

# MEMORANDUM

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**TO:** Joint Budget Committee Members

**FROM:** John Ziegler, JBC Staff

**SUBJECT:** Summary of Potential JBC Bills Discussed During the FY 2017-18 Briefing and Hearing Process

**DATE:** January 17, 2017

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Attached for your consideration is a list of potential legislation that was discussed during the FY 2017-18 briefing and hearing process. This potential legislation may have been requested by the department, recommended by the staff, or suggested by a JBC member. Pursuant to the Joint Budget Committee rules, a unanimous vote of the JBC is necessary for a bill to be considered a JBC bill.

Please note that this list only includes items discussed during the briefing and hearing process. There may be other bills requested or recommended during the supplemental and figure setting processes upon which the JBC will take action. I have included the name of the staff analyst that is assigned to the particular issue on the list. I have also included the file document name and page number if the request was a recommendation made during a staff briefing.

## **AGRICULTURE**

1. 12/20/2016 – Tom Dermody (Agr-brf, page 8) - Staff recommends that the Committee consider amending Section 38-13-116.7 (3) (a) (I), C.R.S., to transfer 25.0 percent of the interest earned in the UPTPTF to the General Fund instead of the SFCF. This will partially offset the staff recommended General Fund appropriation to the Colorado State Fair Authority. This will require the Committee to sponsor legislation making the necessary adjustments to statute.

## **EDUCATION**

2. 12/7/2016 – Craig Harper (EDU-brf, - page 26) - Staff recommends that the General Assembly act to address the current inequities in the school finance property tax system. Specifically, staff recommends that the General Assembly refer a statewide measure to the voters that would: 1) Return the state to a uniform (statewide) mill levy for school finance property taxes such that each school district's total program mill levy would be the lesser of the statewide mill levy or the mill levy necessary to fully fund the district's total program with local revenues. 2) Allow mill levies in districts that are fully locally funded (at less than the statewide mill levy) to "float" on an annual basis below the uniform mill levy to continue to fully fund the district without requiring state funds.

## **GOVERNOR'S OFFICE**

3. 11/17/2016 – Kevin Neimond (govbrf, page 18) - Staff recommends that the Joint Budget Committee sponsor legislation to continue funding the operations of the Colorado Energy Office for an additional five years with General Fund and revenue from severance tax collections.
4. 11/17/2016 – Kevin Neimond (govbrf, page 18) - Staff recommends that the Joint Budget Committee sponsor legislation to reauthorize the Economic Development Commission and its duties related to directly providing incentives, overseeing various other job creation incentive programs within the Office of Economic Development and International Trade, and administering the Colorado Economic Development Fund.

## **HEALTH CARE POLICY AND FINANCING**

5. 12/19/2016 – Megan Davisson (HCPF-OCL-brf, page 20) - Staff recommends the Committee sponsor legislation to: (1) Include a statutory creation and definition of a qualified case management agency (QCMA) and define specific qualifications and monitoring expectations of QCMA's; and (2) Modify the statutory definition of Community-Centered Board (CCBs) to clarify these are not the only entities which can provide case management, while still protecting portions of the definition that are essential to CCBs serving their entire community.

## HIGHER EDUCATION

6. 12/13/2016 - Amanda Bickel (HED-brf, page 112) - Staff recommends that the Committee sponsor legislation to:
  - Form an open access educational council with representation from the higher educational institutions, the Department of Higher Education, the State Librarian, and the department of Education to explore state policy options for expanding the dissemination and use of open access materials. This initiative should include expansion of an existing website for the State Library or the Department of Higher Education with links to open educational resources for gtPathways courses. Such a website could also provide a central state portal for linking to open access materials and initiatives at state institutions.
  - Create a grant program, initially funded at the \$1.0 million level, to promote the identification or development, organization, adoption, and use of open educational resources for gtPathways courses. (The gtPathways courses are lower-level “common core” undergraduate courses that are transferrable across all Colorado public institutions.) The grants should focus on high enrollment courses that are commonly used for concurrent enrollment. Based on the experience of other states, staff anticipates that this initiative will require at least as much support for publicizing, promoting, educating and assisting interested faculty in using open access materials as it will for developing and organizing the materials themselves.
  - Consider requiring that all research publications produced by faculty at state institutions be made freely available and deposited to institutional archives after no more than a 12 month embargo. While the State provides virtually no direct support for faculty research activities, the state institutions are component parts of state government, and the State has a compelling interest in the wider dissemination of research developed at state institutions.

