

# MEMORANDUM

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**TO:** Joint Budget Committee Members  
**FROM:** JBC Staff  
**SUBJECT:** Bill Drafts for Discussion on March 10, 2016  
**DATE:** March 10, 2016

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This memo includes the following bill drafts for the Committees consideration.

- LLS 16-0924: "Concerning the Manner in Which the State Funds Driver and Vehicle Services by the Division of Motor Vehicles in the Department of Revenue." (Scott Thompson)
- LLS 16-0929: "Concerning the Evaluation of State Tax Expenditures." (Kevin Neimond)
- LLS 16-1012: "Concerning the Duties of the Commissioner of Education Relating to School Districts that Fail to Replace Categorical Program Support Funds as Required by State Law." (Craig Harper).
- LLS 16-1083: "Concerning the Continuation of the Medicaid Payment Reform and Innovation Pilot Program, and, in Connection Therewith, Changing the Time Frames, Eliminating the Repeal Date of the Pilot Program, and Enhancing the Reporting Requirements of the Department of Health Care Policy and Financing." (Carolyn Kampman)
- LLS 16-1118: "Concerning a Reduction in the Severance Tax Operational Fund Reserve for the FY 2016-17 Fiscal Year." (Carly Jacobs)
- LLS 16-1136: "Concerning Department of Corrections Reimbursements of Expenses of County Coroners." (Steve Allen)

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

DRAFT  
1.20.16

DRAFT

LLS NO. 16-0924.01 Ed DeCecco x4216

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** "Funding For Driver & Motor Vehicle Services"

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**A BILL FOR AN ACT**

101 **CONCERNING THE MANNER IN WHICH THE STATE FUNDS DRIVER AND**  
102 **VEHICLE SERVICES BY THE DIVISION OF MOTOR VEHICLES IN**  
103 **THE DEPARTMENT OF REVENUE.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

**Joint Budget Committee.** Currently, the excess reserve in the licensing services cash fund at the end of a fiscal year is transferred to the highway users tax fund (HUTF). **Section 2** of the bill eliminates this transfer, and **section 1** exempts the licensing services cash fund from the maximum reserve requirement that generally applies to cash funds.

*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

**Section 3** permits the general assembly to appropriate moneys from the HUTF to the department of revenue for use by the division of motor vehicles for expenses incurred in connection with the administration of driver and vehicle services. The 6% limit on HUTF off-the-top appropriations is amended to include these appropriations.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-402, **amend**  
3 (5) (hh) and (5) (ii); and **add** (5) (jj) as follows:

4 **24-75-402. Cash funds - limit on uncommitted reserves -**  
5 **reduction in amount of fees - exclusions - repeal.** (5) Notwithstanding  
6 any provision of this section to the contrary, the following cash funds are  
7 excluded from the limitations specified in this section:

8 (hh) The conveyance safety fund created in section 9-5.5-111 (2)  
9 (b), C.R.S., until this paragraph (hh) is repealed, effective July 1, 2017;  
10 **and**

11 (ii) The oil and gas conservation and environmental response fund  
12 created in section 34-60-122 (5), C.R.S.; AND

13 (jj) THE LICENSING SERVICES CASH FUND CREATED IN SECTION  
14 42-2-114.5 (1), C.R.S.

15 **SECTION 2.** In Colorado Revised Statutes, 42-2-114.5, **amend**  
16 (1) as follows:

17 **42-2-114.5. Licensing services cash fund - fee setting**  
18 **procedures - rules.** (1) The licensing services cash fund is hereby  
19 created in the state treasury. The general assembly shall appropriate  
20 moneys in the fund to the department for the cost of implementing this  
21 article. ~~At the end of each fiscal year, the state treasurer shall credit the~~  
22 ~~money in the fund, less sixteen and one-half percent of the amount~~  
23 ~~appropriated from the fund for such operation in the fiscal year, to the~~

1 ~~highway users tax fund.~~

2           **SECTION 3.** In Colorado Revised Statutes, 43-4-201, **amend** (3)  
3 (a) (I) and (3) (a) (III) (C); and **repeal** (3) (a) (I.1) as follows:

4           **43-4-201. Highway users tax fund - created.** (3) (a) (I) The  
5 general assembly shall not make any annual appropriation (whether by  
6 regular, special, or supplementary appropriation) or any statutory  
7 distribution from the highway users tax fund for any purpose or purposes  
8 in a total amount that is:

9           (A) More than twenty-three percent of the net revenue of said  
10 fund for the prior fiscal year;

