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Highlights of the Week

The budget received its first test in the Senate this week. On Wednesday, the Long Bill and its 18 accompanying bills that make up the budget package, were debated on the Senate Floor for more than nine hours. Senators offered 51 budget amendments, all of but three of which failed. The big issues of the 2015 legislative session were reflected in the amendments ran, including education, substance abuse and use, economic development in rural Colorado, targeted rate increases for providers, affordable housing, and oil and gas regulation. Republicans from the Senate Education Committee brought the testing debate to the floor with an amendment to defund Colorado's standardized assessments/PARCC, which would have saved the state \$16.9 million in general fund. Opponents pointed out that without a replacement, such a move would risk several million in federal funds for K-12. The amendment was defeated 11-24. One of the nine consensus recommendations from the Oil and Gas Taskforce was funding for an increase in inspectors for the Oil and Gas Conservation Commission. An amendment was run to take funding away for the inspectors. The amendment threatened the careful compromise between local communities, environmentalists and the oil and gas industry, and failed. Senator Matt Jones, a vocal critic of the oil and gas industry, also ran an amendment to add ten inspectors. That amendment also failed. In the name of rural Colorado, Senator Donovan ran an amendment to increase funding for rural broadband by \$5 million and the Pueblo delegation ran an amendment to fund \$1.5 million of the Southwest Chief Railway (both failed). The affordable housing debate took center stage when Representative Kefalas introduced an amendment to provide \$4.3 million to the Department of Local Affairs for affordable housing grants. The amendments that did pass included \$750,000 for rural economic development grants, \$300,000 for an agriculture leadership initiative, and \$900,000 continuous spending authority for the Department of Human Services Child Care Automated Tracking System.

Although partisan tensions were mostly absent during Wednesday's debate, they were very present during the final vote on the budget Thursday morning. At final reading, Senate Democrat leadership expressed their disappointment in the budget process and said that they

felt their voices and ideas were shut out. Constant comparison was made to the prior year when 11 amendments were passed and this year only three passed. Senate President Bill Cadman was not pleased with their rebukes of the budget and the process. He countered that the JBC worked diligently together, in a bipartisan manner, to build a bipartisan budget and the process was followed in an appropriate and respectful manner. Three Democrats voted with the Republicans to pass the budget 21-14. The House will tackle the budget starting Tuesday and are hoping for stronger bipartisan support.

The Senate is done with the budget but many high profile issues remain on their plate. On Monday, the full Senate is expected to debate SB 177 - the contentious construction defects reform legislation. Senate Minority Leader Morgan Carroll along with many other Senate Democrats are ardent opponents and the debate will likely span many hours. The Senate is also scheduled to take up legislation aimed at increasing the autonomy of the child protection ombudsman office (ADD #), a parent opt-out bill for K-12 testing, and legislation related to authority to grant charter school status in districts on "Turn Around" or "Priority Improvement" status for three years straight. Next Thursday, the Senate Education committee will tackle five standards and assessment related bills in their first hearing. The bills at hand include a measure that would significantly impact Colorado's teacher evaluation system, legislation to reduce testing in Colorado to the minimum required by the federal government, a decrease in statewide social studies testing, and a bipartisan bill that would trigger revision of Colorado's academic standards and reduce assessments (SB 257).

While the Senate dug in to the budget, the House worked late in committee. A package of Police reform legislation was heard late into the evening by the House Judiciary Committee on Tuesday and Thursday. The House Judiciary Committee unanimously passed legislation related to officer training and to require police to wear body cameras. The committee killed legislation to require a court to dismiss all charges against a defendant that were based on a violation of an unlawful order. They were concerned the bill would have unintended consequences. Another bill, HB 1290, which would prohibit law enforcement from destroying a recording device, was laid over for further work. The House also wrapped up action on key bills in the workforce development package. HB 1270 by Majority Leader Duran, will allow Pathways in Technology Early College high schools to operate in Colorado. The bill passed the House on 3rd reading Thursday. The House Finance Committee also passed legislation to authorize the Colorado Existing Industry Training Program to fund mobile learning labs. The mobile learning labs are trailers or stand-alone vehicles equipped to provide training on the site of an educational facility, employer, or other remote location.

Pressure is building around another hot topic related to Colorado's budget. A coalition of K-12, higher education, infrastructure/transportation, and fiscal advocates are pushing to categorize the Hospital Provider Fee (HPF) as an enterprise. Changing the HPF would mean that HPF revenues (\$600 million collected from hospitals) would no longer be counted toward the TABOR revenue trigger. The Denver Post and the Denver Business Journal have seen several op-eds and guest commentaries urging action to this end.

Bills of the Week

Pay for Success A bipartisan effort to expand access to preventative services in Colorado has been introduced in the House. HB15-1317 by Reps. Garnett, Rankin and Sens. Johnston and Rankin, will allow the state to enter into Pay for Success contracts. In a PFS contract, a philanthropic or private investor provides initial funding for interventions services that could eventually save public dollars down the line. Only if the intervention program reaches an agreed upon threshold of success within the contractual period and verified by an independent third party are investors paid. Advocates envision that the legislation will encourage innovative approaches to services that head off the need for expensive interventions over time. The bill is scheduled to be heard in the House Business and Labor Committee on April 9.

K-12 Assessment Changes On Monday the House introduced HB 1323 by Representatives Bucker (D) and Wilson (R). The proposal largely reflects recommendations from the Assessments Task Force that met over the interim. Some key provisions of the legislation include eliminating all state mandated testing in 12th grade and 11th grade (with the exception of the 11th grade ACT test), streamlining early readiness and READ Act assessments, and allowing paper and pencil assessments to be given at a district's discretion. The introduced version makes the 9th grade PARCC assessment optional, which was not a consensus recommendation of the task force. The bill is scheduled to be heard along with several other bills in the House Education Committee on April 6.

Overtime in Colorado HB 1331 by Representative Tyler addresses the issue of overtime in Colorado. The bill limits the discretion of the Director of the Division of Labor in creating an exemption to Colorado's regulatory overtime requirements for employees that are considered administrative, executive, supervisor, or professional. The bill sets a minimum salary requirement pegged at three times the state's minimum wage. The bill is scheduled for the House State, Veterans and Military Affairs Committee. Business groups have come out in opposition.

Out-of-Network Health Care Provider Charges Senator Aguilar introduced legislation related to out-of-network health care provider charges late in the week. Proponents of SB 259 point to situation where consumers have received unexpected and significant bills from out of network providers. Health care providers are reviewing the measure and fear unintended consequences and over-regulation. Health plans are supportive. The bill was assigned to the Senate Business, Labor and Technology Committee.

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