

Budget Week in the Senate ETRP, Transportation – Rinse & Repeat

The FY 21-22 Budget

The Joint Budget Committee proudly introduced the state's proposed budget in the Senate this week. Some of the highlights include:

- **\$480.3 million to reduce the budget stabilization factor – bolstering school funding levels for the next two years.** The "negative factor" gap in K-12 education funding is the amount by which state spending on schools falls short of the Amendment 23 formula – a persistent issue for Colorado due to TABOR restraints.
- **\$473 million for state institutions of higher education.** This will restore cuts made last year for students attending state institutions, stipends for qualified low-income students attending private institutions, and grants that support public institutions of higher education.
- **\$380 million for future Public Employees' Retirement Association Direct Distribution payments.** This additional funding will ensure valued public servants like public school teachers, state troopers, university professors, and other employees have a pathway toward a comfortable retirement.
- **\$124 million for 2021 transportation legislation.** This allocation will help address Colorado's growing transportation needs by restoring funds that were unavailable in 2020 due to more pressing fiscal needs arising from the pandemic.
- **\$100 million to the State Education Fund.** The State Education Fund is the primary funding source for teacher recruitment, full-day kindergarten, early literacy programs, and financing K-12 schools across the state.

The JBC chose the lower of the two General Fund revenue forecasts between Legislative Council and OSPB as the basis for the proposed budget. Both forecasts project significantly higher General Fund revenues compared to the May 2020 forecasts that were used to craft the initial FY 2020-21 budget. The following table details the changes in the LCS and OSPB projections of General Fund revenues.

CHANGE IN PROJECTIONS OF GROSS GENERAL FUND REVENUES FROM SEPTEMBER 2019 TO MARCH 2021 (\$ MILLIONS)						
	FY 2019-20		FY 2020-21		CUMULATIVE TOTAL	
	LCS	OSPB	LCS	OSPB	LCS	OSPB
September 2019	\$12,953.5	\$13,096.4	\$13,309.0	\$13,617.0	\$26,262.5	\$26,713.4
December 2019	12,942.7	13,009.4	13,475.1	13,528.0	26,417.8	26,537.4
March 2020	12,546.6	12,713.2	12,725.1	13,136.0	25,271.7	25,849.2
May 2020	11,653.8	11,630.1	10,306.6	10,755.0	21,960.4	22,385.1
Decrease: September 2019 to May 2020	(\$1,299.7)	(\$1,466.3)	(\$3,002.4)	(\$2,862.0)	(\$4,302.1)	(\$4,328.3)
Percent Change	-10.0%	-11.2%	-22.6%	-21.0%	-16.4%	-16.2%
June 2020	\$11,974.8	\$11,947.0	\$10,832.8	\$10,687.5	\$22,807.6	\$22,634.5
September 2020	12,868.5	12,868.5	11,374.8	12,262.4	24,243.3	25,130.9
December 2020	12,868.5	12,868.5	12,150.6	12,484.0	25,019.1	25,352.5
March 2021	12,868.5	12,868.5	12,721.5	12,909.0	25,590.0	25,777.5
Increase: May 2020 to March 2021	\$1,214.7	\$1,238.4	\$2,414.9	\$2,154.0	\$3,629.6	\$3,392.4
Percent Change	10.4%	10.6%	23.4%	20.0%	16.5%	15.2%
Net Change: September 2019 to March 2021	(\$85.0)	(\$227.9)	(\$587.5)	(\$708.0)	(\$672.5)	(\$935.9)

[See the Full Budget Package and Narrative.](#)

Employee Traffic Reduction Program (ETRP)

NCLA and our [Northern Colorado Chambers are assemble to pushback](#) on the CDPHE-AQCC anticipated rulemaking of Employee Traffic Reduction Program and identified the following concerns:

- 2020 - 42% of the workforce conducted assignments remotely full time or were provided flexible scheduling. Yet, by February 2021, vehicle miles traveled systemwide was less than 20% below the February 2020 baseline. Vehicles don't remain in driveways!
- 2020 demonstrated that companies and workers are able to effectively work remotely and with flexibility, so why is it necessary for state mandates instead of the free market evolution? The business community developing flexibility is more cost-effective than imposing state regulations.
- Similar programs across the country show mixed results in reducing single-occupancy vehicle commutes - no evidence is provided to demonstrate reductions in GHG emissions.
- Alarming findings through a cost-benefit analysis
- The Program is counter-productive toward the goal of expanding economic opportunity to disadvantaged populations as public transit and internet connectivity remain significant impediments.

