

Colorado Legislative Council Staff Fiscal Note
STATE and STATUTORY PUBLIC ENTITY
FISCAL IMPACT

Drafting Number: LLS 15-0680	Date: March 23, 2015
Prime Sponsor(s): Rep. Buckner; Pettersen Sen. Steadman; Todd	Bill Status: House Business, Affairs and Labor Fiscal Analyst: Lauren Schreier (303-866-3523)

BILL TOPIC: COLORADO RETIREMENT SECURITY TASK FORCE

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	<u>\$20,600</u>	<u>\$20,737</u>
General Fund	16,881	16,881
Centrally Appropriated Costs**	3,719	3,856
FTE Position Change	0.3 FTE	0.3 FTE
Appropriation Required: \$16,881 - Legislative Department (FY 2015-16).		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill creates the Colorado Retirement Security Task Force (task force) in the legislative branch to study retirement security options that will promote greater retirement security for Coloradans. The bill specifies various areas of study for the task force, including, but not limited to:

- existing barriers to retirement;
- access to employer-sponsored retirement plans;
- the types of employer-sponsored retirement plans and individual retirement products currently offered in the state;
- studying the feasibility of creating a statewide retirement savings plan for private sector employees;
- estimates of the average amount of retirement wealth state residents have upon retirement; and
- estimates of the average amount of retirement wealth that are recommended for a financially secure retirement in Colorado.

The bill specifies qualifications for the 15 members that will serve on the task force, including the executive director or a designee from the Department of Labor and Employment and the Public Employees' Retirement Association. In addition, the state demographer from the Department of Local Affairs will serve as an ex officio member of the task force. The task force will hold it's first meeting by August 1, 2015, and meet as necessary through December 2016. Members serve without compensation or reimbursement. The task force will submit a summary report to the General Assembly by March 1, 2016, and a final report with legislative recommendations by September 30, 2016. The task force repeals on June 30, 2017. Legislative Department staff will provide support to the task force.

State Expenditures

The bill increases costs in the Legislative Department by \$20,600 and 0.3 FTE in FY 2015-16 and \$20,737 and 0.3 FTE in FY 2016-17. The bill requires Legislative Council Staff to provide support to the task force. The fiscal note assumes that the task force will meet eight times a year. Legislative Council Staff will help organize meetings, provide technical assistance, assist in drafting recommendations of the task force, and prepare the final report. The fiscal note assumes that the research duties outlined in the bill will be completed by outside expert organizations as determined by the task force.

Table 1. Expenditures Under HB 15-1235		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$16,881	\$16,881
FTE	0.3 FTE	0.3 FTE
Centrally Appropriated Costs*	\$3,719	\$3,856
TOTAL	\$20,600	\$20,737

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

Department of Labor and Employment. Under the bill, the executive director of the Department of Labor and Employment (CDLE) or a designee will serve on the task force. This will increase workload by a minimal amount for the CDLE, but does not require new appropriations.

Department of Local Affairs. Under the bill, the state demographer in the Department of Local Affairs (DOLA) will serve as an ex officio member of the task force. This will increase workload by a minimal amount for the DOLA, but does not require new 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. The centrally appropriated costs in the Legislative Department subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB 15-1235*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,411	\$2,411
Supplemental Employee Retirement Payments	\$1,308	\$1,445
TOTAL	\$3,719	\$3,856

*More information is available at: <http://colorado.gov/fiscalnotes>

Statutory Public Entity Impact

The bill requires the executive director of the Colorado Public Employees Retirement System (PERA) or a designee to serve on the task force. This will increase workload by a minimal amount for the PERA, and any additional workload can be absorbed within existing resources.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill requires a General Fund appropriation of \$16,881 and an allocation of 0.3 FTE to the Legislative Department.

State and Local Government Contacts

Legislative Council
Public Employees' Retirement Association
Human Services
Health Care Policy and Financing

Governor's Office
Labor and Employment
Local Affairs