

UNDER THE DOME

WITH THE NCLA

APRIL 21, 2014

SIGNIFICANT BILLS INTRODUCED IN LAST TWO WEEKS OF SESSION

The other shoes have dropped. For several months during the 2014 legislative session, business has been lulled into believing we might be spared from several anticipated onerous legislative proposals. This past week, several bills with potential bearing on Colorado's businesses were introduced with only two and half weeks of time left in the 120-day session.

Worker's Compensation

Despite Colorado leading the nation in ratings of models for worker's compensation systems and a failure to demonstrate meaningful problems with the current system, the AFL-CIO has revealed its take on "reform" of the system in the form of House Bill 14-1383. The introduction of the bill has left the business community split in its opposition to the measure.

Under current law, employers provide two options of doctors from which employees may choose should the need for worker's compensation arise. The doctor choice provision, which also includes the option to make a change should the first choice not be an appropriate fit, was finely negotiated years ago between business and labor and is attributed to making Colorado's worker's compensation system fair and balanced between employer and employee.

HB 1383, sponsored Rep. Angela Williams (D-Denver), Chair of the House Business Affairs and Labor Committee, proposes to increase the number of doctors from which employees may choose from two to four, with a provision for rural areas of the state. While worker's compensation insurers, including Pinnacle, have revealed that insurance premiums are not anticipated to increase, it is expected that businesses will incur increased operational costs to administer the increase in the number of doctors with whom they must newly establish a relationship.

Last week, the NCLA Board of Directors took a position to actively oppose HB 1383. NCLA's oppose position is premised upon a currently highly ranked and balanced worker's compensation system that is working for both employer and employee and the anticipated increased cost to business. We stand with numerous statewide business organizations and chambers in our opposition, however, the Colorado Association of Commerce and Industry, has opted to support the measure believing doing so will forestall additional costly reforms in the future. We disagree.

Family Leave

Senator Jessie Ulibarri (D-Adams County) introduced a bill creating a new family leave insurance program to be applicable to all businesses in the state and administered by state

government. Senate Bill 196 would provide up to 12 weeks of compensation for employees who take leave of employment to care for a new baby, to care for a family member or to care for themselves in the case of an inability to work due to illness or injury. The program would be funded by a new payroll deduction of 0.42 percent of gross pay from all employees of Colorado businesses. NCLA will review the bill this week for consideration of a position.

Public Retirement System for Private Individuals

Believing barriers exist for Coloradoans to have retirement security, Speaker of the House Mark Ferrandino (D-Denver) and Joint Budget Committee Vice-Chair Pat Steadman (D-Denver) have introduced House Bill 14-1377 to promote retirement security for Coloradans. HB 1377 establishes the Colorado retirement security task force that will develop recommendations for establishing a statewide secure retirement plan for private sector employees. The task force will also analyze any potential state savings in public assistance expenditures that a potential statewide secure retirement plan may provide. Concerns have arisen in the business community that such program will be a mechanism to salvage the state's beleaguered Public Employees Retirement Association (PERA) system. NCLA will review the newly introduced bill this week for consideration of a position.