Follow-up: (1) In hearing responses, the Department and institutions appeared generally supportive of the staff idea for an open educational resources grants program. Staff understands that Chief Academic Officers at the institutions have committed to discussions to assess faculty support. *If the JBC is generally supportive of this idea, staff requests permission to work with the State Librarian, Department, and governing boards on grant program details and timing that could be included in a bill.* (2) Based on hearing responses, staff believes the recommendation to make faculty research freely available after a 12 month embargo may require further research by the higher education institutions. Staff recommends that the Open Access Educational Council (which staff recommends be created through the new legislation) be required to submit a report and recommendation on this topic.

7. 12/13/2016 – Amanda Bickel (HED-brf, page 91) – Staff has recommended various changes to improve the transfer process. Some of these may require statutory changes. For example, staff has recommended requiring that all concurrent enrollment courses and other dual enrollment classes offered for college and high school credit at high schools either be classified as gtPathways or, if CTE (career and technical education), that students are informed how this fits into a certificate or degree pathway. Based on further discussions with the Department, staff will likely recommend additional legislative components at a later date.
8. 12/13/2016 – Amanda Bickel (HED-brf, page 79) – The Committee should consider legislation that would enable History Colorado museums to operate outside of OIT, as is permitted for all other higher education institutions. The museums must provide public-facing internet access and related public-facing services in remote parts of the state. This

function is very different from that needed for most state government agencies, and History Colorado reports that OIT has great difficulty meeting these needs.

Follow up: In hearing responses, History Colorado outlined various significant concerns about the services it receives from OIT. It indicated it was in discussions with OIT regarding whether issues could be addressed administratively or whether a bill would be appropriate. OIT has not yet responded to the Committee's request for feedback. *Based on information received thus far, staff recommends the Committee sponsor legislation that would: (1) give HC the option of removing the community museums from OIT effective July 1, 2017; and (2) require a report on the costs/benefits of removing all of HC from OIT so that this could be considered in the 2018 legislative session.*

9. 1/5/2017 – Sen. Lambert – Based on comments during the Higher Education budget hearings, consider legislation to eliminate unnecessary performance contract requirements. Staff is currently compiling information on the existing provisions in statute and soliciting feedback from the Department.

## **HUMAN SERVICES**

10. 12/8/2016 - Robin Smart (HUM-EDO/CW/OEC-brf, page 25) - Staff recommends that the Committee consider sponsoring legislation that requires the Department of Human Services to work with the Department of Education to develop a system through which suspension and expulsion data on children from birth through five years of age in licensed child care and preschool settings can be gathered, and to report aggregate data within specified demographics to the Joint Budget Committee and appropriate Senate and House Committees of Reference on an annual basis. Legislation should address data sharing agreements. In addition, Staff recommends that this legislation create a group of subject matter experts and relevant stakeholders for the purpose of establishing an evidence-based early warning system to early identify children at risk for discipline. Staff recommends that the Committee identify specific funding for use by Collaborative Management Programs in serving early childhood targeted populations in addition to the populations each local program currently serves. Finally, Staff recommends that this legislation create a program that provides transitional supports to children moving from Part C to Part B services under the Individuals with Disabilities Education Act.
11. 12/8/2016 - Robin Smart (HUM-EDO/CW/OEC-brf, page 30) - Staff recommends that the Committee sponsor legislation that requires the Department of Human Services to record data in Trails about referrals, assessments, and open child welfare cases associated with the exposure of children to marijuana, both in the form of use by parent and direct contact by the child. Staff recommends that the legislation include language allowing funds from the Marijuana Tax Cash Fund to be used for the delivery of child welfare services.
12. 12/21/16 – Lundberg (requested of Robin Smart) – Senator Lundberg requests legislation that will change the definition of “Entity” in the statute pertaining to the Tony Grampsas Youth Services Program (Section 26-6.8-101, C.R.S.) to remove the language that restricts schools or groups of schools that apply for grant to those that are “non-sectarian.”