11           (B) Commencing in the fiscal year 1995-96, and ending in the  
12 fiscal year 2012-13, more than a six percent increase over the  
13 appropriation to the department of public safety for the Colorado state  
14 patrol and to the department of revenue for the ports of entry division for  
15 the prior fiscal year; except in fiscal years 2009-10, 2010-11, and  
16 2011-12, more than a six percent increase over the appropriation to the  
17 department of public safety for the Colorado state patrol, to the  
18 department of revenue for the ports of entry division, and to the  
19 department of revenue for the division of motor vehicles pursuant to  
20 sub-subparagraph (C) of subparagraph (III) of this paragraph (a) for the  
21 prior fiscal year; ~~or~~

22           (C) Commencing in the fiscal year 2013-14, AND ENDING IN  
23 FISCAL YEAR 2015-16, more than a six percent increase over the  
24 appropriation to the Colorado state patrol for the prior fiscal year;

25           (D) FOR THE FISCAL YEAR 2016-17, MORE THAN A SIX PERCENT  
26 INCREASE OVER THE APPROPRIATION TO THE COLORADO STATE PATROL  
27 FOR THE FISCAL YEAR 2015-16, PLUS THE AMOUNT APPROPRIATED TO THE

1 DEPARTMENT OF REVENUE FOR USE BY THE DIVISION OF MOTOR VEHICLES  
2 PURSUANT TO SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH (III) OF THIS  
3 PARAGRAPH (a) FOR THE FISCAL YEAR 2016-17; OR

4 (E) COMMENCING IN THE FISCAL YEAR 2017-18, MORE THAN A SIX  
5 PERCENT INCREASE OVER THE APPROPRIATION TO THE COLORADO STATE  
6 PATROL AND TO THE DEPARTMENT OF REVENUE FOR USE BY THE DIVISION  
7 OF MOTOR VEHICLES PURSUANT TO SUB-SUBPARAGRAPH (C) OF  
8 SUBPARAGRAPH (III) OF THIS PARAGRAPH (a) FOR THE PRIOR FISCAL YEAR.

9 ~~(I.1) Commencing with the fiscal year 1995-96, the general~~  
10 ~~assembly shall not make any annual appropriation or statutory distribution~~  
11 ~~from the highway users tax fund pursuant to this paragraph (a), except to~~  
12 ~~the department of public safety for the Colorado state patrol or, through~~  
13 ~~the fiscal year 2011-12 only, to the department of revenue for the ports of~~  
14 ~~entry section, that exceeds the annual appropriation or statutory~~  
15 ~~distribution for all purposes except the Colorado state patrol and the ports~~  
16 ~~of entry division for the fiscal year 1994-95.~~

17 (III) (C) The general assembly shall not make any annual  
18 appropriation or statutory distribution from the highway users tax fund for  
19 the fiscal year 1997-98 or for any succeeding fiscal year authorized by  
20 subparagraph (II) of this paragraph (a), excluding the annual  
21 appropriation or statutory distribution to the Colorado state patrol and,  
22 through the fiscal year 2011-12 only, the ports of entry section and  
23 excluding any appropriation to the department of revenue for the fiscal  
24 years 2008-09, 2009-10, 2010-11, and 2011-12, AND FOR ANY FISCAL  
25 YEAR AFTER FISCAL YEAR 2015-16, for expenses incurred in connection  
26 with the administration of article 2 of title 42, C.R.S., by the division of  
27 motor vehicles within the department.

1           **SECTION 4. Safety clause.** The general assembly hereby finds,  
2 determines, and declares that this act is necessary for the immediate  
3 preservation of the public peace, health, and safety.

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

DRAFT  
3.8.16

DRAFT

LLS NO. 16-0929.02 Esther van Mourik x4215

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Evaluation Of The State's Tax Expenditures"

**A BILL FOR AN ACT**

101 **CONCERNING THE EVALUATION OF STATE TAX EXPENDITURES.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

**Joint Budget Committee.** The bill specifies that the state auditor is responsible for evaluating the state's tax expenditures. The evaluation must include the following:

- The purpose, intent, or goal of the tax expenditure;
- The intended beneficiaries of the tax expenditure;
- Whether the tax expenditure is accomplishing its purpose, intent, or goal;
- An analysis of the effect of the tax policies of any local

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taxing jurisdiction on the overall purpose, intent, or goal of the tax expenditure;

- The economic cost and benefit of the tax expenditure, including past and estimated future impacts and benefits;
- The extent to which the design of the tax expenditure is effective to accomplish its purpose, intent, or goal and whether the design of the tax expenditure is consistent with best practices;
- Whether there are other tax expenditures, state spending, or other government programs that have the same purpose, intent, or goal as the tax expenditure, whether those all are appropriately coordinated, and, if not, how coordination could be improved;
- If the evaluation of a particular tax expenditure's economic impact is made difficult because of data constraints, any suggestions for changes in administration or law that would facilitate such data collection; and
- An explanation of the performance measures used to determine the extent to which the tax expenditure is accomplishing its purpose, intent, or goal.

