorado, the [REDACTED] concurring herein:*

3 That in the Joint Rules of the Senate and the House of
4 Representatives, Rule 25, **amend** (d) as follows:

5 **25. Oversight Responsibilities of Committees of Reference and**
6 **Statutory Committees**

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 (d) Prior to the thirtieth legislative day, the Joint Budget
2 Committee members shall ~~be available to provide~~ DISCUSS, IN A JOINT
3 MEETING WITH the respective JOINT committees ~~with assistance and to~~
4 ~~explain any Joint Budget Committee responses or recommendations~~
5 ~~regarding hearings before the Joint Budget Committee~~ of OF REFERENCE,
6 ANY RELEVANT INFORMATION AND ANALYSES CONCERNING THE
7 GOVERNOR'S ANNUAL BUDGET REQUEST, INCLUDING INFORMATION
8 OBTAINED THROUGH THE JOINT BUDGET COMMITTEE BRIEFING AND
9 DEPARTMENT HEARING PROCESSES FOR all departments of state
10 government that are within the subject-matter jurisdiction of each JOINT
11 committee ~~After receiving any assistance and explanation from the Joint~~
12 ~~Budget Committee members, the chairmen of the committees shall~~
13 ~~communicate any concerns or comments regarding preparation of the~~
14 ~~long appropriation bill to the Joint Budget Committee members of that~~
15 ~~house~~ OF REFERENCE. _____ THE RESPECTIVE COMMITTEES SHALL INFORM
16 THE BUDGET PROCESS BY PROVIDING THE JOINT BUDGET COMMITTEE WITH
17 ANY RELEVANT INFORMATION AND ANALYSES OBTAINED DURING
18 PRESENTATIONS MADE TO THE RESPECTIVE COMMITTEES AS REQUIRED IN
19 THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND
20 TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF
21 TITLE 2, COLORADO REVISED STATUTES.

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4.11.18

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LLS NO. 18-0987.02 Ed DeCecco x4216

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Increase General Fund Reserve"

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE GENERAL FUND RESERVE.**

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/>.)

Joint Budget Committee. For the fiscal year 2018-19, and each fiscal year thereafter, the bill increases the statutorily required general fund reserve from 6.5% to **7**% of the amount appropriated for expenditure from the general fund.

The bill also repeals the following exceptions from the definition of expenditure that is used to calculate the general fund reserve:

- Rental and other payments under a lease-purchase agreement for real property included in a separate,

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- operating line item; and
- Money that the state controller credits from the general fund to the capital construction fund or to the principal of the controlled maintenance trust fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-201.1, **amend**
3 (1)(d)(XIV) and (1)(d)(XVIII); **repeal** (2)(b) and (2)(c); and **add**
4 (1)(d)(XIX) as follows:

5 **24-75-201.1. Restriction on state appropriations - legislative**
6 **declaration - definitions.** (1) (d) For each fiscal year, unrestricted
7 general fund year-end balances must be retained as a reserve in the
8 following amounts:

9 (XIV) For the ~~fiscal year 2014-15 and each fiscal year thereafter,~~
10 ~~excluding the fiscal years 2015-16 and 2016-17~~ FISCAL YEARS 2014-15
11 AND 2017-18, six and one-half percent of the amount appropriated for
12 expenditure from the general fund for that fiscal year;

13 (XVIII) For the fiscal year 2016-17, six percent of the amount
14 appropriated for expenditure from the general fund for that fiscal year;
15 AND

16 (XIX) FOR THE FISCAL YEAR 2018-19 AND EACH FISCAL YEAR
17 THEREAFTER, PERCENT OF THE AMOUNT APPROPRIATED FOR
18 EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR.

19 (2) The basis for the calculation of the reserve as specified in this
20 section includes all appropriations for expenditure from the general fund
21 for such fiscal year, except for any appropriations for:

22 (b) ~~Rental and other payments under a lease-purchase agreement~~
23 ~~for real property authorized by the general assembly pursuant to section~~

1 ~~24-82-801 (1)(a) included in a separate line item in the operating section~~
2 ~~of an annual general appropriation act or a supplemental appropriation~~
3 ~~act; and~~

4 (c) ~~Moneys that are credited by the state controller from the~~
5 ~~general fund to the capital construction fund or to the principal of the~~
6 ~~controlled maintenance trust fund as set forth in section 24-30-1310.~~

7 **SECTION 2. Act subject to petition - effective date.** This act
8 takes effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly (August
10 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
11 referendum petition is filed pursuant to section 1 (3) of article V of the
12 state constitution against this act or an item, section, or part of this act
13 within such period, then the act, item, section, or part will not take effect
14 unless approved by the people at the general election to be held in
15 November 2018 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.

