

2012 COLORADO GENERAL ASSEMBLY

WHAT HAPPENED AT THE CAPITOL THIS YEAR?

WHAT LIES AHEAD?

*PREPARED BY TAMRA WARD, COLORADO CONCERN
& DANNY TOMLINSON AND ED BOWDITCH,
TOMLINSON & ASSOCIATES*

MAY, 2012

“THE TABLE”

11-Year Comparison

	<i>FY 00-01</i>	<i>FY 11-12</i>	<i>Change</i>	<i>% Change</i>
Colorado Population	4,456,000	5,116,800	660,800	14.8%
K-12 Enrollment	724,508	854,265	129,757	17.9%
Higher Ed Resident Enrollment (FTE)	123,256	166,703	43,447	35.2%
Prison Population	16,833	22,610	5,777	34.3%
Medicaid Recipients	275,399	632,511	357,112	129.7% (Increase 5,000/month in 2011)
Colorado General Fund (in millions)	\$6,553	\$7,478	\$926	14.1%
CU-Boulder Resident Tuition	\$2,514	\$7,672	\$5,158	205.2%
CU-System General Fund	\$206,664,144	\$145,775,732	(\$60,888,412)	-29.5%

PER CAPITA COMPARISON

	<i>FY 00-01</i>	<i>FY 11-12</i>	<i>Change</i>	<i>% Change</i>
GF Collected Per Person	\$1,470	\$1,461	(\$9)	
Percent of Population in Prison	0.38%	0.44%	NA	17.0%
Percent of Population on Medicaid	6.2%	12.4%	NA	100%
Total Excise Tax Collected/ Per Capita	\$2,006,300,000 \$450	\$2,323,100,000 \$454	\$316,800,000 \$4	0.8%
Personal Income Tax Collected/ Per Capita	\$4,017,800,000 \$902	\$4,496,100,000 \$879	\$478,300,000 (\$23)	-2.5%
Corporate Income Tax Collected/ Per Capita	\$329,700,000 \$74	\$393,900,000 \$77	\$64,200,000 \$3	4.0%
Other GF Sources/ Per Capita	\$363,000,000 \$81	\$243,300,000 \$48	(\$119,700,000) (\$34)	-41.6%

WHAT DO THE VOTERS THINK?

Direction of things in your part of the state today?

- Right track – 44%
- Wrong track – 43%
- Unsure – 12%
- Refused – 1%

Economic Slowdown

- Major problem – 75%
- Minor problem – 18%
- Not much problem – 5%
- Unsure – 2%

State Budget Crisis

- Major problem – 73%
- Minor problem – 19%
- Not much problem – 5%
- Unsure – 3%

Growth in the size and scope of government

- Major problem – 44%
- Minor problem – 31%
- Not much problem – 20%
- Unsure – 5%

Source – Hill Research Consultants
March, 2012 Survey of 601 likely voters

WOW

What happened in the last 3 days???

Civil unions (SB12-002) turned the General Assembly into a decidedly uncivil body for a few hours and caused chaos with more than 30 bills that were scheduled to pass with little or no controversy. *These bills “died on the calendar.”*

Governor Hickenlooper got involved – met with Speaker McNulty to no avail. Governor called a *Special Session*.

Several of the bills that failed were successfully amended onto other legislation and ultimately passed, but two very important bills –and UI Trust Fund (SB 12-177) – which would save Colorado businesses as much as \$20 million per year on UI and Water Projects (SB 12-165) were not. Both were on the Special Session call and both passed – HB 12S-1102, UI Revenue Bonds and SB 12S-002, CWCB water projects. Also, SB 12S-001, special mobile machinery registration passed.

“BIG” ISSUES

Split Control of the Houses = Moderation

Single party control 2006-2010 (Democrat majority in both houses and Governor's office)= more bills

Fewer bills in 2012 (538) than in 2011 (586); 2010 (642); 2009 (664); 2008 (659); 2007 (642); 2006 (650)

“BIG” ISSUES-CONTINUED

Budget - \$7.5 billion GF (6.6% increase over FY 2011-12)

- Senior Homestead Property Tax Exemption restored (Approximately \$100 million)
- Cuts to K-12 and higher education largely avoided – though 111 of 178 K-12 districts are receiving less because of declining enrollments
- Caseload increase in Medicaid – nearly 5,000 added per month in 2011
- Aging population and services for seniors – funding increased
- Closed a prison – CSP II - \$4.5 million and 71 FTE
- Restored PERA 2.5 percent shift to state employees from past years
- Anticipated \$5 million for State Strategic Fund and \$3 million for film incentives

