The long and short of the Long Bill

One of the most important jobs the Colorado General Assembly has every year is determining the state budget. The Joint Budget Committee (JBC) begins its work in December, and the work doesn’t stop until the so-called Long Bill is introduced to the entire legislature. This year, the budget is included in Senate Bill 254. The bill was approved by the Senate after a long night of debating amendments, and then the House spent an equally long night debating amendments.

The budget is one of those items that makes almost no one happy. The 2017-18 version is no different. The proposed budget of $26.8 billion has an increase in the “negative factor” for K-12 schools and cuts to transportation and hospitals. The Colorado budget has to balance, and under the constraints of Colorado’s constitutional tax code, the job gets more difficult every year.
There are two bills that have the potential to impact the final budget. **House Bill 1242** would refer to the voters a sales tax increase that would fund transportation projects. Under the Taxpayer’s Bill of Rights (TABOR), a referred measure requires a two-thirds majority in both the Senate and the House.

**Senate Bill 267** by **Sen. Jerry Sonnenberg**, R-Sterling, would address three areas of concern: transportation, health care (and the Hospital Provider Fee) and funding for rural schools. See below for additional information on SB 267.

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**The nitty gritty of building the budget**

Even though the Long Bill is the product of many hearings and great deliberation by the JBC, it is, in many ways, still just a starting point for the final budget.

To illustrate that, we offer a look at some of the amendments for additional spending approved in the House. And remember, for every addition, there will be a subtraction … somewhere … because the budget must balance.

We offer this list not to focus on the spending items but to show the complexity of the process. Between the Senate, where the Long Bill started, and the House, there were more than 140 amendments. Thanks to **Todd Engdahl** of Capitol Editorial Services for the breakdown.

Extra spending is grouped by the Marijuana Cash Tax Fund, the General Fund and the State Education Fund.

**Marijuana Cash Tax Fund**

- $16.3 million for homeless-related housing
- $350,900 to Health Care Policy and Financing/community health to replace General Fund shifted to Colorado Department of Education
- $1.5 million for Tony Grampsas Youth Services
- $8 million for substance-abuse programs
- $664,949 for veterans courts
- $4 million for marijuana research
- $500,000 for substance-abuse programs

**General Fund**

- $300,000 for county veterans services officers
- $3.1 million for governor’s energy office
- $1.1 million for weatherization
- $500,000 for home repairs for seniors
- $550,000 for background checks on caregivers to at-risk adults

**State Education Fund**

- $3.8 million to Department of Higher Education for Career and Technical Education programs

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**Rural relief may be on the horizon**

**Sen. Jerry Sonnenberg**’s SB 267 is titled Concerning the Sustainability of Rural Colorado. It has many components that concern education, health care and transportation, but his title is an apt one. Sonnenberg believes that years of tight budgets have been
especially hard on rural Colorado and that the very life of institutions such as hospitals and schools is threatened, a belief no doubt shared by many CASB members.

Here are some of the key elements (more details summarized here):

- Provides additional funding to school districts that are classified by the Colorado Department of Education as "small rural" or "rural." These designations apply to 147 school districts. Starting in July 2017, SB 267 calls for the following transfers to the Public School Fund to "reimburse" these districts for "inconsistent funding by the General Assembly":

  2017 – $79 million
  2018 – $160 million
  2019 – $160 million

- Starting in 2018-19, all state department budgets would be presented to the Office of State Planning and Budget (OSPB) with 2 percent reductions from budgets presented for the 2017-18 budget. OSPB is directed to "strongly" consider the 2 percent reductions when preparing the governor’s budget proposal.

- Lowers the Referendum C spending cap for 2017-18 and subsequent fiscal years. Following a recession and the resulting budget cuts required under TABOR, voters passed “Ref C” in 2005. It allowed a five-year time-out from TABOR’s spending limits. Tax revenue above the TABOR limit could be spent only on K-12 education, higher education, health care and transportation. Ref C also set a new cap based on the prior year’s cap, thereby eliminating the “ratchet effect.”

- Creates the “Colorado Healthcare Affordability and Sustainability Enterprise Act of 2017.” This would repeal the Hospital Provider Fee, create an enterprise fund and establish a new sustainability fee. As an enterprise fund, this money would be excluded from TABOR’s revenue limit. This section also lowers the TABOR revenue cap by $670 million. This section outlines all of the duties required to administer the enterprise fund, including the creation of the board to oversee the fund.

- Outlines what transportation projects are allowed under the bill. Twenty-five percent of the funding must be spent for projects in counties that have populations below 50,000. This section also mandates additional funding in certain areas, including bike lanes, pedestrian travel and transit.

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**Bill update**

View the [CASB Bill Tracker](https://www.casb.org/site/default.aspx?PageType=3&DomainID=81&ModuleInstanceID=1013&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108) through the CASB website. Two view options are available.

**Here are thumbnails on several key bills:**

**House Bill 1176** – Public Employees Retirement Association (PERA) Retirees Employed by Rural School Districts

- Allows PERA retirees to work in certain hard-to-fill positions in rural school districts without impacting their current PERA retirement.
- The latest: The House approved the bill and it is now headed to the Senate.

**House Bill 1181** – Required State Assessment for Ninth-Grade Students

- Aligns ninth- and tenth-grade testing to content standards and the eleventh-grade state-administered college preparedness test.
- The latest: The bill was approved by the House and Senate Education committee and is now working its way through Senate Appropriations.

**Senate Bill 061** – Additional Funding for Charter Schools

- Requires school districts to share mill levy override (MLO) funds with district-authorized charter schools, even if the charter school did not exist when the MLO was approved by local voters.
- The latest: Speaker of the House Christana Duran, D-Denver, has expressed concerns about charter schools and how
equitable they are in dealing with all students. The bill has not been assigned to a House committee because of Speaker Duran’s concerns.

### CASB advocacy tools

- CASB Bill Tracker
- CASB Legislative Conference Call
  Join your CASB staff for an update on the latest education related bills, and ask your questions about specific bills.
  Tuesday, May 9, at 8 a.m.
  Dial 877-240-8466
  PIN: 8115970342#
  Presentation available at [http://join.me/mattcookcasb](http://join.me/mattcookcasb)
- CASB members at Education Committee – Sign up here
- CASB Days at the Capitol

Our next Day at the Capitol is Wednesday, April 12. Join us for a briefing with our advocacy team, followed by a visit to the Colorado Legislature to see the House and Senate in action. To find out what’s scheduled, visit the [Colorado General Assembly website](http://www.casb.org/).

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