



Colorado Counties, Inc.

March 31, 2008

Legislative Report

CCI Meeting Reminder

All Steering Committee meetings are held at CCI.

Friday, April 4

- 9:00 – 10:30 a.m.
Tourism, Resorts & Economic Development
- 10:30 – 12:00 p.m.
General Government
- 12:30 – 2:00 p.m.
Taxation & Finance
- 2:00 – 3:30 p.m.
Transportation & Telecommunications

Friday, April 11

- 9:00 – 10:30 a.m.
Public Lands
- 10:30 – 12:00 p.m.
Agriculture, Wildlife & Rural Affairs
- 12:30 – 2:00 p.m.
Land Use & Natural Resources
- 2:00 – 3:30 p.m.
Health & Human Services

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LONG BILL AND CRITICAL SPENDING LEGISLATION

This past week, the House focused its attention on the Long Bill. The “Long Bill”, also known as Colorado’s budget, appropriates approximately \$17.6 billion, of both state and federal funding, to meet the state’s needs for the upcoming fiscal year. The SFY 2008-09 budget includes an additional \$1.1 billion in general fund revenue that the state is allowed to retain under Referendum C.

As a whole, funding for Health and Human Services fared pretty well in the SFY 2008-09 Budget. The budget provides an increase of \$2.8 million in federal funds for changes to Colorado Benefits Management System related to federal changes in the Temporary Assistance to Needy Families (TANF) Program. Additionally, it maintains the required county match for residential child care services at 10% instead of increasing it to 20%. The budget also includes additional general fund to offset anticipated reductions in the amount of federal Title IV-E moneys. Title IV-E, a subsection of the federal Social Security Act, provides federal reimbursement to cover the costs of children placed in foster homes or other types of out-of-home care. The state is continuing to fund county administration at current levels, while the changes in county contingency and transfers to county administration in HB08-1250 increases the funding by \$5 million, which helps bring county administration spending to the workload study levels. All counties receive a portion of county administration funding which helps counties administer programs including food stamps, adult cash assistance programs, adult protection, and child support enforcement.

While counties are faring well in the SFY 2008-09 Budget, recently introduced legislation threatens the future solvency of county TANF programs, according to analyses by the Colorado Department of Human Services fiscal staff. **HB 1362 Earned Income Tax Credit (EITC)** by Rep. Kefalas and Sen. Boyd relies on the unemployment insurance surcharge tax and the TANF block grant to fund the EITC in fiscal years 2008-09 and 2009-10. Of specific concern to counties is the intent to

transfer a minimum of \$47 million per year from TANF to the EITC fund. This will directly impact the TANF-related programs that have been proven to effectively help families to get out of poverty.

Furthermore, county TANF reserves will be affected. The bill requires the \$47 million to be taken off the top from the state's total TANF block grant. Typically, the state receives roughly \$154 million, which is available to each county based on its local Maintenance of Effort spending and caseloads, to provide TANF eligible services like basic cash assistance, child care, and transportation services to those who are employed. Reducing the state's total TANF block grant by \$47 million will require counties to tap into their county TANF reserves to continue providing services to eligible TANF recipients. However, county TANF reserves vary widely amongst counties. Because of this and the fact that there is no statutory structure for aggregating the reserves, "re-allocating" reserves literally requires some county taxpayers to subsidize the TANF programs in other counties. CCI opposes HB 1362.

SB 177 Colorado Works Omnibus Bill by Sen. Boyd and Rep. McGihon and Massey represents a collaborative solution to address the county TANF reserves. SB 177 includes two provisions that will reduce county TANF reserves over the next few years. They include an increase in the basic cash assistance grant for all eligible TANF recipients and a "draw-down" schedule to gradually and prudently reduce the county TANF reserves. SB 177 mandates an increase to the basic cash assistance grant of no less than 120% of the current grant amount, and the counties support a 130% increase if the fiscal analysis supports that level. This increase means that a single mother with two kids will receive \$1200 more per year. Furthermore, SB 177 establishes a schedule for the draw-down of county TANF reserves. The bill requires each county to initially, at the conclusion of SFY-2009, remit unspent TANF funds in excess of 70% of that county's annual TANF allocation to the state's long term reserve. Then, for the succeeding three fiscal years (SFY 2010-2012), the threshold is reduced to 55%, 40% and 30%, respectively. Funding that is generated from this draw-down will be appropriated as grants to counties, non-profits, and other appropriate entities who provide TANF eligible services that promote self-sufficiency, reduce the number of families and children living in poverty, and increase participation in work-related activities.

SB 177 is the outcome of a collaborative effort between the Colorado Department of Human Services, county social service directors, Colorado counties, and social advocates. The bill offers a thoughtful solution to address county TANF reserves issues. If HB 1362 passes, the solution offered in SB 177 will simply not be an option. Therefore, CCI encourages legislators to support SB 177 and to oppose HB 1362.