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4.24.18

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LLS NO. 18-0988.01 Nicole Myers x4326

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Biweekly Payment Through State Payroll System"

A BILL FOR AN ACT

101 CONCERNING CHANGING THE PAYROLL PERIODS FOR SALARIES PAID
102 THROUGH THE STATE'S PAYROLL SYSTEM FROM MONTHLY TO
103 BIWEEKLY RATHER THAN TWICE MONTHLY.

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/>.)

Joint Budget Committee. Currently, the majority of state employees who are paid through the state's payroll system are paid on a monthly basis and some state employees are paid on a biweekly basis. For employees who are paid monthly, salaries are paid as of the last working day of the month; except that salaries for June are paid on the first

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working day of July. For employees who are paid biweekly, salaries are paid 14 days after the last day of the pay period.

In 2015, the general assembly passed legislation that required all state employees paid through the state's payroll system to be paid twice a month beginning July 1, 2017. It also required salaries to be paid 14 days after the last day of the pay period. In 2016, the general assembly passed legislation that allowed the state personnel director to delay the implementation date of the twice-monthly payroll system, and the implementation of such system has not yet occurred.

The bill repeals the requirement to implement a twice-monthly payroll system and instead requires all people who are paid through the state's payroll system to be paid biweekly beginning July 1, 2018. Salaries will be paid 14 days after the last day of the pay period; except that salaries that would be paid on the last pay date in June 2019 shall be paid on the first business day of July 2019, and salaries that would be paid on the last pay date in June each year thereafter shall be paid on the first business day of July of the applicable year. In addition, beginning in June 2019, and in each June thereafter, the state controller is required to make an advance out of money in the state treasury to each person paid through the state's payroll system whose payment of salary was shifted to July. The advance shall be in an amount equal to the net salary that would otherwise be paid on the last pay date in June. The advance for each person is required to be repaid on the first business day in July of the applicable year. The state controller is required to process each person's repayment of the advance from paychecks issued on the first business day in July.

In 2015, the general assembly also enacted a one-time loan program to assist state employees in covering expenses in the first month that there is a 14-day period between the end of the pay period and the payment of salary. The bill modifies the loan program to specify the calculation of the loan and to allow people paid through the state's payroll system to apply to the department of personnel for the loan in July 2018.

In addition, the bill makes necessary conforming amendments to allow the state's payroll system to pay all people paid through the state's payroll system on a biweekly basis.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-50-104, **amend**
3 (8)(a) and (8)(c); **repeal** (8)(a.5), (8)(a.6), (8)(b), (8)(d), and (8)(g); and
4 **add** (8)(a.3) as follows:

5 **24-50-104. Job evaluation and compensation - state employee**

1 **reserve fund - created - definitions - repeal. (8) Payroll.** (a) For pay
2 ~~periods beginning before July 1, 2017, salaries for positions in the state~~
3 ~~personnel system paid on a monthly basis shall be paid as of the last~~
4 ~~working day of the month; except that: SALARIES FOR ANY PERSON PAID~~
5 ~~THROUGH THE STATE'S PAYROLL SYSTEM SHALL BE PAID ON A BIWEEKLY~~
6 ~~BASIS AND SHALL BE PAID FOURTEEN DAYS AFTER THE LAST DAY OF THE~~
7 ~~FOURTEEN-DAY PAY PERIOD; EXCEPT THAT SALARIES THAT WOULD BE PAID~~
8 ~~ON THE LAST PAY DATE IN JUNE 2019 SHALL BE PAID ON THE FIRST~~
9 ~~BUSINESS DAY OF JULY 2019, AND SALARIES THAT WOULD BE PAID ON THE~~
10 ~~LAST PAY DATE IN JUNE EACH YEAR THEREAFTER SHALL BE PAID ON THE~~
11 ~~FIRST BUSINESS DAY OF JULY OF THE APPLICABLE YEAR.~~

12 ~~(I) Salaries for the month of June shall be paid on the first~~
13 ~~working day of July; and~~