Election Year

- Impact of reapportionment of legislative district boundaries
 - At least 33 new legislators next year because of term limits, decisions not to run for re-election or reapportionment ([Denver Post](#), May 6, 2012)
 - Changes in leadership – Senate President and four committee chairs; seven committee chairs in the House

Republicans want to keep the House and seize the Senate, Democrats want to keep the Senate and pick up a seat in the House, giving them majority control in the House

“BIG” ISSUES - CONTINUED

Medicaid Pilot – HB 1281 – passed (establishes “global payment” pilot project in Department of Health Care Policy & Financing)

HIRE – SB 1- preference in hiring and cornerstone of Senate Democrats “JOBS” package, but opposed by business community - failed

Transparency in Litigation – SB 153 – possibly the most “hated” bill of the session by the business community, but loved by the trial lawyers - failed

Prompt pay – SB 181- seemingly an annual attempt – generally opposed by business and local & state government - failed

Unemployment Insurance Bond – SB 177 – would have saved business community about \$20 million/year in cost of UI by being able to bond the UI Trust Fund debt – failed – later passed in the Special Session.

Enterprise Zones – HB 1241- will create a task force at OEDIT to take an objective look at EZ’s and make recommendations by November 1, 2013 – strongly supported by business and economic developers – “*Do No Harm*” - passed

Civil unions – SB 2 – Several key Republicans supported – failed. Also failed in special session.

Repeal of SB 11-200 (implementation of Affordable Care and Patient Protection Act) – SB 12 - 053 - failed

“BIG” ISSUES - CONTINUED

Commercial Space Flight – SB 35, limitation on liability for space flight – passed 35-0 and 65-0 and signed by Governor at National Space Symposium

- Colorado has the 2nd largest aerospace workforce in the country – average annual salary of \$110,000 +
- Eight of the nation’s top aerospace contractors have significant operations in Colorado
- Governor Hickenlooper has endorsed the application by Front Range Airport in Watkins to the FAA for designation as a spaceport
- DIA and FTG are geographically ideal for commercial space-related activities

HB 1238 – Early childhood literacy – passed (with additional funding of \$20 million)

PERA

- **No PERA legislation passed** this year – several bills were introduced
- Can we feel confident that PERA will continue to generate 8% returns?

Constitutional Reform

- **HCR 1001 – personnel system reform passed** (hiring rules, residency requirements and testing of prospective employees) – will appear on November ballot
- **HCR 1003 – initiative reform died**
- **HCR 1002 – senior property tax reform (means testing) died**

“BIG” ISSUES - CONTINUED

Pinnacol Assurance Privatization – high priority for Pinnacol Board and Governor Hickenlooper – cool reception from the business community and organized labor resulted in no legislation being introduced. Sizeable amounts of money spent by Pinnacol on lobbyists, consultants and attorneys.

HB 1360 – additional \$4 million for Strategic Fund in OEDIT – based on June, 2012 revenue forecasts – along with \$1 million in Long Bill – total of \$5 million

More than 180 appointments to various boards and commissions by Governor Hickenlooper but were not assigned to committees for confirmation hearings until mid-March.

“BIG” ISSUES - CONTINUED

ASSET bill – SB 15 – tuition assistance for undocumented students - failed

Fracking – Rules and regulations adopted by the Colorado Oil & Gas Commission in December, 2011 are being hailed as model regulations for every state. No significant legislation passed.

Colorado Parks & Wildlife – legislation passed in 2011 combined the Division of Wildlife and the Division of Parks. HB 12-1317 restructures the CPW Board – but not without controversy. Passed in the final hours of the session.

Personnel system reform – high priority for Governor Hickenlooper and HCR 1001 and HB 1321 passed. HCR 1001 will be on the November ballot.

“BIG” ISSUES - CONTINUED

Telecom Reform – SB 157 – Rural phone companies loved it, CenturyLink opposed it – lots of discussion and dialogue and ultimately killed at the sponsor’s request. Issue was about the “High Cost Fund” and the subsidy to rural areas.

Governor’s Energy Office (GEO) – was set to sunset on June 30, 2012. HB 1315 reorganized the office, included focus on renewable energy and oil & gas and the bill passed on the final day.

NEXT YEAR?

Revenues – will they continue to climb?

Who will be in charge? With balance, we seem to have more control of our future.