## LABOR AND EMPLOYMENT

13. 11/16/2016 - Vance Roper (LAB-brf, page 23) - Staff recommends the JBC sponsor legislation for a narrowly tailored change to Section 8-81-101, C.R.S. changing a false statement for unemployment insurance from date of last act to date of discovery.

After reviewing the Department's hearing responses, staff no longer recommends that the Joint Budget Committee sponsor this legislation. According to staff analysis, sponsoring this recommendation would lead to a larger case backlog. This would require additional FTE to process the new cases and to deal with the increased case backlog.

## LOCAL AFFAIRS

14. 11/29/2016 - Department Request - JBC Staff - Amanda Bickel (LOC-brf, page 18) - The Department requests new legislation to authorize use of the Marijuana Tax Cash Fund for housing initiatives. It also requests a high degree of flexibility in using the funds, including the ability to roll-forward funding into subsequent years. *If the Committee sponsors legislation to allow MTCF for permanent supportive housing, staff recommends adding statutory provisions to formally create a state program to reduce homelessness, with various evaluation and reporting requirements.*
15. 11/29/2016 - Amanda Bickel (LOC-brf, page 29) - If the Committee wishes to move forward with the request for funding related to the closure of the Kit Carson Correctional facility, staff recommends sponsoring related legislation. The Kit Carson request would directly backfill lost local government revenue related to closure of a prison. OLLS is of the opinion that the Department has no statutory authority for this activity. If desired, new legislation could authorize a grant program for the purpose of addressing closure of a state-operated facility or another dominant employer in a rural region and allowing grants for temporary backfill of lost local government revenue, economic planning, and government infrastructure. *On November 17, 2016, OSPB submitted a letter indicating that it would support a statutory change related to the Kit Carson request if the JBC feels it cannot appropriate funds for this without one.*
16. 11/29/2016 - Amanda Bickel (LOC-brf, page 29) - If the Committee wishes to move forward with the request to expand funding for Department staff using mineral impact funds, staff recommends legislation to authorize use of these funds for department administration. While the General Assembly has a longstanding practice of using energy and mineral impact funds for Department administration, there is no specific statutory authority that supports this use. *The Committee chose not to carry such legislation during the 2016 session, but, in light of the request for additional funding, staff is bringing this issue to the Committee's attention again.*

## MILITARY AFFAIRS

17. 11/16/16 – Tom Dermody (MIL-brf, pg. 10) Staff recommends amending Section 23-3.3-202, C.R.S., to ensure that staff's proposed consolidation of the National Guard Tuition Fund Long Bill appropriations aligns with statute.

## NATURAL RESOURCES

18. Rankin/Hamner/Lambert – JBC Staff = Scott Thompson – See H.B. 16-1433: Concerning the creation of a reserve that includes state severance tax revenue that is a voter-approved revenue change to the constitutional limitation on state fiscal year spending, and, in connection therewith, creating the severance tax reserve fund; requiring severance tax revenue that exceeds an annual cap to be deposited in the reserve; seeking voter approval to retain and spend the severance tax revenue deposited in the reserve; permitting the general assembly to use money from the reserve if there is insufficient money to pay for programs supported by the severance tax; and requiring any money in the reserve that exceeds a reserve cap to be transferred to the Colorado water conservation board construction fund.
19. Governor – JBC Staff = Scott Thompson – Transfer Severance tax in FY 2016-17 (\$31.7 million) from the S.B. 16-218 reserve account and FY 2017-18 (\$45.7 million) to the General Fund. *Staff anticipates that the Committee will wait to take action on this issue until the financial implications of changes to severance tax administration and budget balancing needs are clearer.*

## PERSONNEL

20. 12/14/2016 – Lundberg/Rankin –JBC Staff = Alfredo Kemm - Eliminate the statutory requirement that a certain percentage of alternative fuel vehicles must be purchased at up to a 10 percent increased cost of petroleum fueled vehicles.