14 ~~(II) For state personnel employees in the department of~~
15 ~~transportation hired before August 5, 1998, as amended, salaries for the~~
16 ~~month of December shall be paid on the first working day in January,~~
17 ~~unless any such employee informs the controller of the department of~~
18 ~~transportation of the employee's desire to be paid in the same manner as~~
19 ~~other employees in the state personnel system as provided in this~~
20 ~~subsection (8), in which case, the employee shall be paid in such manner.~~

21 (a.3) BEGINNING IN JUNE 2019, AND IN EACH JUNE THEREAFTER,
22 OUT OF ANY MONEY IN THE STATE TREASURY NOT IMMEDIATELY REQUIRED
23 TO BE DISBURSED, THE STATE CONTROLLER SHALL MAKE AN ADVANCE TO
24 EACH PERSON PAID THROUGH THE STATE'S PAYROLL SYSTEM WHOSE
25 PAYMENT OF SALARY WAS SHIFTED TO JULY PURSUANT TO SUBSECTION
26 (8)(a) OF THIS SECTION, IN AN AMOUNT EQUAL TO THE NET SALARY THAT
27 WOULD OTHERWISE BE PAID ON THE LAST PAY DATE IN JUNE. THE

1 ADVANCE FOR EACH PERSON SHALL BE REPAID ON THE FIRST BUSINESS DAY
2 IN JULY OF THE APPLICABLE YEAR. THE STATE CONTROLLER SHALL
3 PROCESS EACH PERSON'S REPAYMENT OF THE ADVANCE FROM PAYCHECKS
4 ISSUED ON THE FIRST BUSINESS DAY IN JULY.

5 (a.5) For pay periods beginning before July 1, 2017, for state
6 employment positions that are not in the state personnel system and that
7 are not otherwise covered by paragraph (a) of this subsection (8), salaries
8 paid on a monthly basis for the month of June shall be paid on the first
9 working day of July.

10 (a.6) For pay periods beginning before July 1, 2017, for state
11 employment positions that are not otherwise covered by paragraph (a) or
12 (a.5) of this subsection (8), whether or not the positions are in the state
13 personnel system:

14 (I) and (H) (Deleted by amendment, L. 2015.)

15 (HH) Effective July 1, 2012, and for pay periods beginning before
16 July 1, 2017, salaries paid on a biweekly basis shall be paid fourteen days
17 after the last day of the fourteen-day pay period.

18 (b) For pay periods beginning on or after July 1, 2017, salaries for
19 employees paid through the state's payroll system shall be paid twice a
20 month as follows:

21 (I) For work performed from July 1, 2017, to July 15, 2017,
22 employees shall be paid on July 31, 2017. For work performed from July
23 16, 2017, to July 31, 2017, employees shall be paid on August 15, 2017.

24 (H) Except as otherwise specified in subparagraph (HH) of this
25 paragraph (b), for all pay periods after the pay periods specified in
26 subparagraph (I) of this paragraph (b), for work performed from the first
27 day of the month to the fifteenth day of the same month, employees shall

1 ~~be paid on the last day of that month. For work performed from the~~
2 ~~sixteenth day of the month to the end of the same month, employees shall~~
3 ~~be paid on the fifteenth day of the following month.~~

4 ~~(HH) For work performed from June 1, 2018, to June 15, 2018,~~
5 ~~employees shall be paid on July 1, 2018, and for work performed from~~
6 ~~June 1 to June 15 each year thereafter, employees shall be paid on July 1~~
7 ~~of the applicable year.~~

8 (c) (I) ~~Any state employee~~ PERSON PAID THROUGH THE STATE'S
9 PAYROLL SYSTEM may apply to the department of personnel for a
10 one-time loan to assist the ~~employee~~ PERSON in covering expenses in July
11 2017. ~~The amount of the loan shall not be more than an amount equal to~~
12 ~~the employee's net pay for a one-half month pay period 2018.~~ THE STATE
13 CONTROLLER MAY MAKE SUCH LOANS PURSUANT TO SECTION 24-75-203
14 (5) AND SHALL WORK WITH EACH DEPARTMENT TO DETERMINE THE
15 AMOUNT OF THE LOAN FOR EACH PERSON.

16 (II) ~~An employee~~ A PERSON who receives a loan from the state
17 pursuant to this ~~paragraph (c)~~ SUBSECTION (8)(c) shall repay the loan as
18 specified in this ~~subparagraph (H).~~ ~~An employee~~ SUBSECTION (8)(c)(II).
19 A PERSON may repay the loan early with no prepayment penalty. If ~~an~~
20 ~~employee~~ A PERSON separates from state employment prior to the full loan
21 repayment, the balance of the loan shall be deducted from the ~~employee's~~
22 PERSON'S last paycheck. ~~An employee~~ A PERSON shall repay the loan over
23 a three-year period with an after-tax deduction in each paycheck equal to
24 one ~~seventy-second~~ SEVENTY-EIGHTH of the loan amount ~~plus simple~~
25 ~~interest at the state treasury's incremental borrowing rate~~ AT ZERO
26 PERCENT INTEREST.

