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Northern Colorado Legislative Alliance

REGIONAL ISSUESAN SULVIVITY Northern Colorado Legislative Alliance

Chair of the Board Northern Colorado Legislative Alliance

Carol Salter



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Transforming Organizations From The Inside Out



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EmbassyMtg Password: ncla



Join the Conversation

Use hashtag #NCLA2019

Public policy decisions matter. A vibrant economy matters. You matter.

Defend.
Protect.
Mitigate.
Secure.



TRIFECTA

Critical Collaboration and Collective Strength

Chamber Partnerships

- Pueblo Chamber
- Vail Valley Partnership
- Grand Junction
- Metro North Chamber
- Boulder Chamber
- Colorado Springs Chamber
- Aurora Chamber

- Colorado Retail Council
- Colorado Chamber
- NFIB
- Colorado Restaurant Association
- Colorado Home Builders
- Colorado Auto Dealers
- Colorado Municipal League
- Colorado Counties Inc

NCLA Victory: FAMLI

Mitigated \$1B+ FAMLI Paid Leave Bill

- Secured Senator Ginal's opposition
- Her commitment to be the 18th vote necessitated proponents to scale the bill back to a study.

NCLA Victory: Oil and Gas

- Defended a key Northern Colorado economic driver
 - Secured amendment to SB 181 (O/G) to remove intended extra-territorial standing in jurisdictional land use decisions and permitting decisions of the COGCC

NCLA Victory: *Transportation*

- Secured \$800M in transportation funding for 2019-20
 - Clinched a \$100M budget amendment for additional General Fund funding for 2019-20
 - Protected \$200M of General Funds from SB 18-001, and
 - Restored the second \$500M tranche of SB 17-267.
 - Assured full funding possible for expansion of I-25 from Fort Collins to Loveland.

JOEY BUNCH Colorado Politics

One NOCO Scott Erhlich

President

Kristin Strohm Common Sense Policy Roundtable

President/CEO





The Colorado Way





We believe sound fiscal and economic research is essential to uphold Colorado's economic vitality, future, and individual opportunity.



CSPR's Recent Research



BUILDING GATED CITIES - POLICY BRIEF UNDERSTANDING THE IMPACTS OF 1% GROWTH IN LAKEWOOD

On July 2"-2019, voters in Lakewood, Colorado will decide on whether or not to impose a point on the growth of the city's housing. "The Statege Cloveth Initiative" was introduced in 2017 and sed up in court for the past two-and-a half years. In 2017, the REM Patriceship released a study, "Building Gated Cities", describing the potential economic impacts this instative would have on the city.

The City of Laleswood's housing is projected to grow at an annual average rate of 1.5% to 1.5% over the next decade. If the 1% growth cap passes, it would mean up to approximately 4,100 fewer housing units will be built, equal to a eduction of 37% of new units over a decade. Given the already low excancy rate and rapid increase in housing prices and mist, this restriction in supply will have impacts across housing affordability, transportation infrastructure.

Growth Caps and the City of Boulder Experience:

Historical data from Colorado shows growth caps have real and lasting impacts on housing markets. Reducing the supply of housing, especially affordable housing, puts upward pressure on the cost of housing, including sints and property taxes.

In the late 1970s, Boulder imposed a 2% annual limit on residential growth. Within a few years, housing costs in Boulder started to accelerate significantly faster compared to other nearby offses.

Then, in the early 1990's, Boulder's growth limit was lowered again to 1% per year. This policy, along with others, book Boulder's already tight housing market to a new level. Due to costs rising much higher and faster than neighboring ottos in the Oberver Metropolitan Area.



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WWW.REMIPARTNERSHIP.ORG

Fiscal & Economic Impact
Proposition 112 - 2,500 ft. Setback Proposal

Proposition 112 could cost Colorado

jobs on a large scale. 77% of all jobs

lost would be outside of the oil and

Retail trade

Health care and social assistance

Accommodation and food services 6%

Real estate and rental and leasing 4%

gas industry.

ABOUT PROPOSITION 112

Proposition 112 is a proposed policy that increases the distance between oil and gas activities and vulnerable areas or occupied structures from 500 feet to 2,500 feet. The policy also expands and modifies the definition of what a vulnerable area or occupied structure is: playgrounds, any occupied building including homes, schools, hospitals, sports fields, drinking water sources, irrigation canals, reservoirs, lakes, rivers, streams, and any vulnerable area designated by the government.

By 2030, over \$26B in state GDP would be lost annually. For comparison, the GDP of the entire Boulder MSA was just under \$24B in 2016.

JOBS LOST

Year 1: 43,000 jobs lost. That's almost as many jobs as in all of Pueblo.

By 2030: 147,800 jobs lost. That's almost as many jobs as in all of Douglas County.

FISCAL IMPACT

Proposition 112 would result in a loss of \$7 - \$9 billion in state and local tax revenue that could be used to invest in our state's future. Over 82% of all oil and gas revenue goes directly to the local communities where the production activity occurs, to support schools, housing, and other local programs.



Year 1: \$230.85 Million in lost tax revenue.



By 2030, Colorado could miss out on over \$1 Billion in state and local tax revenue annually.