General Government (GG)

SB08-198, Requirements Applicable to Congressional Redistricting (Gordon) **CCI Position: Pending**

With the federal census arriving, it is time to begin conversations about redrawing congressional districts. This bill would allow for more public participation in the redistricting process. Specifically, the bill calls for no fewer than 12 public hearing throughout the state. The public would also be allowed to submit maps, recommendations, and inquiries to the General Assembly. Another part of the bill would require the General Assembly, to the extent practicable, to create competitive districts instead of congressional districts that create "safe" seats for congressional candidates.

SB08-032, Bond Commissioner and Bond Breach Hearings (Harvey, McNulty)
CCI Position: Support

This is a CCI legislative priority. There are four judicial districts that use bond commissioners to facilitate pre-trial work. This bill would allow the bond commissioner to apply for a bond revocation hearing when a defendant violates the terms of his/her bond. If a defendant accused of domestic abuse or drug use violates their bond conditions, a hearing may not be scheduled for up to a month because of full dockets and heavy caseloads. This bill will allow the bond commissioner to appear before the judge to request and schedule a hearing, thereby reducing the time spent getting the defendant into court.

SB 032 finally passed the House with a unanimous vote and went back to the Senate to concur with the House amendment that defined bonding commissioner in statute.

Questions or Comments? Contact Andy Karsian at 303.883.9381 or akarsian@ccionline.org.

Health & Human Services (HHS)

SB08-210, Child Care County Reimbursement Rates (Shaffer)
CCI Position: Pending

In the spirit of improving the quality of child care throughout the state, this bill establishes child care county reimbursement rate requirements. The state department of human services has to conduct a statewide survey every two years to determine the market rate of child care within each county. The county then has to reimburse child care providers who are participating in the child care assistance program (CCAP) 75 percent of the county's market rate, or the provider's rate, whichever is cheaper. Counties with populations of 25,000 or less must combine its survey data with other counties of equal or less population and similar demographics to obtain the market rate. This bill says that the department shall require a county to include plans to improve child care quality in its county plan.

The bill was heard in Senate Committee on Health and Human Services on March 26th and passed to the floor for second reading. This was also the first time a fiscal note was available for SB 210. While CCI lobbyist Pat Ratliff has worked with the proponents in their effort to present a bill that would be acceptable to counties, the understanding was that the bill's fiscal impact would be perhaps \$2 million statewide. Pursuant to the fiscal note, SB 210 costs will approach or exceed \$12 million annually. For several counties, the impact would exceed several million dollars. Their concern is that the actual impact could well result in fewer children having access to CCAP day care. This is certainly not the goal of the proponents or the counties. CCI will continue to discuss the fiscal impact of this legislation with the affected counties.

Questions or Comments? Contact Pat Ratliff at 303.668.0264 or plr45@aol.com.

Land Use & Natural Resources (LUNR)

FY 2008-2009 Long Bill – Oil and Gas

The Long Bill has appropriated to the Colorado Oil and Gas Conservation Commission (COGCC) a \$1.7 million increase from last year's appropriation and added 21 full time employees. These increases are in anticipation of the increase in oil and gas operations around the state and the implementation of new rules as mandated by HB07-1298 and HB07-1341. HB07-1298 specifically requires the COGCC to make rules regarding orders and approvals that take into account effects to wildlife resources, encourage industry to take on comprehensive drilling plans and geographic area analysis strategies, and minimize disturbance to natural habitats. Similarly, HB07-1341 requires COGCC to promulgate rules to ensure health, safety, and welfare of the public in oil and gas operations. The COGCC is currently in the process of making these rules and expects to have final adoption by July 1, 2008.

The Joint Budget Committee has anticipated and prepared for the new staffing needs in the COGCC budget in the 2008-09 long budget bill. For example, a new approval process including a new Form 34 permit has been proposed for locating oil and gas facilities. Other proposed rules include submission of comprehensive development plans by the operators, geographic area plans, and health and air quality studies. All of these new measures will require new funding and staff to be sufficiently implemented. According to data presented in the FY 2008-2009 Long Bill Narrative, the number of COGCC staff stayed around 35-38 while the number of oil and gas well permits almost tripled between FY 2001-2002 and FY 2005-2006. While the staff has increased to 55 since then, the increase in the number of permits is climbing steadily past the pace of staff increases. So for FY 2008-2009, the recommended number of full time employees is 76 to match the anticipated 8,360 permits.

The Long Bill has been adopted by the House and will be heard in the Senate next. CCI will continue to watch this program and others of interest to counties.

Questions or Comments? Contact Pat Ratliff at 303.668.0264 or plr45@aol.com.

Public Lands (PL)

HB08-1182, Withdrawal Consent Acquire Lands US (McKinley)

CCI Position: Oppose

Last year, the General Assembly overwhelmingly passed a bill to withdraw the consent of the federal government to acquire land for the Piñon Canyon expansion in southeast Colorado. This current bill goes further and withdraws the consent for all land acquisitions in Colorado by the federal government.

