



Under the Dome, Week 10

Highlights of the Week

The legislature started the second half of the legislative session at a sprint. The House and Senate chambers engaged in long floor debate over several hot button issues, more than 40 new bills were introduced, and the Joint Budget Committee was hard at work finalizing figure setting prior to the March Revenue Forecast on Friday. The Senate spent hours on the floor rehashing contentious issues from sessions past including SB 083 which would require Colorado residents to have a valid government photo ID to vote. Republicans argued that measure would limit voter fraud and ensure integrity in the voter system. Democrats countered that adding a photo ID requirement would put undue burden on individuals who live in rural communities and discriminate against those at lower incomes. The bill passed the Senate down partisan lines and is expected to die in the House.

The Senate also revisited public-private partnerships and HOV lanes on US 36. SB 123 by Senators Lundberg and Jones prohibits CDOT from requiring vehicles to use a switchable transponder or other device in order to drive on a HOV lane or a high occupancy toll (HOT) lane on a state highway on a toll-free basis. During the floor debate, the sponsors offered an amendment that would require the Transportation Commission to give the legislature 12 months' notice if they planned to increase the occupancy requirement to use the HOV lane. The amendment and bill are adamantly opposed by the business and construction industries as well as the Governor's office, as it could result in a default on the existing Private Public Partnership contract on US 36. The amendment and bill passed with bipartisan support and now will head to the House for consideration.

The House spent nearly four hours debating legislation to hold energy companies liable if their operations cause bodily injury to an individual or damage to property. The most cited example used by Democrats on the House floor was damage caused by earthquakes. Republicans contested that there was a scientific link between earthquakes and fracking. They also warned of an expected mass increase in lawsuits if the bill passes. Democrats framed the bill as a proactive protection of local communities that suffer as a result of oil and gas operations. The bill passed with all of Democrats except for Rep. Ed Vigil voting yes. Vigil, who represents the San Luis Valley, joined the Republicans voting against. Governor Hickenlooper has expressed concern with the bill, which will likely face a quick death in the Senate.

Advocates joined lobbyists in full force this week to lobby their legislators on a variety of issues and topics. Speak up for Kids Day at the Capitol brought down hundreds of attendees from a variety of organizations including the Colorado Children's Campaign, Colorado Head Start Association, Early Childhood Education Association among others. Advocates for kids spoke with legislators about their policy priorities including access to high quality education for all children despite their zip code, and ensuring all kids receive the physical and mental health care they need. In preparation for the March Revenue Forecast and finalization of the budget, rural superintendents, community college presidents,

college students and mental health professionals flooded the capitol for the Hospital Provider Fee Day at the Capitol. The attendees lobbied their legislators to support a proposal that would move the hospital provider fee to an enterprise so it doesn't count towards the TABOR revenue cap.

The Joint Budget Committee spent long afternoons and a few evenings reviewing budget items previously tabled. Much to the delight of the State Department of Human Services and County Human Services operations, the JBC approved over \$6 million for an additional 100 child welfare caseworkers to ease workload in the counties. The motion passed with only one committee member opposing. Despite the media coverage over the weekend around the loss of an almost \$145 million provider rate pay bump, the JBC was unable to continue to fund a rate bump initiated in 2012 as an effort to incentivize more primary care doctors to take Medicaid patients. The initial rate bump was covered with a mix of state and federal funds.

Friday morning, Legislative Council and the Office of State Planning and Budgeting delivered the March Revenue Forecast to the legislature. This is the last forecast before the Joint Budget Committee finalizes the FY 2016-17 budget. Legislative Council forecasts that the General Fund available for the current budget year (FY 2015-16) will be \$111.2 million short of the required 6.5% reserve, OSPB's budget shortfall estimate sits at \$98 million for the current fiscal year. For the upcoming budget year, the Joint Budget Committee has an additional 3.6% General Fund to spend over the FY 2015-16 appropriation and OSPB estimates there is actually 4.5% more General Fund to spend in FY 2016-17. State revenues came in lower than expected in the previous revenue forecasts because of slowing economic expansion, low commodity prices and a strong dollar. This means less money to spend in the next fiscal year and also less money that is needed for TABOR refunds.

Based on the Legislative Council forecast and the OSPB forecasts there will be no TABOR revenues in tax year 2016, \$58.9 million of TABOR refunds in tax year 2017, and \$246.1 million of TABOR refunds in tax year 2018. By all estimates, the Joint Budget Committee has more spent more than the 3.6-4.5% increase in General Fund will allow. Over the weekend, the Joint Budget Committee staff will prepare a comparison of what the Joint Budget Committee has spent based on actions taken so far and how the number compares to available revenue. **The General Assembly only has two official duties each legislative session and one of those is to pass a balanced budget for the state. Under the requirements of SB 09-228, the legislature is required to fund transportation and capital construction transfers at \$200million in FY 16-17, \$200 million in FY 17-18 and \$100 million in FY 18-19, under current projections. A change in law is required if the legislature does not want to meet this statutory requirements laid out in SB 09-228. Next week, the JBC will need to start making the cuts necessary to balance the budget.**

Bills of the Week

Broadband in Colorado During opening day speeches in January, House and Senate Democrats called for expanding high speed and affordable broadband internet throughout Colorado. SB 136, introduced by Senator Kerry Donovan and dubbed "The Broadband Deployment Act," faced challenges from the start. Despite weeks of stakeholder conversations, Senator Donovan wasn't able to gain support from any of the key players, and local governments and industry alike opposed the bill as introduced. The bill was assigned to the Senate's kill committee, and Senator Donovan asked that the committee postpone the bill indefinitely rather than go ahead with testimony due to the lack of support for the bill.

Increased Oversight of the Department of Transportation This week SB 122 by Representatives Nordberg and Brown passed the House Transportation and Energy Committee unanimously. The bill

increases oversight of the Department of Transportation by requiring CDOT to undergo a risk-based performance audit, report on its website information related to competitive bid contracts within 30 days of the contract award, and produce an annual report on money expended for payments to private contractors and total project costs including personnel costs. The sponsors worked hard to address concerns of stakeholders including the Department of Transportation. After amendments were adopted in the House and Senate, CDOT officially took a neutral position on the bill.

Ban the Box Introduced this week in the House, HB 1388 follows a national movement to ban a felony check off box on employee applications. This bill specifically prohibits employers from advertising that an individual with a criminal history may not apply and inquiring about a individuals arrest or criminal conviction until the individual has been offered an interview or an offer of employ. Any employer in violation of the law could face civil penalties. HB 1388 is sponsored by Representative McCann and was assigned to the House Judiciary Committee. It faces stiff opposition from the business community.

Legislative Council March Revenue Forecast:

<https://www.colorado.gov/pacific/sites/default/files/MarchForecast.pdf>

Office of State Planning and Budgeting March Revenue Forecast:

<https://drive.google.com/file/d/0B0TNLOctD9wXVzVJaVNnMI82RDA/view>

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