To the extent it can be determined by the state auditor, the tax expenditure evaluation should also include the following:

- The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources to address the same purpose, intent, or goal; and
- Whether there are any opportunities to improve the effectiveness of the tax expenditure in meeting its purpose, intent, or goal.

The bill specifies that the state auditor must present the results in the form of an annual evaluation report that is posted on the general assembly's website.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 39-21-301, **add** (3)  
3 as follows:

4           **39-21-301. Legislative declaration.** (3) IN ENACTING SECTION  
5 39-21-305, IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE STATE  
6 AUDITOR'S EVALUATION WILL PROVIDE THE STATE WITH RIGOROUS  
7 EVIDENCE OF WHETHER THE STATE'S TAX EXPENDITURES DELIVER A



1 STRONG RETURN ON TAXPAYER DOLLARS. ADDITIONALLY, IT IS THE  
2 INTENT OF THE GENERAL ASSEMBLY THAT THE STATE AUDITOR'S  
3 EVALUATION ENSURE THAT THE STATE'S TAX EXPENDITURES STAY  
4 COMPETITIVE WITH OTHER STATES, ARE RESPONSIVE TO BUSINESS AND  
5 STAKEHOLDER NEEDS, ARE ADMINISTERED EFFICIENTLY AND  
6 TRANSPARENTLY WITH DEFINED PERFORMANCE MEASURES THAT SUPPORT  
7 ACCOUNTABILITY, AND SERVE THE PUBLIC'S INTERESTS BY PROTECTING  
8 TAXPAYER DOLLARS WHILE ENSURING THAT THE MOST COST-EFFECTIVE  
9 MEASURES ARE TAKEN. THE GENERAL ASSEMBLY MUST SPEND ITS  
10 RESOURCES WISELY, AND IT IS BENEFICIAL TO THE STATE TO KNOW  
11 WHETHER THE TAX EXPENDITURES THAT ARE IN PLACE ARE  
12 ACCOMPLISHING THE GOALS THEY WERE INTENDED TO MEET.

13 **SECTION 2.** In Colorado Revised Statutes, 39-21-302, **add** (1.3)  
14 and (1.5) as follows:

15 **39-21-302. Definitions.** As used in this part 3, unless the context  
16 otherwise requires:

17 (1.3) "EVALUATION REPORT" MEANS THE EVALUATION REPORT  
18 THAT THE STATE AUDITOR IS REQUIRED TO PREPARE PURSUANT TO SECTION  
19 39-21-305.

20 (1.5) "STATE AUDITOR" MEANS THE STATE AUDITOR DESCRIBED IN  
21 SECTION 2-3-102, C.R.S.

22 **SECTION 3.** In Colorado Revised Statutes, **add** 39-21-305 as  
23 follows:

24 **39-21-305. Tax expenditure - state auditor evaluation.**

25 (1) (a) THE STATE AUDITOR SHALL EVALUATE THE STATE'S TAX  
26 EXPENDITURES PURSUANT TO THE REQUIREMENTS IN THIS SECTION. IN  
27 EVALUATING EACH TAX EXPENDITURE, THE STATE AUDITOR SHALL

1 CONSULT WITH THE INTENDED BENEFICIARIES OR REPRESENTATIVES OF  
2 THE INTENDED BENEFICIARIES OF THE TAX EXPENDITURE. IN ADDITION, IF  
3 THE TAX EXPENDITURE IS INTENDED TO BENEFIT A SPECIFIC GEOGRAPHIC  
4 REGION OF THE STATE, THE STATE AUDITOR SHALL CONSULT WITH THE  
5 INTENDED BENEFICIARIES IN THAT SPECIFIC GEOGRAPHIC REGION OF THE  
6 STATE.

