

Statutory Provisions Related to Spending Reductions Resulting from Revenue Shortfalls



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COLORADO GENERAL ASSEMBLY**



Relevant Provisions

- § 24-75-201.5, C.R.S. Revenue shortfalls - required actions by the governor with respect to the reserve.
- § 24-2-102, C.R.S. Appointment of officers and employees.
- § 24-50-109.5, C.R.S. Fiscal emergencies - emergency orders.



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§ 24-75-201.5

(1) (a) Whenever the revenue estimate for the current fiscal year, prepared in accordance with section 24-75-201.3 (2), indicates that general fund expenditures for such fiscal year based on appropriations then in effect will result in the use of one-half or more of the reserve required by section 24-75-201.1 (1)(d), the governor shall formulate a plan for reducing such general fund expenditures so that said reserve, as of the close of the fiscal year, will be at least one-half of the amount required by said section 24-75-201.1 (1)(d). The governor shall promptly notify the general assembly of the plan. The plan shall be promptly implemented by the governor, using the procedures set forth in section 24-2-102 (4) or 24-50-109.5 or any other lawful means.

- (1)(h) includes similar provisions when the reserve will drop below \$1 billion



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§ 24-75-201.5

“Whenever the revenue estimate for the current fiscal year, prepared in accordance with section 24-75-201.3 (2), indicates that general fund expenditures for such fiscal year based on appropriations then in effect will result in the use of one-half or more of the reserve required by section 24-75-201.1 (1)(d)....”



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§ 24-75-201.5

- “...the governor shall formulate a plan for reducing such general fund expenditures so that said reserve, as of the close of the fiscal year, will be at least one-half of the amount required by said section 24-75-201.1 (1)(d)....”
- “The governor shall promptly notify the general assembly of the plan.”
- “The plan shall be promptly implemented by the governor, using the procedures set forth in section 24-2-102 (4) or 24-50-109.5 or any other lawful means.”



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§ 24-2-102 (4)

(4) If, during any fiscal period, there are not sufficient revenues available for expenditure during such period to carry on the functions of the state government and to support its agencies and institutions and such fact is made to appear to the governor, in the exercise of his discretion, by executive order, he may suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau, or agency of the state government; except that the authority of the governor to restrict the expenditure of moneys appropriated from the capital construction fund shall be determined by the provisions of section 24-75-201.5. Such discontinuance or suspension shall become effective upon the first day of the calendar month following the entry of such executive order and shall continue for such period of time, not to exceed three months, as shall be determined by such executive order. If, during any such period of time, it again appears to the governor that such deficiency of revenues still persists, from time to time, he may extend the operation of such executive order for a like period of time not to exceed three months; [. . .]



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§ 24-2-102 (4)

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§ 24-2-102 (4)

- “...in the exercise of his discretion, by executive order, he may suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau, or agency of the state government....”
- “Such discontinuance or suspension shall become effective upon the first day of the calendar month following the entry of such executive order and shall continue for such period of time, not to exceed three months, as shall be determined by such executive order....”
- “...he may extend the operation of such executive order for a like period of time not to exceed three months....”



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§ 24-50-109.5

(1) As used in this section, "fiscal emergency" means any crisis concerning the fiscal condition of state government which is caused by a significant general fund revenue shortfall or significant reductions in cash or federal funds received by the state, which threatens the orderly operation of state government and the health, safety, or welfare of the citizens of the state, and which is declared a fiscal emergency by joint resolution adopted by the general assembly and approved by the governor in accordance with section 39 of article V of the state constitution.

(2) With the advice and assistance of the state personnel director, the governor shall take such actions as necessary to be utilized by each principal department and each institution of higher education, including the Auraria higher education center established in article 70 of title 23, to reduce state personnel expenditures in the event of a fiscal emergency. Such actions include, but need not be limited to, separations, voluntary furloughs, mandatory furloughs, suspension of increases in salary and state contributions for group benefit plans, suspension of step pay, job-sharing, hiring freezes, forced reallocation of vacant positions, or a combination thereof. [. . .].



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Questions?



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