## PUBLIC HEALTH

21. 11/28/2016 - Megan Davisson (PubHea-brf, page 32) Staff recommends the Committee sponsor legislation that:
  - a. Adjusts the Clean Water Fees so that each sector as follows for three years:
    - i. Commerce and Industry - 50% GF and 50% CF
    - ii. Construction – 20% GF and 80% CF
    - iii. Municipal Separate Storm Sewer Systems (MS4s) - 50% GF and 50% CF
    - iv. Pesticides – 94% GF and 6% CF
    - v. Public and Private Utilities – 50% GF and 50% CF
    - vi. Water Quality Certification – 5% GF and 95% CF
  - b. After three years – adjusts the Clean Water Fees so each sector is funded as follows:
    - i. Commerce and Industry - 20% GF and 80% CF
    - ii. Construction – 20% GF and 80% CF
    - iii. Municipal Separate Storm Sewer Systems (MS4s) - 20% GF and 80% CF
    - iv. Pesticides – 94% GF and 6% CF
    - v. Public and Private Utilities – 20% GF and 80% CF
    - vi. Water Quality Certification – 5% GF and 95% CF
  - c. Repeals the Water Quality Improvement Fund and transfers the fund balance to the General Fund;
  - d. Expands the allowable uses of the Small Communities Water and Wastewater Treatment Fund so water quality improvement projects can be funded from this source.

## **PUBLIC SAFETY**

22. 12/8/2016 - Christina Beisel (PBS-brf, page 26) - Staff recommends the Committee add to the bill list legislation requiring an annual \$12.5 million General Fund transfer to the Disaster Emergency Fund in FYs 2017-18 through FY 2020-21 to fund continuing flood recovery costs.

## **REVENUE**

23. 12/19/16 - Governor/Department Request – JBC Staff = Scott Thompson – Bill to designate the CSTARS Account of the HUTF as an allowable cash fund source of appropriations for purchase of license plates and other similar products from Colorado Correctional Industries. JBC staff recommended the Committee include provisions to clarify whether:
- a. The Department may provide plates to law enforcement at no cost to the law enforcement agency for undercover activities;
  - b. County clerks have authority to exempt plate fees and in which circumstances; and
  - c. County clerks should receive a payment from the state when it provides a plate with no fee revenue.

## **TRANSPORTATION**

24. 11/17/2016 - Christina Beisel (TRA-brf, page 12) - Staff recommends the Committee consider a bill that would establish fixed transfer amounts for the remaining 3 years of the 5 year block of SB 09-228 transfers.

## **TREASURY**

25. 11/15/2016 - Rep. Rankin - Get options for what can be done for a bill for the Homestead Exemption that could be introduced at the beginning of the session for future discussion.

## **CAPITAL CONSTRUCTION**

26. 11/16/2016 - Alfredo Kemm (CAP-brf, page 14) - Rankin - Staff recommends that the Committee pursue legislation or establish a Committee policy goal of increasing funding for all recapitalization – controlled maintenance, capital renewal, and renovation – at an amount equal to at least 1.0 percent of current replacement value within five years (FY 2021-22).
27. 11/16/2016 - Alfredo Kemm (CAP-brf, page 15) - Staff recommends that the Committee pursue legislation to codify this budgetary change including the following: 1) Amend Section 24-30-1303.7, C.R.S., consistent with this practice. 2) Rename the State Architect's Emergency Controlled Maintenance Account as the Controlled Maintenance Account which would function as the fund for the controlled maintenance appropriation. The annual emergency appropriation would likewise be included within the single appropriation. 3) Optionally, specify that despite the single appropriation, the State Architect would nevertheless submit for review, a prioritized list of anticipated projects to the Capital Development Committee (CDC) through the budget request process, as well as report on funded projects in the annual report.

## STATEWIDE ISSUES

28. 12/7/2016 – Governor Request - JBC Staff = Alfredo Kemm - (Per-brf, page 13) - The Governor's request also includes a request for legislation to transfer the balance of the State Employee Reserve Fund (SERF), created to fund state employee merit pay, and estimated at \$46.9 million at the end of FY 2015-16, to the General Fund for general balancing needs.