The bill sponsor is working on amendments to clarify a process that the federal government would go through in order to acquire land. The intent of the bill is to make it more difficult for the U.S. Army to expand the Piñon Canyon maneuver site unnecessarily. The bill should not restrict the federal government from expanding federal centers, or acquiring land for a federal cemetery in El Paso County, nor would it interfere with public land swaps or acquisitions. CCI will continue to work with the sponsor to limit the scope of the bill and further define the process of federal land acquisition in Colorado.

SmallWood 2008 Biomass Conference, Madison, WI

Scholarships for elected county officials have been made available for registration and travel expenses specific to the upcoming SmallWood 2008 and Bioenergy & Wood Products conference. The conference will be held May 13-15, 2008 at the Monona Terrace Community & Convention Center in Madison, Wisconsin.

The theme of this year's conference is "Cutting Edge Technologies to Optimize Utilization of Smallwood and Woody Biomass." The conference will provide state-of-the-art information on small-tree utilization and foster peer-to-peer learning. Enormous quantities of woody biomass are being generated from thinning operations, land clearing, and hurricane disasters. These issues drive the need to create solutions for using low-value and waste wood. This conference will include an international slate of speakers, including researchers, material and equipment suppliers, manufacturers, and end-users. The conference brochure can be found at: <http://www.forestprod.org/smallwood08bro.pdf>

Please contact CCI for the scholarship application form.

Questions or Comments? Contact Andy Karsian at 303.883.9381 or akarsian@ccionline.org.

Taxation & Finance (TF)

HB08-1341, Alcohol Sales Tax Children Basic Health (Frangas)

CCI Position: Monitor

This bill refers an increase in state sales and use tax on alcohol sales to the voters. The increase is 2% and revenues will be used to fund the children's basic health plan trust. The tax is exempt from the total sales and use tax limit.

SB08-158, Inclusion of County Land in Urban Renewal Areas (Tochtrop, Hodge)

CCI Position: Support

This is a CCI legislative priority. SB 158 allows unincorporated portions of a county to be included in a contiguous urban renewal area in a municipality. Such an inclusion requires actions on the part of the county commissioners and the consent of all real property owners involved. The county commissioners must declare the area to be blighted. They must also submit a proposal to the county planning commission to be sure that the project complies with the county master plan, hold a public hearing, and notify the county assessor of any division of taxes. This will be helpful to counties in redeveloping "brownfield" properties that are not incorporated into municipalities. This bill has been sent to the governor.

Questions or Comments? Contact Bill Clayton at 303.884.7618 or claytonwjc@aol.com.

Transportation & Telecommunications (TT)

SB08-209, I-70 Traffic Mitigation Pilot Project (Romer, McFadyen)

CCI Position: Pending

The transportation commission is allowed by this bill to create an Interstate 70 Congestion Management Pilot Program between the Eisenhower-Johnson Memorial Tunnel and Floyd Hill

during peak traffic times. Components of the pilot program include designating portions of the highway as high-occupancy toll lanes during peak usage, temporarily reversing lanes and reducing speed limits within a specified portion, and charging a higher toll for vehicles over 26 feet long.

A special-purpose account is created in the highway user's tax fund to pay for expenditures such as the automatic vehicle identification systems, constructing parking facilities for long vehicles, and subsidizing busing services to ski areas. Colorado Department of Transportation placed a large fiscal impact of more than \$225 million over a three year period on this bill. The bill was postponed indefinitely on March 27, before the CCI Transportation & Telecommunications Steering Committee was able to meet and vote on the bill.

SB08-213, Colorado Tolling Enterprise Powers (McElhany, M. May)
CCI Position: Pending

In the same overarching goal as SB 209, this bill is part of the effort to alleviate the congestion on Interstate 70 during peak use times and all resultant problems. In particular, this bill gives authority to the board of the Colorado tolling enterprise to designate any portion between the Eisenhower-Johnson Memorial Tunnel and Floyd Hill a tolling highway. It sets limits on the toll to be imposed and exempts vehicles registered in Clear Creek, Gilpin, and Summit counties from such tolls. In addition, this bill will create a fund from the tolls collected to provide funding for further research on alleviating congestion in the I-70 corridor. The bill passed out of Senate Transportation Committee and is in Appropriations.

Questions or Comments? Contact Tony Lombard at 303.884.9113 or tony@lombardclayton.com.



NACO'S 2008 ANNUAL CONFERENCE

Remember to sign up for NACo's 2008 Annual Conference! This year's Annual Conference will be held in Kansas City, Missouri July 11th – 15th.

You can register for the conference by going to www.naco.org and then clicking the "Conference and Events" tab. If you plan on attending this year's Annual Conference please contact Gini Pingenot (gpingenot@ccionline.org) so that you are included on all of CCI's pre-NACo conference mailings.

Hope to see you there!