7 (b) THE STATE AUDITOR'S TAX EXPENDITURE EVALUATION MUST  
8 INCLUDE THE FOLLOWING:

9 (I) THE PURPOSE, INTENT, OR GOAL OF THE TAX EXPENDITURE;

10 (II) THE INTENDED BENEFICIARIES OF THE TAX EXPENDITURE;

11 (III) WHETHER THE TAX EXPENDITURE IS ACCOMPLISHING ITS  
12 PURPOSE, INTENT, OR GOAL;

13 (IV) AN ANALYSIS OF THE EFFECT OF THE TAX POLICIES OF ANY  
14 LOCAL TAXING JURISDICTION ON THE OVERALL PURPOSE, INTENT, OR GOAL  
15 OF THE TAX EXPENDITURE;

16 (V) THE ECONOMIC COSTS AND BENEFITS OF THE TAX  
17 EXPENDITURE, INCLUDING PAST AND ESTIMATED FUTURE COSTS AND  
18 BENEFITS;

19 (VI) THE EXTENT TO WHICH THE DESIGN OF THE TAX EXPENDITURE  
20 IS EFFECTIVE TO ACCOMPLISH ITS PURPOSE, INTENT, OR GOAL AND  
21 WHETHER THE DESIGN OF THE TAX EXPENDITURE IS CONSISTENT WITH BEST  
22 PRACTICES;

23 (VII) WHETHER THERE ARE OTHER TAX EXPENDITURES, STATE  
24 SPENDING, OR OTHER GOVERNMENT PROGRAMS THAT HAVE THE SAME  
25 PURPOSE, INTENT, OR GOAL AS THE TAX EXPENDITURE, WHETHER THOSE  
26 ALL ARE APPROPRIATELY COORDINATED, AND, IF NOT, HOW COORDINATION  
27 COULD BE IMPROVED;

1 (VIII) IF THE EVALUATION OF A PARTICULAR TAX EXPENDITURE'S  
2 ECONOMIC IMPACT IS MADE DIFFICULT BECAUSE OF DATA CONSTRAINTS,  
3 ANY SUGGESTIONS FOR CHANGES IN ADMINISTRATION OR LAW THAT  
4 WOULD FACILITATE SUCH DATA COLLECTION; AND

5 (IX) AN EXPLANATION OF THE PERFORMANCE MEASURES USED TO  
6 DETERMINE THE EXTENT TO WHICH THE TAX EXPENDITURE IS  
7 ACCOMPLISHING ITS PURPOSE, INTENT, OR GOAL. THE PERFORMANCE  
8 MEASURES MUST BE CLEAR AND RELEVANT TO THE SPECIFIC TAX  
9 EXPENDITURE BEING EVALUATED. THE STATE AUDITOR SHALL CONSIDER  
10 THE ORIGINAL LEGISLATIVE INTENT AS WELL AS SUBSEQUENT  
11 DEVELOPMENTS IN THE STATE'S ECONOMY, THE NATIONAL ECONOMY, AND  
12 ANY CHANGES IN NATIONAL, STATE, OR LOCAL FISCAL POLICIES AND  
13 CONDITIONS.

14 (c) TO THE EXTENT IT CAN BE DETERMINED BY THE STATE  
15 AUDITOR, THE TAX EXPENDITURE EVALUATION SHOULD ALSO INCLUDE THE  
16 FOLLOWING:

17 (I) THE EXTENT TO WHICH THE TAX EXPENDITURE IS A  
18 COST-EFFECTIVE USE OF RESOURCES COMPARED TO OTHER OPTIONS FOR  
19 USING THE SAME RESOURCES TO ADDRESS THE SAME PURPOSE, INTENT, OR  
20 GOAL; AND

21 (II) WHETHER THERE ARE ANY OPPORTUNITIES TO IMPROVE THE  
22 EFFECTIVENESS OF THE TAX EXPENDITURE IN MEETING ITS PURPOSE,  
23 INTENT, OR GOAL.

24 (d) NO LATER THAN SEPTEMBER 15, 2017, THE STATE AUDITOR  
25 SHALL DEVELOP AND PUBLISH A MULTI-YEAR SCHEDULE THAT LISTS ALL  
26 TAX EXPENDITURES IN LAW AS OF JULY 1, 2017, AND INDICATES THE YEAR  
27 WHEN THE EVALUATION REPORT WILL BE PUBLISHED FOR EACH TAX

1 EXPENDITURE. IN DEVELOPING THE MULTI-YEAR SCHEDULE THE STATE  
2 AUDITOR SHALL ENDEAVOR TO REVIEW THE OLDEST TAX EXPENDITURES  
3 FIRST AND SHALL ENDEAVOR TO REVIEW A TAX EXPENDITURE WITH A  
4 STATUTORY REPEAL DATE SO THAT THE EVALUATION REPORT FOR SUCH  
5 TAX EXPENDITURE IS AVAILABLE DURING THE LEGISLATIVE SESSION HELD  
6 IN THE CALENDAR YEAR BEFORE THE TAX EXPENDITURE IS SCHEDULED TO  
7 REPEAL. THE STATE AUDITOR MAY REVISE THE SCHEDULE SO LONG AS THE  
8 STATE AUDITOR CONTINUES TO PROVIDE FOR A SYSTEMATIC EVALUATION  
9 OF ALL TAX EXPENDITURES, INCLUDING ANY NEW TAX EXPENDITURES  
10 ENACTED BY THE GENERAL ASSEMBLY SINCE THE PUBLICATION OF A  
11 PREVIOUS EVALUATION REPORT, AND SO LONG AS EACH TAX EXPENDITURE  
12 IS REVIEWED AT LEAST ONCE EVERY FIVE YEARS.