11%

Conducted by the REMI Partnership







6295 Greenwood Plaza Blvd Suite 100 | Greenwood Village, CO 80111

To read or download the full study please visit:

CommonSensePolicyRoundtable.org

CommonSensePolicyRoundtable.org

DENVER BUSINESS JOURNAL

Colorado business leaders gear up for next family-leave battle as sponsors pledge 'homework up front'

Denver Business Journal: April 25, 2019

coloradopolitics

"The [Common Sense Policy Roundtable] report estimates that the state's individual health insurance market would lose 80% to 100% of its membership and 1,500 to 4,500 health care workers in Colorado could lose their jobs."

Colorado Polítics, September 12, 2019



The Facts

#1

Colorado is a special place to live, work, and raise a family.









How Special?





The Facts

#2

How badly do people want to live in Colorado?

Today our population is **5.8 million**

In 1990 it was 3.3 million

In 2000 it was 4.3 million



And in just 10 years it is projected to be 6.6 million, growing almost by 1 million people.





BUSINESS FRIENDLY















BUSINESS FRIENDLY

COLORADO SMALL BUSINESSES













IMPACT

The City of Lakewood is projected to grow at an annual average of

1.3% to 1.5%

in the next decade.

If the 1% Growth Cap passes, it would mean up to approximately

4,100 fewer housing units

will be built, equal to a reduction of 37% of new units over a decade.





What's impacted?

The share of in-commuters to Lakewood grew from

9% to 17% from 2002 to 2014







as housing and population growth has not kept pace with employment. This puts additional demand on the city's transportation network.

By 2016, the gap between what a police officer and firefighter could afford grew to

\$107,000 and \$139,000



respectively.

If the median home price were to increase by 20% as a result of a 1% growth cap, that would amount up to a

\$527 to \$761 increase



in property taxes, per year, based upon the mill levy for the property.





IMPACT

If Amendment 73 had passed it would have resulted in a loss of



11,400 private sector jobs annually



the state would lose approximately

\$850 million in GDP



and disposable personal income would be lowered by

\$1.8B annually





Proposition CC

DID YOU KNOW?

KEY FINDINGS FROM THE REPORT



State expenditures per Coloradan, adjusted for inflation have **grown 69%**, in stark contrast to an **11.5% growth** in real household income.



State expenditures have grown from \$2,960 per person in FY96 to \$8,860 per person or over \$34,400 annually for a family of four in FY18.



FAMLI Leave

Analysis of the cost and risk of financial insolvency for a

Colorado Paid Leave Program



IMPACT

SB-188 would have created a state operated insurance program, available to between **85% and 90%** of all Colorado Workers.

Comparison of Utilization Rates and the Associated Premium and Cost Estimates for Colorado Under SB-188			
	Utilization Rate	Premium	Total Revenue
Current Fiscal Note	3.50%	0.64%	\$957,000,000
California Utilization Rate	4.80%	0.88%	\$1,312,457,143
Premium Cap in Current Bill	5.4%	0.99%	\$1,480,359,375
Top Range as Cited in Fiscal Note	10%	1.83%	\$2,734,285,714
Rhode Island Utilization Rate	13.70%	2.51%	\$3,745,971,429
High End Estimate	15%	2.74%	\$4,101,428,571



The \$382 million increase in costs to businesses represents a 58% increase in costs relative to current corporate income tax revenue.



REACH

DENVER BUSINESS JOURNAL

Colorado business leaders gear up for next family-leave battle as sponsors pledge 'homework up front'

Denver Business Journal: April 25, 2019



Colorado Senate Democrats shelve family leave program for study

Joey Bunch, Colorado Politics Apr 24, 2019



Senate Bill 181

The statewide cost of prohibitions, restrictions, and regulatory uncertainty in Colorado's energy sector





The Local Revenue Impacts Of Near-Term Oil And Gas Development

NEW MONEY FOR SCHOOLS, ROADS AND PUBLIC SERVICES

WHY THIS STUDY IS NEEDED

Estimating property tax revenues from near-term oil and gas development will help inform these decisions today, while at the same time starting a larger discussion about other economic factors that should be considered as SB-181 is implemented at the local level







Broomfield



Commerce City







Johnstown



REVENUE IN ROADS

Local Road Improvements: \$258M

Which could mean repairing up to

805 miles

of deteriorated local roads with brand new asphalt overlay.



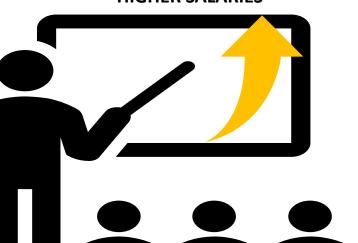


REVENUE IN EDUCATION

Education: Up to \$1.1B or \$748 per student

That could increase a teacher's salaries by

42% HIGHER SALARIES



\$23,700

OR

Hire over **3,200 new teachers**.



Anticipating a State Health Care Option

Will businesses face higher costs or will quality

and access be cut?



