



Bowditch & Cassell
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Colorado General Assembly
2020 LEGISLATIVE PREVIEW



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2020 LEGISLATIVE PREVIEW

The 2020 Colorado Legislature will convene on Wednesday, January 8, and adjourn no later than Wednesday, May 6.

The party breakdown is the same as 2019: Democrats control the Senate 19-16, and control the House 41-24. Along with Democratic Governor Polis, this gives the Democrats a "trifecta" in party control.

The legislature had a busy interim, with 18 interim committees and various stakeholder meetings occurring, and we expect the session will be no different.

We will certainly see more Democratic priorities addressed in 2020: housing accessibility, consumer safety and privacy, anti-discrimination initiatives, economic development equity, and environmental sustainability.



BUDGET ISSUES:

The state's General Fund revenue is still positive, though slowing down. According to Legislative Council, after increasing by 7.2 percent in FY 2018-19, General Fund revenue is anticipated to increase by only 3.0 percent in FY 2019-20, and 4.1 percent in FY 2020-21. The state will be in the position of issuing TABOR refunds, with Legislative Council estimating refunds in the amount of \$304 million (FY 2019-20), \$367 million (FY 2020-21), and \$453 million (FY 2021-22).

The state's budget is constrained by the TABOR cap. The state has a multi-billion-dollar transportation shortfall, a K-12 Budget Stabilization (BS) factor of \$572 million, and a higher education system funded by students to a greater degree than ever before. Yet Colorado, absent a change in its constitution or a statutory accounting change, will be forced to refund approximately \$1.0 billion in the next few years. Has TABOR provided the necessary "brake" on state government spending, or has TABOR precluded necessary investments in programs that Colorado voters continue to value?

KEY LEGISLATIVE ISSUES



Education



Environment & Energy



Higher Education



Health & Human Services



Local Governments



Transportation Funding

2020 LEGISLATIVE ISSUES:



EDUCATION (K-12)

Two major issues will dominate the discussions on education:

- Mill Levy Equalization, an attempt to address the unintended consequences of varying local tax rates, with voters paying different tax rates across Colorado's 178 school districts. Taxpayers in 38 districts pay the maximum 27 mills; taxpayers in all the state's resort areas pay far less, and many districts are in between, leading to taxpayer inequity and taxpayers subsidizing other school districts.
- After 3 years of study, the school finance interim committee has not reached bipartisan consensus on how to move forward. It is unknown if any school finance changes will be introduced in 2020.



ENVIRONMENT & ENERGY

We expect energy and environmental issues to be front and center for another year, as this is a continued priority for Governor Polis. Legislation around air quality, oil and gas enforcement, and renewable energy alternatives is expected.



HEALTH & HUMAN SERVICES

Health care costs continue to be a major concern to many Coloradans. During the interim, HCPF and DOI tested a pilot program for a state-run health care plan in selective geographic regions, and modifications and/or expansions to these programs is likely. Perhaps the largest policy discussion will focus around a proposed paid family and medical leave program to guarantee private sector and state employees a portion of wages for family illness or the birth of a child.



HIGHER EDUCATION

Much of the debate around higher education centers around tuition, student debt, and affordability. For FY 2020-21, Governor Polis recommended a 3.0 percent tuition "cap" on the increase applied to resident students. This follows the resident tuition freeze of FY 2019-20.



LOCAL GOVERNMENT

Two issues important to counties and municipalities are local control and tax revenue. Both of these issues will play out in 2020 through debates on potentially regulating short-term vacation rentals and metropolitan districts, and maintaining sales tax collections.



TRANSPORTATION

With the rejection of recent statewide funding mechanisms by the voters, legislators have discussed a variety of creative ways to fund transportation projects including: increasing fees on delivery services and ride-share applications, allowing metropolitan planning organizations to go to their voters for taxing measures, and allowing single project initiatives to be placed before the voters.

There will be a major focus on the Regional Transportation District (RTD) this year. Local government representatives have expressed concern about RTD's failure to provide transportation services on time and on budget, decreasing ridership, and questions pertaining to RTD's governance.