13 (e) THE STATE AUDITOR SHALL PRESENT THE RESULTS IN THE FORM  
14 OF AN EVALUATION REPORT THAT THE STATE AUDITOR SHALL ENSURE IS  
15 POSTED ON THE GENERAL ASSEMBLY'S WEBSITE. THE STATE AUDITOR  
16 SHALL ENSURE THE POSTING OF THE FIRST EVALUATION REPORT NO LATER  
17 THAN SEPTEMBER 14, 2018, AND SHALL ENSURE THE POSTING OF  
18 SUBSEQUENT EVALUATION REPORTS NO LATER THAN SEPTEMBER 15 OF  
19 EACH YEAR THEREAFTER.

20 (2) SECTION 2-3-107(2), C.R.S., APPLIES TO THE STATE AUDITOR'S  
21 DUTIES SET FORTH IN THIS SECTION. WORK PAPERS OF THE STATE AUDITOR  
22 RELATED TO THE DUTIES SET FORTH IN THIS SECTION ARE OPEN TO PUBLIC  
23 INSPECTION ONLY UPON APPROVAL OF A MAJORITY OF THE MEMBERS OF  
24 THE JOINT BUDGET COMMITTEE. ONLY THE SPECIFIC WORK PAPERS THAT  
25 THE JOINT BUDGET COMMITTEE VOTES TO APPROVE FOR DISCLOSURE MAY  
26 BE OPEN TO PUBLIC INSPECTION. WORK PAPERS THAT HAVE NOT BEEN  
27 SPECIFICALLY APPROVED FOR DISCLOSURE BY A MAJORITY VOTE OF THE

1 JOINT BUDGET COMMITTEE REMAIN CONFIDENTIAL. UNDER NO  
2 CIRCUMSTANCES MAY THE WORK PAPERS BE OPEN TO PUBLIC INSPECTION  
3 PRIOR TO THE DATE THE COMPLETED EVALUATION REPORT IS POSTED ON  
4 THE GENERAL ASSEMBLY'S WEBSITE AS SPECIFIED IN PARAGRAPH (e) OF  
5 SUBSECTION (1) OF THIS SECTION.

6 **SECTION 4. Safety clause.** The general assembly hereby finds,  
7 determines, and declares that this act is necessary for the immediate  
8 preservation of the public peace, health, and safety.

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

DRAFT  
3.8.16

DRAFT

LLS NO. 16-1012.01 Brita Darling x2241

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Recovery Of School District Categorical Buy-out"

**A BILL FOR AN ACT**

101      **CONCERNING THE DUTIES OF THE COMMISSIONER OF EDUCATION**  
102            **RELATING TO SCHOOL DISTRICTS THAT FAIL TO REPLACE**  
103            **CATEGORICAL PROGRAM SUPPORT FUNDS AS REQUIRED BY**  
104            **STATE LAW.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

**Joint Budget Committee.** Under certain circumstances, current law requires a school district to use property tax revenue to replace, on a pro rata basis, any categorical program support funds that the school

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district receives from the state. The bill requires the school district to replace the categorical program support funds by the end of the budget year in which the funds were paid to the school district. If unpaid, the commissioner of education (commissioner) is required to withhold the amount due, with interest, from any state money due to the district for any reason, commencing in the budget year immediately following the budget year in which the district fails to replace the categorical program support funds. The commissioner may waive accrued interest upon payment of the amount due from the school district.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-2-112, **add** (5) as  
3 follows:

4 **22-2-112. Commissioner - duties.** (5) IF A SCHOOL DISTRICT  
5 FAILS TO REPLACE CATEGORICAL PROGRAM SUPPORT FUNDS AS REQUIRED  
6 IN SECTION 22-54-107, THE COMMISSIONER SHALL WITHHOLD FROM ANY  
7 STATE MONEY DUE TO THE SCHOOL DISTRICT FOR ANY REASON THE UNPAID  
8 AMOUNT OF CATEGORICAL PROGRAM SUPPORT FUNDS RECOVERABLE FROM  
9 THE SCHOOL DISTRICT. THE COMMISSIONER SHALL WITHHOLD THE STATE  
10 MONEY COMMENCING IN THE BUDGET YEAR IMMEDIATELY FOLLOWING THE  
11 BUDGET YEAR IN WHICH THE SCHOOL DISTRICT FAILS TO PAY THE  
12 RECOVERABLE AMOUNT. THE COMMISSIONER SHALL ASSESS AND RECOVER  
13 AN INTEREST FEE ON THE UNPAID AMOUNT, BEGINNING JULY 1, AT A RATE  
14 THAT IS EQUAL TO THE EARNINGS ON THE TREASURY POOLED FUNDS FOR  
15 THE PREVIOUS FISCAL YEAR; EXCEPT THAT THE COMMISSIONER MAY WAIVE  
16 ACCRUED INTEREST UPON RECOVERY OF THE UNPAID AMOUNT.

17 **SECTION 2.** In Colorado Revised Statutes, 22-54-107, **amend**  
18 (2) introductory portion as follows:

19 **22-54-107. Buy-out of categorical programs.** (2) When a  
20 district receives property tax revenue from the additional levy made

1 pursuant to subsection (1) of this section or when a district has elected to  
2 keep excess property tax revenue collected during the 1992 calendar year  
3 pursuant to the provisions of section 22-44-103.5 (2) (b) (III) (C) or (2)  
4 (c) (III), ~~such~~ THE DISTRICT SHALL USE THE property tax revenue ~~shall be~~  
5 ~~used~~ to replace, on a pro rata basis, any categorical program support funds  
6 that ~~such~~ THE district would otherwise be eligible to receive from the  
7 state. THE DISTRICT SHALL REPLACE THE CATEGORICAL PROGRAM SUPPORT  
8 FUNDS BY JUNE 30 OF THE BUDGET YEAR IN WHICH THE DISTRICT  
9 COLLECTS THE PROPERTY TAX REVENUE. THE COMMISSIONER SHALL  
10 RECOVER ANY UNPAID CATEGORICAL PROGRAM SUPPORT FUNDS AS  
11 PROVIDED IN SECTION 22-2-112 (5). The DEPARTMENT OF EDUCATION  
12 SHALL USE THE amount of categorical program support funds replaced by  
13 property tax revenue pursuant to the provisions of this subsection (2) ~~shall~~  
14 ~~be used~~ to make payments of categorical program support funds to  
15 eligible districts. ~~and, in the event that~~ IF the appropriations for  
16 categorical programs are less than the total categorical program support  
17 funds to which districts are entitled under applicable provisions of law,  
18 ~~such~~ THE DEPARTMENT OF EDUCATION SHALL APPLY THE funds ~~shall be~~  
19 ~~applied~~ to categorical programs in the following order:

20           **SECTION 3. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, and safety.



Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

DRAFT  
3.2.16

DRAFT

LLS NO. 16-1083.01 Brita Darling x2241

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Extend Medicaid Payment Reform & Innovation Pilot"

**A BILL FOR AN ACT**

101 CONCERNING THE CONTINUATION OF THE MEDICAID PAYMENT  
102 REFORM AND INNOVATION PILOT PROGRAM, AND, IN  
103 CONNECTION THEREWITH, CHANGING THE TIME FRAMES,  
104 ELIMINATING THE REPEAL DATE OF THE PILOT PROGRAM, AND  
105 ENHANCING THE REPORTING REQUIREMENTS OF THE  
106 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

**Joint Budget Committee.** The bill removes the date by which the

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Dashes through the words indicate deletions from existing statute.*

department of health care policy and financing (department) must select payment projects to be included in the medicaid payment reform and innovation pilot program (pilot program), allowing the department to continue selecting new payment projects for the pilot program. Further, the bill removes the date for completion of pilot projects.

The bill amends the department's ongoing reporting requirements to specify information that must be included in the annual report. The bill also includes issues relating to the department's evaluation of the payment projects that are part of the pilot program.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 25.5-5-415, **amend**  
3 (1) (a) (V), (2) (c) (I), (2) (c) (III), (2) (d) (I), (4) (a) (II), and (4) (a) (III);  
4 and **add** (1) (a) (VI), (4) (a) (IV), and (4) (a.5) as follows:

5           **25.5-5-415. Medicaid payment reform and innovation pilot**  
6 **program - legislative declaration - creation - selection of payment**  
7 **projects - report - rules.** (1) (a) The general assembly finds that:

8           (V) The state department should explore how these new payment  
9 methodologies may result in improved health outcomes and patient  
10 satisfaction and support the financial sustainability of the medicaid  
11 program; AND

12           (VI) THE STATE DEPARTMENT SHALL EVALUATE HOW SUCCESSFUL  
13 PAYMENT PROJECTS COULD BE REPLICATED AND INCORPORATED WITHIN  
14 THE STATE DEPARTMENT'S CURRENT MEDICAID COORDINATED CARE  
15 SYSTEM.