Health Care in Colorado Today





8th In the nation

2018 Health Rankings



2019 Scorecard on State Health System Performance



7th in the nation

2019 Health Care Quality Rankings



HB-1004

Table 1: Difference between 2022 Baseline Average ACA Premiums and the Public Option by Region

	Statewide	Urban - Rating Areas 1, 2, 3	Rural West - Rating Areas 5, 9	Rural East - Rating Areas 4, 6, 7, 8
Baseline Projected 2022 ACA Premium	\$538.78	\$502.28	\$668.55	\$576.40
State Coverage Option Estimated 2022 ACA Premium	\$481.69	\$463.19	\$566.07	\$479.19
Difference	-10.6%	-7.8%	-15.3%	-16.9%

10% savings to consumer who will pick up the cost.



BOTTOM LINE

The bottom line, medical providers will be faced with limited options, either

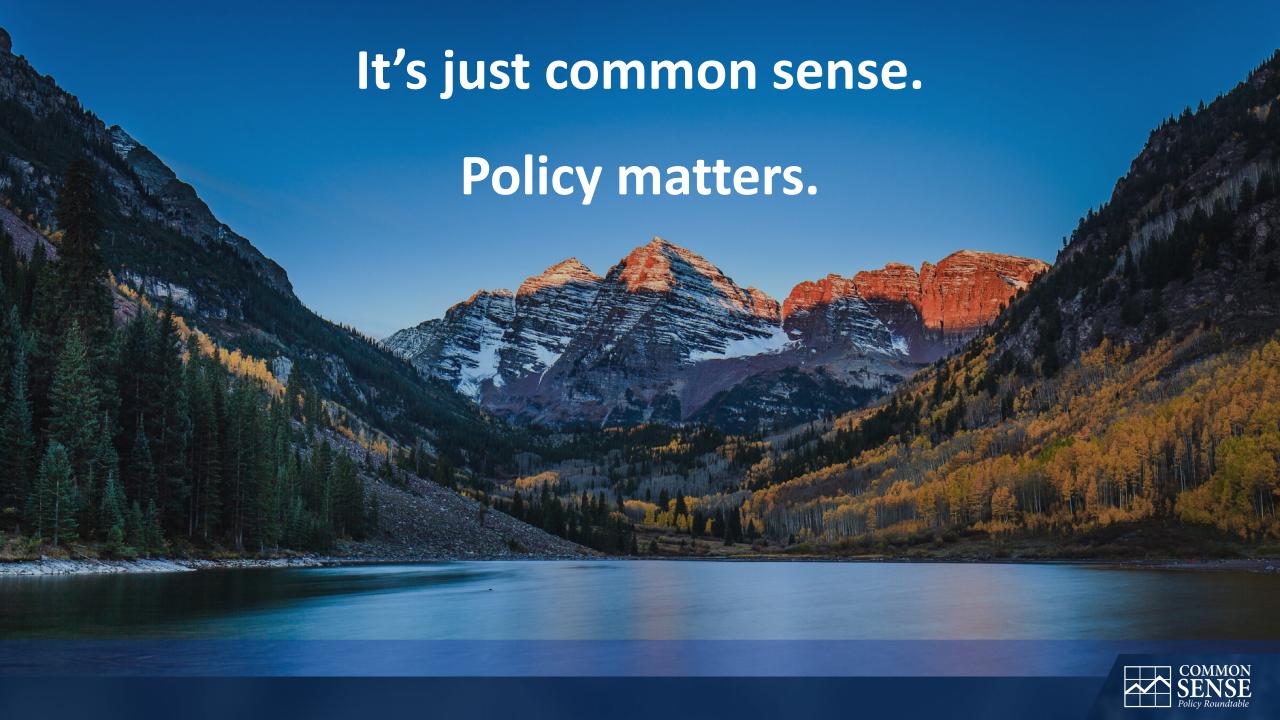
CUT costs

in a way that may negatively impact quality and access, or

PASS costs

on to all the rest of us remaining in the traditional private health insurance market.









Kristin Strohm

President & CEO

Common Sense Policy Roundtable

Kristin@csprco.org

Jared Polis

Governor



PRIORITY: Health Care

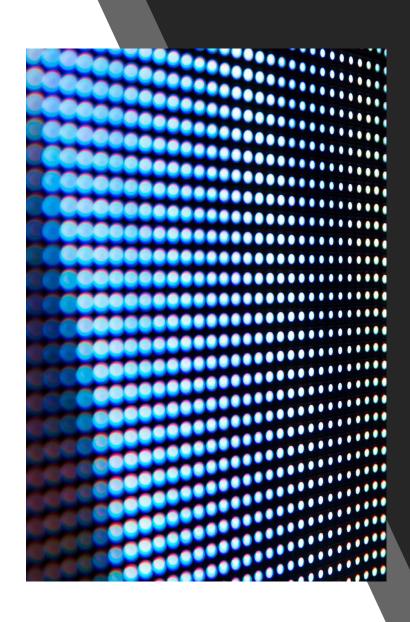
Support having a high quality, accessible and affordable health care system for employers and employees.

Health Care and the Public Option

Winners and Losers?

