



Budget Watch

The Voice of Opportunity for Colorado

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Bell Policy Center

1801 Broadway
Suite 280
Denver, Colo. 80202

www.thebell.org

(303) 297-0456
metro Denver

(866) 283-8051
toll-free statewide

(303) 297-0460 fax

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Budget Watch is the Bell Policy Center's monthly e-newsletter dedicated to tracking policy and political developments related to Colorado's budget and spending process. To view or download a printer-friendly version, go to www.thebell.org/tabor

Letters to the editor are welcome, and may be published in a future edition (unless you indicate otherwise). Send them to Heather McGregor at mcgregor@thebell.org.

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A User's Guide to the State Budget Process, part two

By Rich Jones
jones@thebell.org
Director of Policy and Research

Action on the state budget is occurring fast and furious, and a lot has happened since Bell published Part One of the User's Guide in the March edition of Budget Watch.

In this issue, we update budget actions, show how the Joint Budget Committee proposes to spend the Ref. C funds and outline the next steps in the budget process.

Most of the Legislature's work on the budget is complete. People who want to weigh in with opinions and recommendations must do so in the next few days.

New revenue estimates released

The Legislative Council staff and the governor's Office of State Planning and Budgeting issued their third quarterly forecasts in the fiscal year for state revenues on March 20.

Both groups project more general fund revenues for the current fiscal year (2005-06) and next (2006-07) than they did in the December estimates. (See table on page 2.) They also boosted estimates of revenues the state will retain through 2010 under Ref C.

In a departure from the December forecast, the new OSBP forecast for 2006-07 shows the state now has sufficient revenue to increase operating spending by the 6 percent limit (under Arveschoug-Bird), fill the 4 percent reserve fund and transfer \$140 million to the Highway Users Tax Fund.

House votes on Long Bill

Joint Budget Committee members Sen. Abel Tapia, D-Pueblo, and Rep. Tom Plant, D-Boulder, introduced HB 06-1385, the Appropriations Bill, commonly called the Long Bill, in the House on March 24.

User's Guide: *continued to page 2*



Hot links for the User's Guide to the state budget process

Revenue forecasts

[Legislative Council](#)

[OSP](#)

Long Bill documents

[Long Bill Narrative](#)

[The Long Bill](#)

2005-06 Supplementals

[Supplemental Appropriations](#)
(March 14)

[Summary of Supplemental Recommendations](#)
(March 10)

[Supplemental Narrative](#)
(Feb. 2)

New Legislative Council and OSPB revenue reports, in millions of dollars

Line Item	Legislative Council	OSP	Difference from December forecast	
			Leg Council	OSP
FY 05-06 Gross General Fund Revenues	\$6,769	\$6,958.1	+\$164.4	+\$158.1
FY 05-06 General Fund Exempt Revenue (Ref C)	\$815.1	\$686.8	+\$170.8	+\$153.7
FY 06-07 Gross General Fund Revenues	\$7,059.4	\$7,429	+\$56.3	+\$184.3
FY 06-07 General Fund Exempt Revenue (Ref C)	\$801.3	\$752.2	+\$41.0	+\$126.9
FY 05-06 – FY 09-10 Total Ref C Revenues	\$4,252	\$3,882.1	+\$291.5	+\$479.4

User's Guide: *continued from page 1*

The House passed the spending measure on March 30.

The bill appropriates \$6,670.8 million in general funds subject to the state's 6 percent spending limit, and transfers another \$110.5 million to the capital construction fund.

The capital spending includes \$80.5 million for capital projects, \$15 million for a mental health forensics lab in Pueblo and \$15 million for highways.

The JBC produces two documents that explain the appropriations. The Long Bill Narrative:

- Presents an overview of the budget.
- Explains major changes between fiscal years 2005-06 and 2006-07.
- Shows the amounts appropriated for each department.
- Explains how the budget changes affect the functions of the programs receiving appropriations.

The 291-page narrative is divided by departments, and a table of contents on page 4 helps readers move quickly to the agencies they are interested in.

A separate document contains the Long Bill itself, which is all the line item appropriations for every state agency. Online, the Long Bill starts from a web page with a long list of hot links to each department's budget.

The Long Bill also includes a list of all capital projects.

Both documents provide a wealth of information to understand and monitor the budget process.

Supplemental Appropriations

The Legislature has passed and sent to the governor a series of supplemental appropriations bills that put additional funding into programs for the current fiscal year 2005-06.

Through this process, the Legislature began allocating Ref. C funds and restoring some of the cuts made during the recession.

The 2006-07 Long Bill Narrative shows the supplemental appropriations for 2005-06 by department. A list of proposed supplemental appropriations prepared by the JBC on March 14 shows where some of the Ref C funds were allocated.

The JBC staff also produced two summaries that detail the supplemental appropriations for each agency and a short narrative:

- Summary of Additional FY 2005-06 Supplementals Recommendations, March 10, 2006
- Supplemental Narrative, Feb. 2, 2006

User's Guide: *continued to page 3*



Listen to the Legislature

The Colorado Legislature has an [online audio system](#).

Web users can listen to proceedings on the House and Senate floors and in a dozen committee and hearing rooms.

For the Senate party caucuses today on the Long Bill, the Republicans will be meeting in Room 354; the Democrats will be in Room 356.

User's Guide: *continued from page 2*

Where the Referendum C funds are going

The Long Bill Narrative contains a summary chart that shows how the Legislature plans to spend Ref. C funds in fiscal years 2005-06 and 2006-07.

Each agency reports its Ref. C spending under the General Funds Exempt heading. Ref. C appropriations for fiscal year 2006-07 are also shown under this heading in the Long Bill.

In many cases, allocating the Ref C funds to large line items has freed up other general fund money that can be shifted to other lines of spending, restoring some recession-driven cuts.