16           (2) (c) (I) ~~On or before July 1, 2013,~~ The state department shall  
17 ~~complete its review of payment projects and shall~~ select payment projects  
18 to be included in the pilot program.

19           (III) For payment projects not selected by the state department, the  
20 state department shall respond to the contractor of the state department's

1 current medicaid coordinated care system, in writing, ~~on or before July 1,~~  
2 ~~2013,~~ stating the reason or reasons why the payment project was not  
3 selected. The state department shall send a copy of the response to the  
4 joint budget committee of the general assembly, the health and human  
5 services committee of the senate, or any successor committee, and the  
6 health and environment committee of the house of representatives, or any  
7 successor committee.

8 (d) (I) The payment projects selected for the program shall be for  
9 a period of at least ~~two years,~~ but ONE YEAR AND shall not extend beyond  
10 ~~June 30, 2016~~ THE LENGTH OF THE CONTRACT WITH THE CONTRACTOR OF  
11 THE STATE DEPARTMENT'S CURRENT MEDICAID COORDINATED CARE  
12 SYSTEM. The provider contract shall specify the payment methodology  
13 utilized in the payment project.

14 (4) (a) The state department shall submit a report to the joint  
15 budget committee of the general assembly, the health and human services  
16 committee of the senate, or any successor committee, and the health and  
17 environment committee of the house of representatives, or any successor  
18 committee, as follows:

19 (II) On or before September 15, 2014, concerning the pilot  
20 program as implemented, including but not limited to an analysis of the  
21 initial data and information concerning the utilization of the payment  
22 methodology, quality measures, and the impact of the payment  
23 methodology on health outcomes, cost, provider participation and  
24 satisfaction, and patient satisfaction; and

25 (III) On or before September 15, 2015, ~~and each September 15~~  
26 ~~that the program is being implemented,~~ concerning the program as  
27 implemented, including but not limited to an analysis of the data and

1 information concerning the utilization of the payment methodology,  
2 including an assessment of how the payment methodology drives provider  
3 performance and participation and the impact of the payment  
4 methodology on quality measures, health outcomes, cost, provider  
5 satisfaction, and patient satisfaction, comparing those outcomes across all  
6 patients utilizing existing state department data.

7 (IV) ON OR BEFORE APRIL 15, 2017, AND EACH APRIL 15 THAT THE  
8 PROGRAM IS BEING IMPLEMENTED, CONCERNING THE PROGRAM AS  
9 IMPLEMENTED, INCLUDING BUT NOT LIMITED TO AN ANALYSIS OF THE  
10 DATA AND INFORMATION CONCERNING THE UTILIZATION OF THE PAYMENT  
11 METHODOLOGY, INCLUDING AN ASSESSMENT OF HOW THE PAYMENT  
12 METHODOLOGY DRIVES PROVIDER PERFORMANCE AND PARTICIPATION AND  
13 THE IMPACT OF THE PAYMENT METHODOLOGY ON QUALITY MEASURES,  
14 HEALTH OUTCOMES, COST, PROVIDER SATISFACTION, AND PATIENT  
15 SATISFACTION, COMPARING THOSE OUTCOMES ACROSS PATIENTS UTILIZING  
16 EXISTING STATE DEPARTMENT DATA. SPECIFICALLY, THE REPORT MUST  
17 INCLUDE:

18 (A) AN EVALUATION OF ALL CURRENT PAYMENT PROJECTS AND  
19 WHETHER THE STATE DEPARTMENT INTENDS TO EXTEND ANY CURRENT  
20 PAYMENT PROJECT INTO THE NEXT FISCAL YEAR;

21 (B) THE STATE DEPARTMENT'S PLANS TO INCORPORATE ANY  
22 PAYMENT PROJECT INTO THE LARGER MEDICAID PAYMENT FRAMEWORK;

23 (C) A DESCRIPTION OF ANY PAYMENT PROJECT PROPOSALS  
24 RECEIVED BY THE STATE DEPARTMENT SINCE THE PRIOR YEAR'S REPORT,  
25 AND WHETHER THE STATE DEPARTMENT INTENDS TO IMPLEMENT ANY NEW  
26 PAYMENT PROJECTS IN THE UPCOMING FISCAL YEAR; AND