Gavin Kaszynski Co-Chair – NCLA Health Care Working Group

Associates in Family Medicine CFO



Our Panel

Kim Bimefester

Exec Dir – Colorado Health Care Policy and Financing

Margo Karsten

Pres Western Region/CEO Northern Colorado - Banner Health

Bob Smith

Exec Dir – Colorado Business Group on Health

Tom Rennell

VP Financial Policy – Colorado Hospital Association

Amanda Massey

Exec Dir – Colorado Association of Health Plans

Key Aspects of the State Option Proposal

- Projected to <u>save 9-18%</u>+ on individual premiums. Then sm grp mkt entry.
- Builds on ACA with plans administered by carriers, while Connect for Health enables fed subsidies
- Low start-up costs and no financial risk to the state or taxpayers
- An Advisory Board will be established to maximize stakeholder collaboration
- Reimbursements will be set by the state at a level that
 - o protects rural hospitals and allows for profitable care delivery

Savings Drivers of the State Option Proposal

- Reimbursements will be set by the state, with an emerging formula:
 - Type of hospital (CAH, rural, urban independent, system member)
 - Payer mix (Medicaid, Medicare focus)
 - Margins, Admin
 - Other?? Deter problem behaviors, reward affordability behaviors and access solutions??
 - Feb 14 due date enabling reimbursement formula refinement, collaboration
- Adjusts Insurance Carrier MLR to 85%
- Rx Manufacturer compensation to carriers fully passed through
- Value-based payments to carriers and providers

Add'l Concurrent, Collaborative Savings Drivers

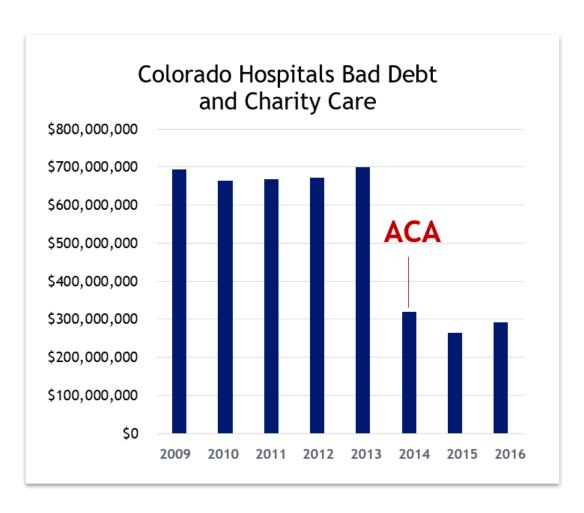
- Rx Report release 1st wk. of Dec., to include opportunities:
 - Prescriber Tool
 - Upper Payment Limits on Rx
 - Best practices for Prescribers
 - Pricing Transparency
 - Rebate Pass Through
- TeleHealth/TeleMedicine
- Prometheus
- Centers of Excellence
- Entire Affordability Roadmap
- Alliance Work
- Reinsurance



Why Set Hospital Reimbursements?

- Price variations of >400% across CO for the same services
- As hospitals have merged, negotiating leverage has increased prices
- Denver area hospital profits grew by more than 50% btw 2016-2018, while 18.1% of Coloradans reported problems paying medical bills
- CO Hospitals: 2nd highest profits; 2nd highest construction; 4th least efficient admin costs; admin growing at twice the national rate; 8th highest prices
- Rural hospitals struggle, while Mt. Resort, front range mega systems have highest profits in the nation.

Good News: The ACA Reduced Bad Debt and Charity Care Bad News: This Hasn't Resulted in Lower Costs



Despite charity care going down:

- CO Hospitals' admin costs are increasing at 2x the national rate
- CO ranked in the top three nationally in hospital construction
- Hospital revenues are up 76%
- Hospital margins increased 250%+

Source: CHASE 2017 Report, CHA DATABANK

According to the Hospital Cost Shift Report, based on the Colorado Hospital Association's Databank, reflecting 2009 to 2017.

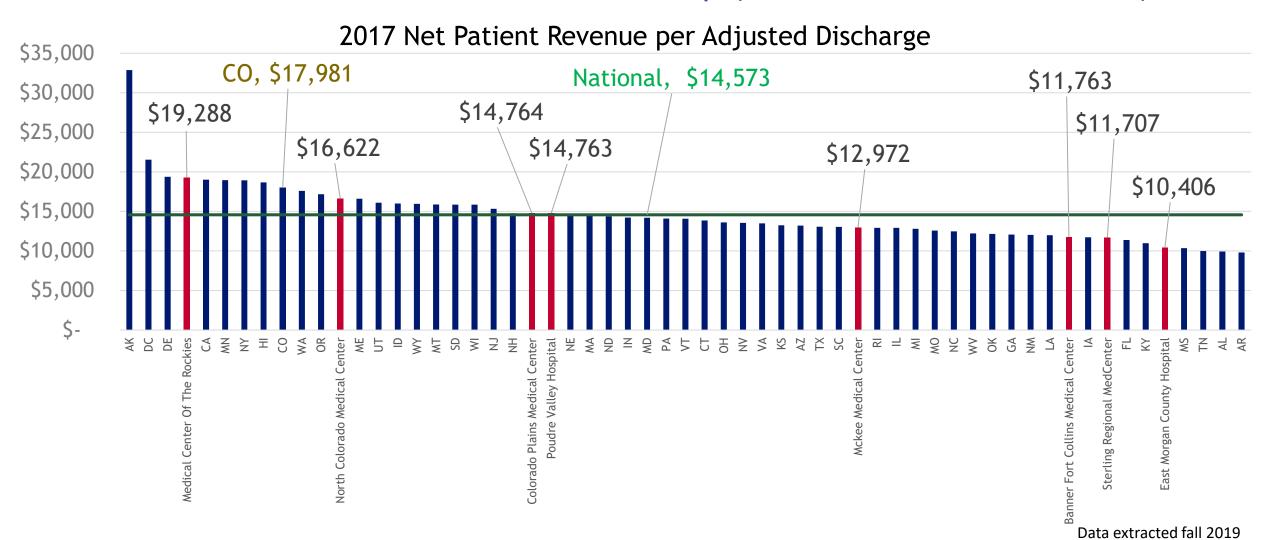
From the Medicare Cost Report filed by CO Hospitals Colorado & Nation – Income Statement Per Adjusted Discharge