Please get involved as NCLA develops strategic alliances to combat the August Rulemaking of the AQCC.

Transportation

After receiving additional details from the Governor's office, the A Way Forward Coalition, of which the NCLA is a member, was able to dive deeper into the numbers. NCLA top specific concerns include:

- Total Package
 - Package size is small relative to need and broadened priorities.
 - Local Government new revenue equates to approximately 30% of the total.
 - State highways receive 26% of total funding.
- The plan falls vastly short of funding the \$500M per year for the 10-year State Transportation Plan.
- Slow ramp-up of fee generation results in limited revenue for State Highway Fund.
- General Fund funding commitment does not include "new money" or guaranteed.
- CDOT required to assume \$67.5M annually for 11 years of COP payment; CDOT assumes full repayment (\$150) in year 12
- The plan lacks equity for all users of the road
- Impact to rural Colorado and agriculture disproportionate relative to urban areas.

As the bill is introduced, NCLA will be ready with solidified strategies to ensure our voice is heard regarding the need for sufficient Northern Colorado transportation infrastructure funding. Additional legislative strategies are being developed that will funnel the maximum amount of funds through the HUTF to safeguard future funding commitments. The NCLA continues to push on all viable options, including [public-private partnerships](#), to complete the northern Colorado roadway projects.

Priority Legislation

- SB 76 - [Agricultures Worker's Right](#) NCLA Position: Oppose
With the recent election of Representative Jeni Arndt as the new Mayor of Fort Collins, she has remained committed to defeating this bill as chair of the House Agriculture Committee before her departure in two months. We continue to support her in these efforts with one-off conversations and strategic alliances.
- HB 1232- [Standardized Health Benefit Plan CO Option](#) NCLA Position: Oppose
Several organizations opposed this bill during House Health & Insurance Committee hearing, including our own Jaime Henning, President/CEO of the Greeley Chamber of Commerce. Thank you for sticking it out to share with the committee the dangers this bill will have to our healthcare industry and small businesses during a time when they are so heavily relied upon.
- HB 1052 - [Define Pumped Hydroelectricity as Renewable Energy](#) NCLA Position: Support –

After years of failed attempts, House Minority Leader Hugh McKean (R-Loveland) and Sen. Rob Woodward (R-Loveland) passed their bill to allow for the inclusion of “pumped hydroelectricity” to be considered renewable energy. The bill now heads to the Governor’s desk for signature.

NCLA Virtual Happy Hour

The NCLA Board and Chamber Board hosted a virtual happy hour with our Northern Colorado Legislative Delegation to discuss key issues as we enter the mid-way point of the legislative session. The board offered considerable feedback on the investment of the soon to be available \$3.9B in federal stimulus funds for the one-time expenditures suggesting, in particular, that funds be directed to the Unemployment Insurance Trust Fund to repay the fund after use and abuse of the available dollars to avoid the trigger of a premium tax on every business in addition to funding for transportation. On the transportation fight, Senators Rob Woodward & Barb Kirkmeyer (R-Weld) shared their work on amendments during budget debate to bring about more funds from the general fund for critical transportation projects on the CDOT priority list, the 10 Year plan. Representatives Mary Young (D-Greeley) and Jeni Arndt (D-Fort Collins) shared the insights from the Build Back Stronger listening sessions and key issues heard from Northern Colorado.

NCLA Tracking Report

On a bi-weekly basis, the NCLA Board reviews and considers its position on pending legislation. See the [NCLA 2021 Legislative Tracking Report](#) for a listing of the measures thus far introduced that the NCLA is monitoring and upon which the NCLA will or has taken a position.