

the budget director shall notify the revenue and transportation interim committee of the estimated amount. Within 20 days of notification, the revenue and transportation interim committee shall provide the budget director with any recommendations concerning the amount. The budget director shall consider any recommendations of the revenue and transportation interim committee prior to certifying a projected general fund budget deficit to the governor.

(5) If the budget director certifies a projected general fund budget deficit, the governor may authorize transfers to the general fund from certain accounts as set forth in subsections (6), and (7), and (8).

(6) Before January 1, 2021, the governor may authorize transfers from the budget stabilization reserve fund prior to making reductions in spending. A transfer under this subsection may not cause the fund balance of the budget stabilization reserve fund to be less than 1% of all general fund appropriations in the second year of the biennium.

~~(6)~~(7) The governor may authorize transfers from the budget stabilization reserve fund provided for in 17-7-130. The governor may authorize \$2 of transfers from the fund for each \$1 of reductions in spending.

~~(7)~~(8) If the budget director certifies a projected general fund budget deficit, the governor may authorize transfers to the general fund from the fire suppression account established in 76-13-150. The amount of funds available for a transfer from this account is up to the sum of the fund balance of the account, plus expected current year revenue, minus the sum of 1% of the general fund appropriations for the second fiscal year of the biennium, plus estimated expenditures from the account for the fiscal year. The governor may authorize \$1 of transfers from the fire suppression account established in 76-13-150 for each \$1 of reductions in spending."

Section 5. Legislative financial modernization and risk analysis study. (1) A committee of members of the legislative finance committee and appointed members shall study the long-term future budget and revenue needs with changing economics and demographics.

(2) The study must be conducted by a bipartisan committee consisting of the following:

(a) six members of the legislative finance committee, with three members appointed by the chair and three members appointed by the vice chair; and

(b) four members with two appointed by the chair and vice chair of the committee.

(3) The legislative fiscal division shall provide administrative staff support and fiscal analysis. The legislative services division may provide research and legal support at the request of the committee.

- (4) Subject to direction provided by the committee, the study shall include but is not limited to:
- (a) identifying structural revenue challenges with economic, demographic, and geographical variability considerations;
 - (b) exploring revenue sufficiency for long-term potential expenditures, including but not limited to the following:
 - (i) health care costs, consumption, and funding;
 - (ii) K-12 inflationary increases;
 - (iii) higher education;
 - (iv) pensions;
 - (v) state infrastructure;
 - (vi) natural resource revenue funded programs; and
 - (vii) local government spending including infrastructure; and
 - (c) proposing potential solutions and possible legislation for consideration by the 2021 legislature.

Section 6. Long term budget stabilization study. (1) The legislative finance committee shall direct a study of fiscal and economic conditions.

(2) Subject to direction provided by the legislative finance committee the study may include but is not limited to research related to the following topics:

- (a) budget stress tests, including pension stress testing, revenue volatility, revenue trends, expenditure trends, and expenditure volatility;
- (b) local government expenditures and funding;
- (c) financial sustainability of revenue sources supporting natural resource programs, education programs, and medicaid and the children's health insurance program; and
- (d) personal services budgeting practices.

(3) The legislative fiscal division shall complete the study and report the results of the study to the legislative finance committee for consideration and possible legislation to be introduced in the 2021 legislative session.

Section 7. Appropriations. (1) There is appropriated \$80,000 for the biennium beginning July 1, 2019,