A triple opportunity to better manage: Hospital prices, costs, margins

	Income Statement	2017 National	2017 Colorado	2017 Colorado Rank	2017 Colorado Rank Cost of Living Adjustment
	Net patient revenue	\$14,573	\$17,981	8	5
-	Total operating cost	\$14,704	\$17,086	10	8
=	Patient service margin	-\$130	\$895	4	

Total margin \$1,178 \$2,738 2

From the Medicare Cost Report Colorado & Nation - Price Proxy (Net Patient Revenue)

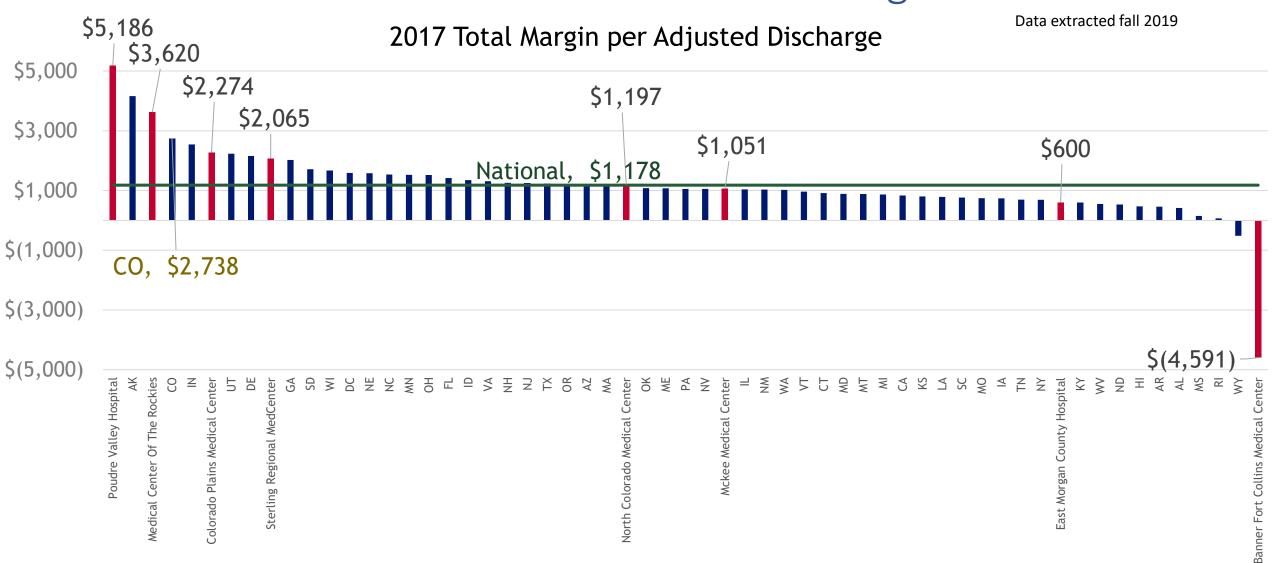


From the Medicare Cost Report Colorado & Nation – Administrative Cost

2017 Administrative Cost per Adjusted Discharge - Adjusted for Cost of Living



From the Medicare Cost Report Colorado & Nation – Total Margins



Other Publications

RAND Medicare Relative Price

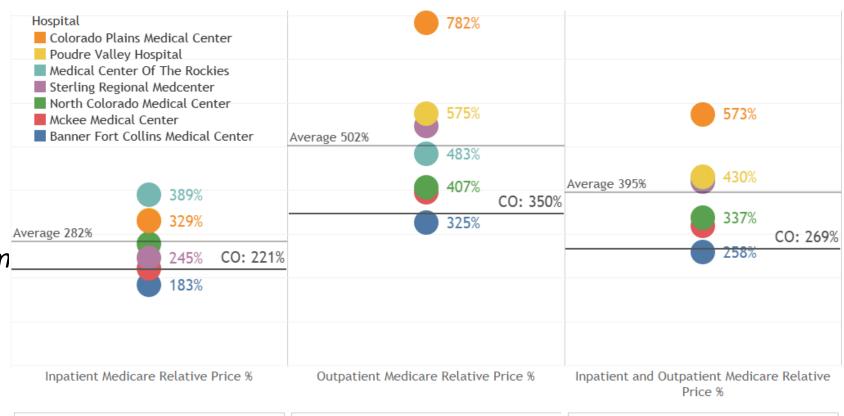
How much would commercial insurance paid for the same claim had it been a Medicare claim?

