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Highlights of the Week

Mid-March felt like the end of April with so many prominent issues front and center at the Capitol. Ten bills which make up the police reform package were introduced this week. Many of the bills have bipartisan sponsorship, including SB 217 - Police Shooting and Data Collection; SB 219 – Peace Officer Shootings Transparency Measure; HB 1285 - Expand Use of Body-worn Camera; HB 1287 – Police Officer Training Improvements; and HB 1289 – Criminal Charges Based on Unlawful Order. They are not yet on the House Calendar. The Construction Defects Reform Legislation, SB 177, passed its first test with bipartisan support on Wednesday. For more than seven hours, opponents and proponents made their case for and against the legislation. In the end, Senator Cheri Jahn (D-Wheat Ridge) joined Republicans to support the bill. The bill could be heard on the Senate Floor as early as Monday. HB 1258, FAMI Insurance Program Wage Replacement, received initial approval on Thursday afternoon from the House Health Insurance and Environment Committee on a party line vote. Proponents argued that the United States is one of the only industrial countries without a program to provide paid leave in family emergencies, while opponents countered that states that have adopted similar programs such as California are lagging behind economically specifically because of the mandate that employees pay into an insurance fund. The bill is expected to face an uphill battle if it makes it to the Senate.

Workforce Development

The first set of bills in the Workforce Development Package were heard in the House Business Affairs and Labor Committee Thursday. All three bills received bipartisan support. HB 1231 by Reps. Kraft-Tharp and Esgar, continues a program that allows long-term unemployed individuals to obtain enhanced unemployment insurance benefits if they participate in a skills training program. HB 1274, by Reps. Melton and Garnett, directs the state workforce development council to coordinate with industry in the state to design a career pathways program for needed occupations and HB 1276, by Reps. Pabon and Williams, creates matching grants to assist in the outreach, recruiting, and training efforts of organizations offering skilled worker training programs.

Budget

The much anticipated March Revenue forecast was presented to the JBC, a handful of legislators, and an anxious crowd on Wednesday morning. This was the final revenue forecast before the budget is finalized. Both Natalie Mullis, the Chief Economist for Legislative Council and Henry Sobanet, Director of the Office of State Planning and Budgeting, presented economic forecasts. The economy in Colorado continues to recover and unemployment now sits at 4.2%. Legislative Council forecasts that General Fund revenue is expected to be \$49.1 million higher than the amount budgeted. However, \$69.7 million needs to be set aside for a TABOR limit refund. Legislative Council forecasts that TABOR will also exceed the cap in FY 2016-17 by \$116.8 million and \$434.9 million in FY 2017-18. The General Assembly will have \$831.4 million or 8.7% more to spend in FY 2015-16 over the previous year. According to the Office of State Planning and Budgeting, projections for General Fund revenue are unchanged from the December 2014 forecast. They do expect to have 8.8% more money to spend in FY 2015-16 over the previous year. OSPB believes that TABOR revenue is going to exceed the cap by \$216.2 million in FY 2014-15, \$120.4 million in FY 2015-16, and \$316.6 million in FY 2016-17. The reason revenue is far exceeding the TABOR revenue cap is because cash funds came in much higher than expected. The TABOR revenue cap is also having an effect on transfers authorized through SB 228. When personal income hit 5%, five years of general fund will transfer to the Capital Construction Fund and the Highway Users Tax Fund. However, the transfers are cut in half if the TABOR revenue cap is between 1-3% of general fund and they completely disappear if the surplus exceeds 3%. The Legislative Council forecast estimates that the transfers will be cut in half for FY 2015-16 and be eliminated for FY 2016-17. For FY 2015-16, the HUTF will receive \$102.6 million and the Capital Construction Fund will receive \$25.7 million. OSPB agrees that the SB 228 transfers will likely be cut in half; however, they did note there was a possibility that if TABOR revenues came in smaller than expected a full transfer could occur. On Thursday, the Joint Budget Committee decided to balance their budget for the current and coming year to the more conservative Legislative Council Forecast.

The Joint Budget Committee received permission from leadership to delay introduction of the budget up to a week. (It was originally scheduled for introduction by March 23rd and now looks to be introduced sometime between March 25 – 31.) Key decisions this week included approving an additional 100 child welfare county caseworkers, fully funding the modernization of the Child Welfare Case Management System, adopting the Oil and Gas Taskforce Recommendation of 12 additional FTE and \$1.36 million cash funds from the Severance Tax Operations Fund, setting aside \$75 million for the school finance act, increasing targeted provider rates for in-home respite care as well as forensic psychologists and psychiatrists who perform sanity and competency evaluations for the courts, and adjusting the Capital Construction Prioritization list to include some life-safety projects. The JBC acted on revised recommendations for higher education operating funding, putting the equivalent of 11% additional funds in to institution budgets, through the new funding formula and adjustments agreed to by institutions. The Governor's request of \$30 million for the College Opportunity Scholarship Initiative was reduced to \$5 million with the majority of the balance used for financial aid and an additional request for grants for institutions was not funded. The JBC remains about \$125 million over budget, and is scheduled to meet again Monday to discuss possible adjustments to how the state funds continuously eligibility for Medicaid and make final

adjustments to bring the budget in balance. The JBC also tied up months of disagreement on whether or not to fund the DMV offices that provide drivers' license for undocumented individuals. The original request from the Department of Revenue was funding to continue offering the drivers licenses at 5 offices. However, the request was denied by the JBC and became a political football in the House and Senate. Finally on Wednesday during Conference Committee, the JBC agreed to fund 3 of the 5 offices at \$66,000.

Bills of the Week

Minimum Wage in Colorado Two bills were introduced Thursday afternoon related to minimum wage in Colorado. HB 1300 by Representative Dominick Moreno would allow cities and towns in Colorado to set their own minimum wage. HCR 1001 also by Representative Moreno and Representative Melton would put the issue of minimum wage on the ballot. The concurrent resolution would increase minimum wage from \$8.23 to \$12.50 by 2020. To pass and be placed on the ballot, the concurrent resolution needs 2/3rds support. There are no Republicans signed on to the introduced versions of these measures.

P-Tech Schools This week HB 1270 by Representatives Duran and Foote passed the House Education Committee with strong bipartisan support. The legislation authorizes the operation of a limited number of pathways in technology early college high schools in the state (P-Tech Schools). A P-Tech school enrolls students in grades 9-14 in programs that focus on science, technology, engineering, and mathematics. The schools combine high school and college level courses. A graduate is expected to receive not only a high school diploma but an associated degree in applied science. HB 1270 is part of the workforce development package.

Precipitation Collection in Rain Barrels On Monday, the House Agriculture Committee considered HB 1259 by Representatives Esgar and Danielson, Residential Collection of Precipitation in Rain Barrels. The bill allows the collection of precipitation from the roof of a home in up to two rain barrels with a combined storage capacity of 100 gallons or less if certain conditions are met. The precipitation collected must be used for outdoor purposes on the residential property where the precipitation is collected, including irrigation of lawns and gardens. Lastly, the precipitation must not be used for drinking water or indoor household purposes. The bill was supported by Conservation Colorado and Denver Water while opponents included South Metro Water Supply Authority. The bill passed 8-5.

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