27 (D) THE RESULTS OF THE STATE DEPARTMENT'S EVALUATION OF

1 PAYMENT PROJECTS PURSUANT TO PARAGRAPH (a.5) OF THIS SUBSECTION  
2 (4).

3 (a.5) (I) THE STATE DEPARTMENT SHALL EVALUATE EACH  
4 PAYMENT PROJECT TO DETERMINE:

5 (A) WHETHER THE PAYMENT PROJECT OFFERS THE POTENTIAL FOR  
6 BETTER PATIENT OUTCOMES OR IMPROVED CARE AND THE IMPACT OF  
7 BETTER OUTCOMES AND IMPROVED CARE ON MEDICAID COSTS;

8 (B) WHETHER THE PAYMENT PROJECT CREATES THE OPPORTUNITY  
9 FOR ADMINISTRATIVE EFFICIENCY IN THE MEDICAID PROGRAM;

10 (C) WHETHER THE PAYMENT PROJECT IS BUDGET NEUTRAL OR  
11 GENERATES SAVINGS FOR THE MEDICAID PROGRAM; AND

12 (D) WHETHER THE PAYMENT PROJECT RESULTED IN CHANGES IN  
13 PROVIDER PARTICIPATION IN THE MEDICAID PROGRAM, AND THE NATURE  
14 OF THOSE CHANGES.

15 **SECTION 2. Safety clause.** The general assembly hereby finds,  
16 determines, and declares that this act is necessary for the immediate  
17 preservation of the public peace, health, and safety.

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

DRAFT  
3.7.16

DRAFT

LLS NO. 16-1118.01 Ed DeCecco x4216

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Severance Tax Operational Fund Reserve Reduction"

**A BILL FOR AN ACT**

101 **CONCERNING A REDUCTION IN THE SEVERANCE TAX OPERATIONAL**  
102 **FUND RESERVE FOR THE 2016-17 FISCAL YEAR.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

**Joint Budget Committee.** For a given fiscal year, the reserve in the severance tax operational fund is equal to the sum of the operating appropriations for the Tier I programs and 15% of the Tier II transfers. For the 2016-17 fiscal year, the bill reduces the portion of the reserve that is based on the Tier I programs by \$2.98 million.

*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 39-29-109.3, **add** (3)  
3 (c) as follows:

4           **39-29-109.3. Severance tax operational fund - repeal.**

5 (3) (c) (I) FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2016, THE  
6 AMOUNT OF THE RESERVE SET FORTH IN PARAGRAPH (a) OF THIS  
7 SUBSECTION (3) THAT IS BASED ON OPERATING APPROPRIATIONS FOR THE  
8 PROGRAMS SPECIFIED IN SUBSECTION (1) OF THIS SECTION IS REDUCED BY  
9 TWO MILLION NINE HUNDRED EIGHTY THOUSAND DOLLARS.

10           (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2017.

11           **SECTION 2. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

DRAFT  
3.8.16

DRAFT

LLS NO. 16-1136.01 Jerry Barry x4341

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC: "County Coroners Reimbursement By DOC"**

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**A BILL FOR AN ACT**

101 **CONCERNING DEPARTMENT OF CORRECTIONS REIMBURSEMENTS OF**  
102 **EXPENSES OF COUNTY CORONERS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

**Joint Budget Committee.** The bill directs the department of corrections (department) to reimburse a county for reasonable and necessary expenses of investigations and autopsies performed by the county coroner on persons in the custody of the department.

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*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*



1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 30-10-623 as  
3 follows:

4           **30-10-623. Department of corrections - reimbursement for**  
5 **expenses of coroner.** THE DEPARTMENT OF CORRECTIONS, FROM  
6 APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY, SHALL REIMBURSE A  
7 COUNTY FOR REASONABLE AND NECESSARY COSTS INCURRED BY THE  
8 COUNTY CORONER RELATED TO INVESTIGATIONS OR COMPLETE AUTOPSIES  
9 PERFORMED ON PERSONS IN THE CUSTODY OF THE DEPARTMENT OF  
10 CORRECTIONS. COSTS MAY INCLUDE TRANSPORTATION, REFRIGERATION,  
11 AND BODY BAGS. THE COUNTY SHALL CERTIFY THESE COSTS TO THE  
12 DEPARTMENT, AND, UPON THE APPROVAL OF THE EXECUTIVE DIRECTOR OF  
13 THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE, THE  
14 DEPARTMENT SHALL PAY THE COSTS.

15 <{*Does the committee want a safety clause or the 90-day referendum*  
16 *language?*>