North Colorado Review

Most hospitals above CO

https://www.rand.org/health-care/projects/price-transparency/hospital-pricing.html

RAND Medicare Relative Price for North Colorado Hospitals



Medical Center Of The Rockies 389%	Colorado Plains Medical Center 782%	Colorado Plains Medical Center 573%	
Poudre Valley Hospital 331%	Poudre Valley Hospital 575%	Poudre Valley Hospital 430%	
Colorado Plains Medical Center 329%	Medical Center Of The Rockies 483%	Medical Center Of The Rockies 429%	
North Colorado Medical Center 277%	orth Colorado Medical Center 277% Sterling Regional Medcenter 546%		
Sterling Regional Medcenter 245%	North Colorado Medical Center 407%	North Colorado Medical Center 337%	
Mckee Medical Center 221%	Mckee Medical Center 396%	Mckee Medical Center 319%	
Banner Fort Collins Medical Center 183%	Banner Fort Collins Medical Center 325%	Banner Fort Collins Medical Center 258%	

RAND Medicare Relative Price for North Colorado Hospitals

Publications RAND Medicare Relative Price

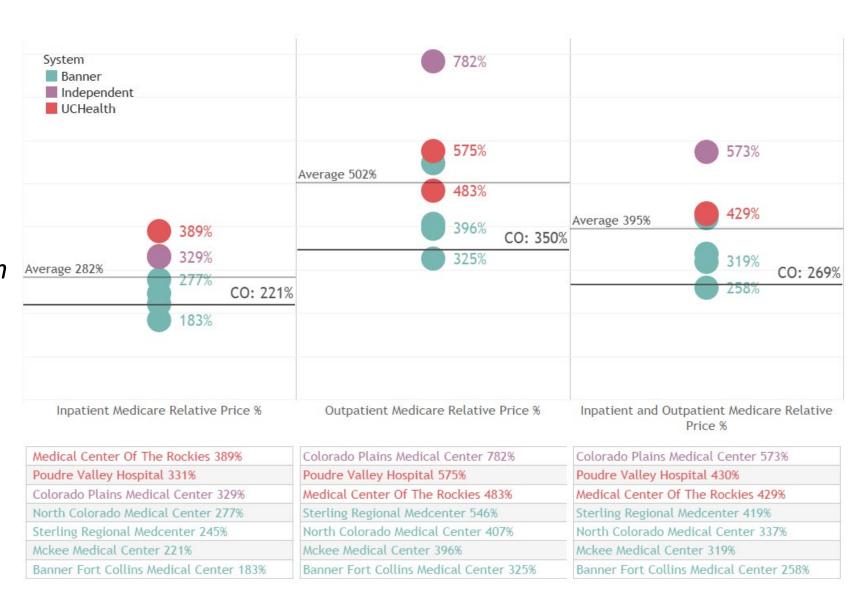
Other

How much would commercial insurance paid for the same claim had it been a Medicare claim?

North Colorado Review

- Most hospitals above CO
- Most Banner Health hospitals below regional average

https://www.rand.org/health-care/projects/price-transparency/hospital-pricing.html



Public Option Helps Rural Hospitals Thrive

Medicaid – Public Option to help rural hospitals thrive

- Changing EAPG Outpatient Payment Model
- HTP \$12M Rural Support Fund
- Clinical Pathways other rural communities
- Clinical Pathways front range high quality, lower cost
- Centers of Excellence rural strategic planning
- Value Based Payments via Public Option



Protecting Employers from Cost Shifting

- Hospitals can choose not to cost shift
- Carriers can do their job don't contract the cost shift
- Phase II proposal expands to small group market
- Alliance can target same rates for employers
- Primary Care bill (HB19-1233) empowers the DOI



Jaime Henning Greeley Chamber of Commerce

President/CEO



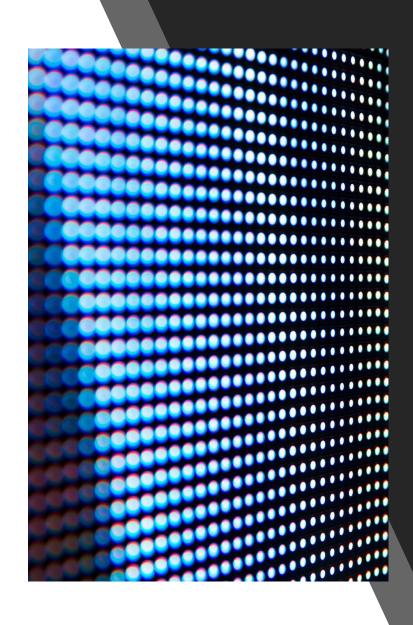
PRIORITY: Energy

- Protect and support the growth of the traditional energy sector while encouraging the innovative alternative energy sector
- Continue to lobby for changes to SB 181 to support oil and gas industry
- Support Weld County's regulatory autonomy

PRIORITY: Agriculture

 Support and protect the agricultural sector of our economy for its many contributions to the region and state Climate - Air Quality - Energy

NoCo Legacy Industries Under Siege?



