

MEMORANDUM

TO: Joint Budget Committee Members

FROM: John Ziegler, JBC Staff

SUBJECT: Summary of Potential JBC Bills Discussed During the FY 2012-13 Briefing and Hearing Process

DATE: January 9, 2013

Attached for your consideration is a list of potential legislation that was discussed during the FY 2013-14 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.

2013 Session Potential Bills from Briefings, Hearings, and Members

EDUCATION

1. Craig Harper, 12/12/12 – Each year the Joint Budget Committee includes an appropriation for the State Share of Districts’ Total Program (school finance) in the Long Bill. The Long Bill appropriation is generally based on current law and then adjusted through the annual school finance bill. However, current law does not specify an amount for school finance in FY 2013-14. Staff recommends that the Committee sponsor a bill early in the 2013 Session to clarify a “current law” appropriation for school finance for FY 2013-14 based on discussions with legislative leadership and the education committees.
2. Craig Harper, 12/12/12 – The staff briefing raised a variety of issues concerning the Building Excellent Schools Today (BEST) Program, including: (1) the program’s fund sources, particularly the reliance on one-time funding from bonus payments on state trust lands; (2) balancing the use of state trust land funding between BEST and the Permanent Fund; (3) whether the General Assembly should change the fund source, structure, and/or oversight of the program’s cash grants (for which funding is continuously appropriated under current law); and (4) the program’s current lack of a reserve to support certificate of participation (COP) obligations in the event of a decline in state trust land revenues. Staff recommends that the General Assembly consider legislation to address some or all of these questions. At a minimum, staff recommends that the General Assembly enact legislation requiring the program to establish a reserve sufficient to support COP payments during a temporary decline in state trust land revenues.

HEALTH CARE POLICY AND FINANCE

3. Eric Kurtz, 12/19/12 - Staff recommends that the JBC strongly consider sponsoring legislation to add a dental benefit for adults.
4. Eric Kurtz, 12/19/12 - Staff recommends that the JBC sponsor legislation to extend the 1.5 percent reduction in nursing facility rates indefinitely.

HUMAN SERVICES

5. Amanda Bickel, 12/3/12 - For many other programs, such as child welfare and Temporary Assistance for Needy Families, statute requires the creation of an allocations committee with representation from counties and the State. The allocations committee and the State Department must agree on an allocations process each year, or the matter is brought to the JBC. This kind of structure should also be considered for the Adult Protective Services program. Staff recommends the Committee pursue a statutory change, potentially through the anticipated Elder Abuse Task Force bill, to put an allocation committee process in place for Adult Protective Services. Note that the Department indicated in its budget hearing that it does not support a new allocations process for Adult Protective Services at this time. This does not change the staff recommendation.

6. Amanda Bickel, 12/17/12 - The Committee should consider sponsoring legislation to facilitate implementation of the new Title IV-E waiver. However, a specific recommendation is pending further information on the type of legislation the Executive proposes.

NATURAL RESOURCES

7. Craig Harper, 11/27/12 - Staff recommends that the Committee sponsor legislation during the 2013 Session to: (1) change the timing of distribution of LEAP-related funds to align with the other Tier 2 programs funded from the Operational Account; and (2) direct the Treasurer to ensure that the three LEAP-related programs experience the same percentage reduction in FY 2012-13.
8. Craig Harper, 11/27/12 - Staff recommends that the Committee sponsor legislation during the 2013 Session to cap the “sweep” of state trust land revenues for school finance purposes in FY 2012-13 and thereby increase deposits to the Permanent Fund. Staff recommends capping the “sweep” at a total of \$36.0 million, including \$27.0 million in “new” school trust revenues and \$9.0 million in interest earned on the Permanent Fund.
9. Craig Harper, 11/27/12 - Staff recommends that the Committee sponsor legislation during the 2013 Session adjusting H.B. 12-1355 to retain the Colorado Avalanche Information Center (CAIC) within the Department of Natural Resources. H.B. 12-1355 transfers the entire Colorado Geological Survey, including the CAIC, to the Colorado School of Mines, and staff’s recommendation would retain the CAIC within the Department of Natural Resources.

PERSONNEL

10. Alfredo Kemm, 12/10/12 - Staff recommends that the Committee sponsor legislation for the creation of a legislative Digital records policy advisory committee for developing a plan for the digitization of existing legislative audio tapes and files at the State Archives and a comprehensive legislative digital records policy that includes authentication, and report to the Committee by November 1, 2013.
11. Alfredo Kemm, 12/10/12 - Staff recommends that the Committee pursue legislation for the purpose of cash funding the Central Contracts Unit in the Office of the State Controller, through fees assessed on high-risk contracts reviewed. Staff recommends that request *R-1 Central Contracts Unit Resources*, including additional FTE and resources for the CCU be addressed within such a bill, rather than in the Long Bill.
12. Alfredo Kemm, 12/10/12 - Staff recommends that the Committee pursue legislation to expand the population of offenders against whom the surcharge that funds the Address Confidentiality Program is assessed to additionally include, at a minimum, offenders convicted of sexual offenses located in Part 4 of Article 3 of Title 18, C.R.S. This expansion will better reflect participants being served by the program with the offender population generating the need for the program.
13. Alfredo Kemm, 12/10/12 - Staff recommends that the Committee sponsor legislation to consolidate the Supplier Database Cash Fund created in Section 24-102-202.5 (2) (a), C.R.S., and the Electronic Procurement Program Account within the Supplier Database Cash Fund created in Section 24-102-202.5 (2.5), C.R.S.