Did the civil unions bill help or hurt either party? Does the public know? Dueling polls. What about the impact of the special session?

HB 12-1360 – OEDIT funding for Strategic Fund hangs in the balance – need a continuing increase in revenue forecasts

Higher education has dropped from 10.3% of the GF spending in FY 07-08 (\$746.2 million) at a time when we were coming out of an economic downturn to about 8.2% for FY 12-13 (\$619.6 million). Are we defaulting to a system of private higher education?

K-12 – what will happen with Lobato?

Transportation – basically no HUTF money...again?

Economic Development/Jobs - ???

BALLOT ISSUES - 2012

Approved:

- **Amendment 64** – would make Colorado the first state to legalize possession and consumption of up to **one ounce of marijuana**. Also allows growing, manufacturing, testing and retail marijuana facilities across Colorado.

In process:

- **Twenty-six measures have had titles set.** Some are duplicative.
- **Those to watch** in coming months:
 - **Water law reform** (Initiatives #3 and #45) – Constitutional measures rewriting Colorado's system of water right allocation from one based on the prior appropriation doctrine to one based on a public trust doctrine, whereby the state's public interest supersedes any particular water right.
 - **Banking reform** (Initiatives #84, #94 and #95) – Constitutional measures focused on authorizing state and local government banks, as well as changes that would require additional steps by financial institutions prior to foreclosing on a property. Other proposed changes include publication of documents that note personal information such as Social Security numbers.

BALLOT ISSUES - 2012

- **Ballot Access Reform** (Initiatives #67, #68 and #69) – Constitutional proposals to make it easier to place statutory initiatives on the ballot by lowering the signature threshold and prohibiting the legislature from repealing or amending a statutory measure unless three-fourths of the legislature votes to do so.
- **Local Control of Subdivision** (Initiatives #87 and #88) – Statutory proposals to change the minimum acreage for application of local subdivision law from the current 35 acres to 160 acres (#87) or to 640 acres (#88).
- **Personhood Amendment** (Initiative #46) – Similar to the measure defeated in 2008.

Colorado has the easiest, least restrictive process for placing initiatives on the ballot of the 24 states that have an initiative process.

Costs of (generally) fighting ballot initiatives – *At least \$18 million since 2005!*

TERM LIMITS

Impact?

- Loss of leadership, institutional knowledge
- Steep learning curve every two years for a significant number of legislators
- Partisan staff are more influential

Fifteen states have term limits

- Passed in 21 states
 - Repealed in two – Idaho and Utah
 - Thrown out by State Supreme Courts in four – Massachusetts, Oregon, Washington, and Wyoming
 - Fifteen states currently have term limits – Maine, California, Colorado, Arkansas, Michigan, Florida, Ohio, South Dakota, Montana, Missouri, Oklahoma, Nebraska, Louisiana, Nevada

COLORADO TERM LIMITS

Eight years – Two 4-year Senate terms or four 2-year House terms, but may run for other house

	1998	2000	2002	2004	2006	2008	2010	2012
Colorado House – 65 members	18	10	7	7	11	8	8	8
Colorado Senate – 35 members	9	11	5	5	4	7	4	6

REAPPORTIONMENT, ELECTIONS

Occurs every 10 years after the federal census

Colorado losing additional three state Senators and nine Representatives due to reapportionment

Three Representatives (not term limited) are running for the state Senate

Two Representatives (not term limited) are running for the U.S. Congress

Three Representatives (not term limited) have chosen not to run for re-election

One Senator and one Representative have already resigned mid-term

Unknown number of incumbents will be defeated

At least thirty-three of 100 Colorado legislators will be “new” in 2013! More likely, this number could be 40+

NCSL estimates that in January, 2013 over 40% of all legislators across the 50 states will be “new”

REASONS?

Legislative pay

- \$30,000 per year
- Per diem
 - \$45/day for legislators in Denver Metro area
 - \$150/day for those outside Denver Metro area

Campaign costs

- According to www.followthemoney.org in **2010** –
 - Colorado House of Representatives
 - Total of 139 candidates
 - \$5,085,353 total contributions
 - **\$36,585 average cost of House campaign**
 - Colorado Senate
 - Total of 49 candidates
 - \$2,498,355 total contributions
 - **\$50,987 average cost of Senate campaign**
- These amounts do not reflect 527 spending

Personal sacrifice – Huge time commitment, your entire personal and professional life are open to review as a candidate or legislator