Our Panel

Mike Silverstein

Exec Dir – Regional Air Quality Council

Commissioner Barb Kirkmeyer

Weld County Commissioner

Mayor Don McLeod

Mayor - Severance

Bill Jerke

Farmer

Dan Haley

President/CEO – Colorado Oil and Gas Association

David May Fort Collins Chamber of Commerce

President/CEO

BUSINESS LEADING ON CRITICAL REGIONAL ISSUES

Fix North I-25 Northern Colorado Prospers WorkInNorthernColorado.com









Fix I-25

Continue our efforts to keep business moving by securing funding and support for the expansion of I-25 in Northern Colorado.

Align, Attract and Retain Talent

Ensure area employers have the talent they need and support the workforce education and training Northern Colorado needs – now and in the future.

Bold Voice of Business

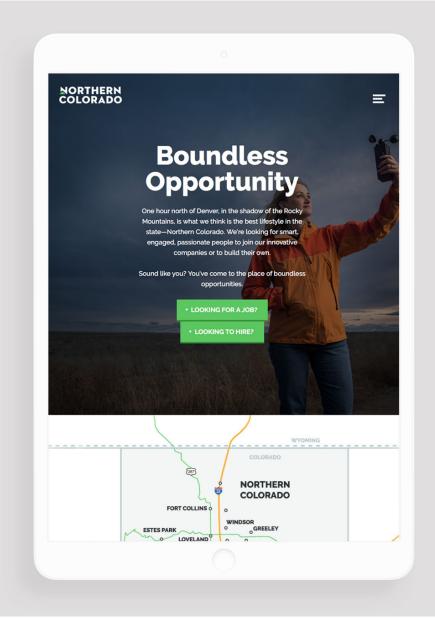
Strengthen our ability to secure a positive business environment and amplify the voice of business in Northern Colorado.

Expand and Retain Existing Businesses

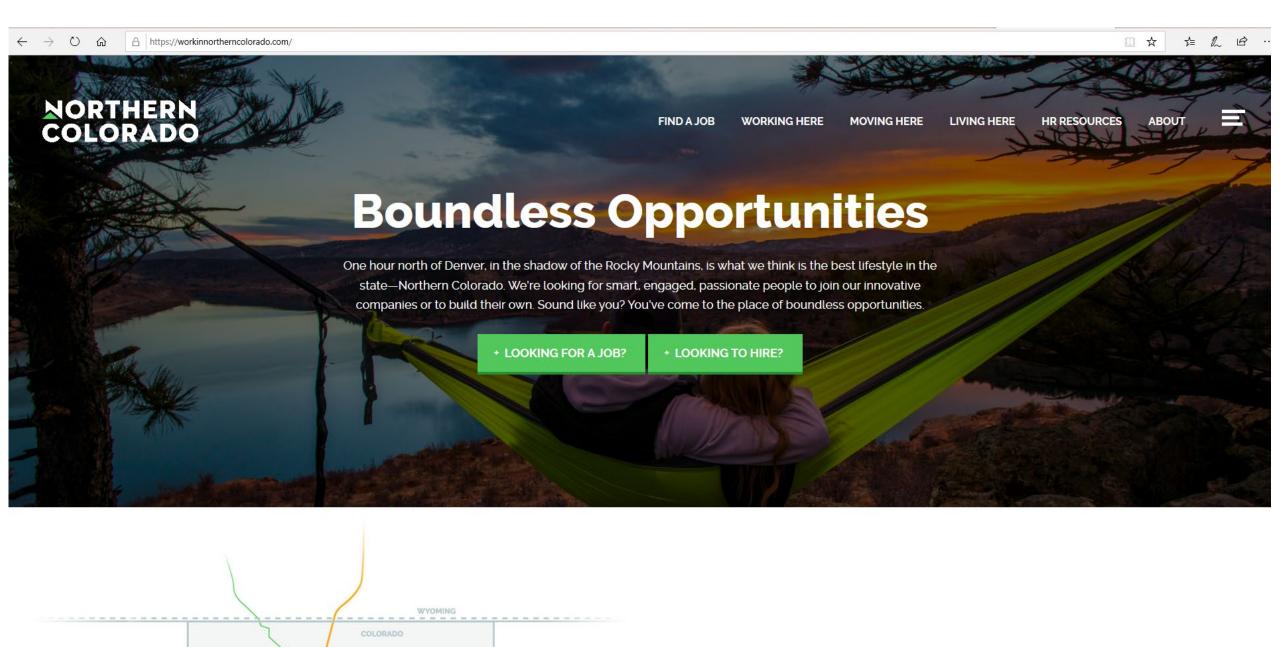
Meet with 100 area businesses each year to understand their challenges and ensure they can stay and grow in Northern



WorkInNorthernColorado.com







NORTHERN

COLORADO

LEARN MORE AT:

- NorthernColoradoProspers.com
- •FixNorthI-25.com
- WorkInNorthernColorado.com

Transportation Funding

Celebrating Success, Working Towards More

Sandra Hagen Solin

Capitol Solutions – NCLA – Fix North I-25

North I-25 Coalition and the Fix North I-25 Business Alliance





FIX NORTH I-25 CHAMPIONS

Johnny Olson

Former CDOT Region 4 Transportation Director

Kathy Gilliland

Former Transportation Commissioner

District 5

Senator Chris Holbert

Colorado Senate Minority Leader

Sandra Hagen Solin

Capitol Solutions – NCLA – Fix North I-25

Transportation Funding

Celebrating Success, Working Towards More



ONE MORE TO GO

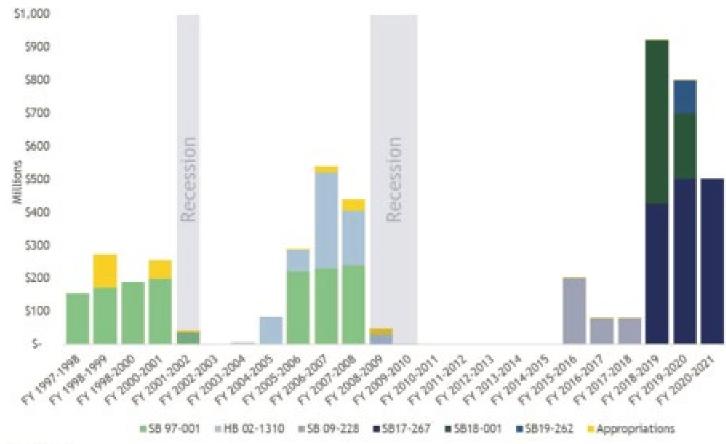


FIX COLORADO ROADS

State General Fund

General Fund Transportation Spending is Unreliable



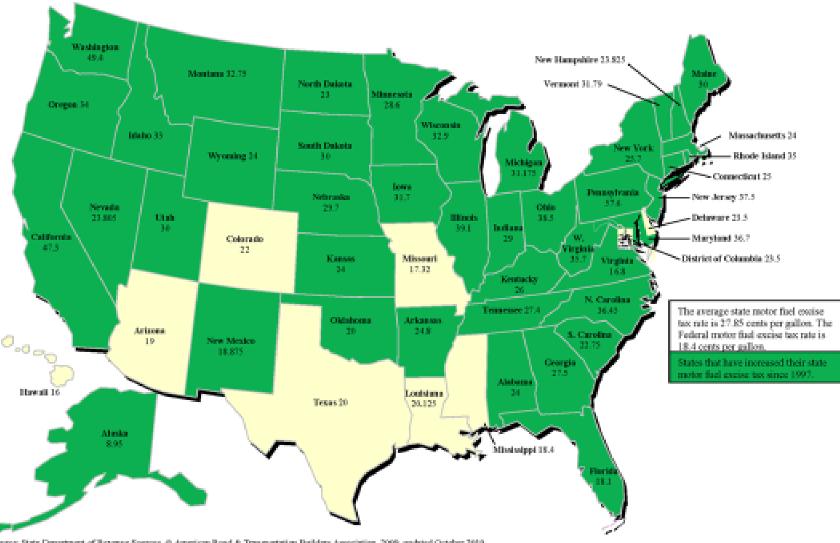


Source: OSPB

Gas Taxes Across the US



State Motor Fuel Tax Rates*—cents per gallon As of September 2019



Source: State Department of Revenue Sources, © American Road & Transportation Builders Association, 2009, updated October 1949

* Some rates shown may include various sales, environmental, petroleum and LUST faces and fees.

Transportation

- Negotiations on modern, future-proofed funding options
 - Electric Vehicles
 - Fees on Gas Utilization
- Defeated Free Toll Lane for EV
- Secured \$100M Long Bill GF Funding
- Protected \$200M GF from SB 18-001
- Delay 2019 TRANS Bond Vote to 2020
- Restored with second \$500M COP Tranche
- Retention of Revenue for Transportation, Higher Ed and Education passed
- Study of revenue opportunities from innovative commercial transportation ventures

Transportation Next Steps

- General Fund, New Funding, Bonding
- Convene/Facilitate Modern Funding Collaboration
 - Speaker KC Becker
 - House Transportation Committee Chair Matt Gray
 - Senate Transportation Committee Chair Faith Winter
 - JBC Member Chris Hansen
 - JBC Member Rachel Zenzinger
 - Cary Kennedy, Polis Senior Advisor for Fiscal Policy
 - Will Toor, Exec. Dir., Colorado Energy Office
 - Shoshana Lew, Exec. Dir., CDOT
 - Chamber Partners
 - Contractor Community
 - CML/CCI
- Incorporate EV Adoption Acceleration into modern funding plan

Mindy McCloughan Loveland Chamber of Commerce

President/CEO

What's in Store for Business

The Other Legislative Issues in 2020

PRIORITY: Labor Law and Talent Development

- Improve workforce training programs and eliminate barriers to training, educating and certifying workers
- Protect the integrity and viability of the workers compensation system
- Support the elimination of barriers to employment
- Eliminate interference to the worker and employer relationship

Labor

• FAMLI "Implementation Plan" Interim Committee Study

PRIORITY: Economic Development

• Support the continuation and creation of state economic development tools and incentives.

Economic Development

- Enterprise Zones in Crosshairs
- "Corporate Loopholes" Scrutiny









HEALTH CARE

OIL AND GAS

CLIMATE CHANGE





LABOR

TRANSPORTATION

Carol Salter

Chair of the NCLA Board of Directors



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- Loveland Area Chamber of Commerce
- Fort Collins Area Chamber of Commerce
- Greeley Chamber of Commerce
- One NOCO
- UpState Colorado

REGIONAL ISSUES AND SURVIVITY Northern Colorado Legislative Alliance

Thank you for attending today

Keep the conversation going