PUBLIC HEALTH

14. Megan Davisson, 11/29/12 - Staff recommends the Committee sponsor legislation that does two things: (1) authorizes sources other than the interest from the principle on the settlement funds be able to repay loan from the Hazardous Substance Response Fund and General Fund and (2) eliminates the requirement that the funds in the Natural Resource Damage Recovery Fund be subject to appropriation.

PUBLIC SAFETY

15. Viktor Bojilov, 12/14/12 – The department has submitted a letter to the JBC requesting that the Committee carry legislation to make changes to the Wildland Fire Cost Recovery Fund. The Wildland Fire Cost Recovery Fund accounts for two types of transactions: (1) initial payments to vendors or cooperators to extinguish fires, and payment of state employee travel and payroll for fire suppression, and (2) reimbursements from responsible parties (i.e., federal agencies, other states, county governments, or private land owners) for costs incurred by vendors, cooperators, or the state. The Fund incurs an initial cash outflow for the amounts paid to cooperators with a subsequent reimbursement of direct and indirect costs related to wildland fire suppression. The Department of Public Safety requests that a bill be carried to amend the statutes regulating the Fund. In particular, (1) the Department requests that the Fund be designated as a non-interest bearing fund, and (2) the Department requests that the Fund be exempted from a \$12.0 million limit on advances.

REGULATORY AGENCIES

16. Alfredo Kemm, 11/29/12 - Staff recommends that the Committee sponsor or co-sponsor with the Legislative Audit Committee (LAC), legislation to implement a pre-approval process for conservation easement tax credits. The LAC will be sponsoring legislation in the 2013 legislative session for a pre-approval process for conservation easement tax credits based on the audit recommendation.
17. Alfredo Kemm, 11/29/12 - Staff recommends that the Committee sponsor legislation to provide an annual cap on the total amount of conservation easement tax credits allowed by the State beyond calendar year 2013, not to exceed \$45 million dollars annually.

REVENUE

18. David Meng, 12/17/12 - The JBC could consider sponsoring legislation that would alter the statutory distribution of the fee for the reinstatement of driver's licenses and/or transfer moneys from the First Time Drunk Driving Offender Account to the Driver's License Administrative Revocation Account on an annual basis.
19. David Meng, 12/17/12 - Staff recommends that the Joint Budget Committee consider legislation that would fees from five sources that are not currently directed to a specific cash fund, direct those fees to a cash fund and that the existing appropriations are appropriated from those cash funds.

TREASURY

20. Alfredo Kemm , 12/20/12 - Staff recommends that the Committee sponsor legislation to repeal the CoverColorado program by March 31, 2015, as suggested by the CoverColorado Board, and define requirements for the plan's orderly wind down and conclusion of operations including the disposition of remaining funds.
21. Alfredo Kemm , 12/20/12 - Staff recommends that the Committee discuss the issue of the collection of unredeemed gift cards by the Unclaimed Property Program with the appropriate committees of reference for the purpose of pursuing legislation clarifying policy regarding gift cards in the Unclaimed Property Act.

PERSONNEL – COMMON POLICY

22. COMPENSATION COMMON POLICIES, Eric Kurtz, 11/16/12 - Staff recommends that the Committee sponsor legislation to require periodic analysis of how state retirement benefits compare to prevailing retirement benefits.
23. INDIRECT COSTS, Alfredo Kemm, 11/16/12 - Staff recommends that the Committee sponsor legislation creating one statewide cash fund, with 22 department subaccounts, to enable departments to more efficiently manage the year-to-year over-collection and under-collection of indirect costs.

TOBACCO POLICY

24. TOBACCO MASTER SETTLEMENT AGREEMENT, Amanda Bickel, 11/28/12 - Staff recommends the Committee introduce legislation to enable Tobacco Settlement-funded programs to expend up to 5.0 percent more than their annual appropriation of Tobacco Settlement funds, if tobacco receipts exceed projections. This change should apply to those Tobacco Settlement-funded programs that are unable to carry forward funds from year-to-year through a program-specific cash fund.
25. TOBACCO MASTER SETTLEMENT AGREEMENT, Amanda Bickel, 11/28/12 – Staff recommends a FY 2013-14 General Fund appropriation for tobacco litigation and also recommends the Committee consider introducing legislation that would direct the first portion of any disputed payments received, up to a specified amount, to the Tobacco Settlement Defense Account of the Tobacco Litigation Settlement Cash Fund. This could potentially reduce or eliminate the need for General Fund support for tobacco litigation efforts in future years. Under current law (JBC bill S.B. 12-144), any disputed payments received are deposited to the General Fund. If the JBC pursues such a statutory change, it might also consider crediting the balance of any disputed payments to the Tobacco Litigation Settlement Cash Fund, instead of the General Fund, to reduce the amount of tobacco settlement moneys spent before they are received.

Alternative recommendation: Introduce legislation to redirect Tobacco Settlement funds that are currently being deposited to the General Fund into the Defense Account. For FY 2012-13, \$1,792,244 is being directed to the General Fund, based on a component in the allocation formulas that diverts moneys that would otherwise go to the Nurse Home

Visitor Program. If annual Tobacco Settlement receipts were to remain the same as the amount received in April 2012, amounts to the General Fund would be as follows.

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Deposit to GF	\$1,792,244	\$1,816,199	\$1,816,199	\$1,816,199	\$908,100	\$0

The Committee could consider directing these funds for next two or three fiscal years or a portion of these funds over multiple years to replenish the Defense Account to a level likely to cover the costs of tobacco litigation and enforcement efforts for at least the next five fiscal years.