27 (d) ~~Monthly salaries shall be converted to annual salary as the~~

1 ~~basis for calculating amounts due for periods other than monthly.~~

2 ~~(g) Notwithstanding the provisions of this subsection (8), if the~~
3 ~~state personnel director determines that, due to circumstances in~~
4 ~~connection with the implementation of the human resources information~~
5 ~~system, it will not be possible on July 1, 2017, to begin paying salaries~~
6 ~~twice monthly for employees paid through the state's payroll system as~~
7 ~~otherwise required in this subsection (8), the director shall, on or before~~
8 ~~June 1, 2017, notify employers that pay employees through the state's~~
9 ~~payroll system, employees who are paid through the state's payroll~~
10 ~~system, and the general assembly that the department will not meet the~~
11 ~~July 1, 2017, deadline and include in the notice the new date on which the~~
12 ~~implementation of the twice monthly payroll system will begin. In~~
13 ~~addition, if the implementation of the twice monthly payroll system is~~
14 ~~delayed, the director shall allow any state employee to apply to the~~
15 ~~department of personnel for a one-time loan to assist the employee in~~
16 ~~covering expenses in the first month in which employees will be paid~~
17 ~~twice monthly, rather than for the month of July 2017, as provided in~~
18 ~~paragraph (c) of this subsection (8).~~

19 **SECTION 2.** In Colorado Revised Statutes, 24-75-201, **amend**
20 **(2)(a)(III)(A); and repeal (2)(a)(III)(B)** as follows:

21 **24-75-201. General fund - general fund surplus - custodial**
22 **money.** (2) (a) The general fund surplus shall be determined based upon
23 the accrual system of accounting, as enunciated by the governmental
24 accounting standards board; except that:

25 ~~(III) (A) General fund revenues shall be restricted only upon~~
26 ~~actual payment on the first and fifteenth working day of July of salaries~~
27 ~~of state employees for the month of June from general fund revenues.~~

1 (B) General fund revenues shall be restricted only upon actual
2 payment in July of any ~~bimonthly~~ BIWEEKLY salaries of ~~state employees~~
3 ~~for which all or a portion thereof is for work performed during the month~~
4 ~~of June~~ from general fund revenues THAT WOULD HAVE OTHERWISE BEEN
5 PAID IN JUNE.

6 **SECTION 3.** In Colorado Revised Statutes, 24-75-203, **add** (5)
7 and (6) as follows:

8 **24-75-203. Loans and advances.** (5) OUT OF ANY MONEY IN THE
9 STATE TREASURY NOT IMMEDIATELY REQUIRED TO BE DISBURSED, THE
10 CONTROLLER MAY MAKE A ONE-TIME LOAN TO ANY PERSON PAID
11 THROUGH THE STATE'S PAYROLL SYSTEM TO ASSIST THE PERSON IN
12 MAKING THE TRANSITION TO BIWEEKLY PAY PURSUANT TO SECTION
13 24-50-104 (8)(c)(I) IN JULY 2018. EACH LOAN SHALL BE REPAID TO THE
14 STATE TREASURY BY THE PERSON AS SPECIFIED IN SECTION 24-50-104
15 (8)(c)(II).

16 (6) BEGINNING JUNE 2019, AND EACH JUNE THEREAFTER, OUT OF
17 MONEY IN THE STATE TREASURY NOT IMMEDIATELY REQUIRED TO BE
18 DISBURSED, THE CONTROLLER SHALL ADVANCE TO ANY PERSON PAID
19 THROUGH THE STATE'S PAYROLL SYSTEM AN AMOUNT EQUAL TO THE
20 PERSON'S NET PAY THAT WOULD HAVE OTHERWISE BEEN PAID ON THE LAST
21 PAY DATE IN JUNE. THE ADVANCE SHALL BE REPAID TO THE STATE
22 TREASURY AS SPECIFIED IN SECTION 24-50-104 (8)(a.3).

23 **SECTION 4. Effective date.** This act takes effect July 1, 2018.

24 **SECTION 5. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.