Through this process, the Legislature is fully funding the Colorado Preschool Program to eliminate a statewide waiting list of about 6,000 kids, restoring some of cuts in mental health services for low-income Coloradans, and restoring some of cuts to programs for developmentally disabled adults.

The Legislature is also raising the College Opportunity Fund stipend from \$2,400 to \$2,580, increasing need-based aid for higher education by about \$7.2 million for 2006-07 to a new total of nearly \$45 million, restoring funding for local public health departments, and making a \$20 million appropriation for school repairs as part of the Giardino lawsuit settlement.

Next steps in the budget process

The Long Bill is now in the Senate, where it is being considered by each of the party caucuses.

As in the House, senators may offer amendments in the party caucuses. If the ideas receive majority support within the caucuses, the amendments will be introduced on the Senate floor.

The party caucuses started Monday and are expected to wrap up today. Each party's caucus is open and anyone can listen to the debate through the Legislature's online audio system.

The process will move fairly quickly from here on out. According to legislative rules, the Senate must pass the Long Bill by Friday, April 7.

If the Senate amends the Long Bill, it will return to the House for considerations of the Senate amendments. If the House rejects some or all of the amendments, the Long Bill will go back to the JBC, which will serve as the conference committee to resolve the differences.

The Legislature must pass the conference committee report on the Long Bill by Friday, April 14. From there, the bill goes to the governor, who can sign it, veto it entirely or veto specific line items. Legislators can override the governor's vetoes with a two-thirds majority. The override majority is a high hurdle, so the governor's vetoes usually stand.

Summary of General Fund Exempt (Ref. C) spending, in millions of dollars

Department	Line item	FY 05-06	FY 06-07
Education	State share of school spending	\$261.4	\$256.1
Health Care & Policy Financing	Increases in premiums for medical services	\$261.3	\$256.1
Higher Education	College Opportunity Scholarship stipends	\$253.4	\$235.4
Local Affairs	Volunteer firefighters pensions	\$3.7	\$3.8
Treasury	Fire and police pensions – old hire plans	\$25.3	\$34.8
Transportation	Capital construction highway projects	\$10.0	\$15.0
Total		\$815.1	\$801.2



Civic leaders step forward

These people are among those who helped give the Bell's Accountability Tour a strong showing.

Joe Blake

President, Denver Metro Chamber of Commerce

Susan Graf

President, Boulder Chamber of Commerce

Jared Polis

Vice chair, State Board of Education

Mike Kazmierski

President, Greater Colorado Springs Economic Development

Will Temby

President, Greater Colorado Springs Chamber of Commerce

Sharon Thomas

Superintendent, El Paso County School District 11

Pam Shockley-Zalabak

Chancellor, University of Colorado, Colorado Springs

Greg Goode

Vice president, Community College of Aurora

Kathay Rennels

Larimer County commissioner

Mary Lu Walton

Executive director, Envision

Bob Stovall

Chairman, Action 22

Rod Slyhoff

President, Pueblo Chamber of Commerce

Accountability Tour makes nine stops, podcast set for April 5

By Laurie Hirschfeld Zeller
zeller@thebell.org
Senior Policy Advisor

The Referendum C Accountability Tour reached nine communities in February, March and April and will put on a statewide virtual brown bag meeting with a live podcast on Wednesday, April 5.

The Accountability Tour represents a bipartisan effort between the Bell Policy Center, legislators, local officials and regional representatives of organizations of the Vote Yes on C and D coalition.

The meetings gave Bell and the legislators a forum to present information on the state budget process and hear from constituents on spending priorities.

Greeley City Councilwoman Pam Shattuck explained the tour best when she said the meetings offered a chance for citizens to renew their confidence in the democratic process and for legislators to earn that confidence.

The tour made stops in Denver, Longmont, Boulder, El Paso, Aurora, Loveland, Greeley, Golden and Pueblo, and benefited from press coverage in most of these communities. For details, visit the [Referendum C Roundup](#) page on the Bell's web site. Additional meetings are being planned for Denver and Grand Junction.

Meanwhile, the tour's podcast event makes history by being the first time for legislators to host a virtual town meeting over the Internet.

ProgressNow and Bell have been promoting the event and inviting people to submit comments and questions online in advance and during the podcast.

Rep. Tom Massey, R-Poncha Springs, and Sen. Ken Gordon, D-

Denver, and Bell President Wade Buchanan are the featured speakers.

The [podcast](#) will be aired live on the ProgressNow web site from 12:30 to 1 p.m. on Wednesday. An MP3 audio file of the 30-minute discussion will remain posted on the ProgressNow and Bell web sites for listening online or download to an MP3 player.

We are indebted to many legislators who have been a part of our programs. These Accountability Tour meetings take place on weekday evenings and weekend mornings, and legislators participated after finishing long days of work for the legislative session. Join us in thanking them for their service at these Accountability Tour meetings:

Longmont: Sens. Paul Weissmann and Brandon Shaffer

Boulder: Senate President Joan Fitz-Gerald, House Majority Leader Alice Madden, Sen. Brandon Shaffer and Rep. Tom Plant, Joint Budget Committee chairman

Colorado Springs: Reps. Tom Massey and Michael Merrifield

Aurora: Sen. Suzanne Williams, Reps. Morgan Carroll, Michael Garcia, Mary Hodge, Debbie Stafford and Nancy Todd

Loveland: Speaker of the House Andrew Romanoff, Sens. Bob Bacon and Steve Johnson, Reps. Bob McCluskey and Angie Paccione

Evans: Speaker Romanoff, Sens. Dave Owen and Steve Johnson, Reps. Jim Riesberg and Angie Paccione

Golden: Senate President Fitz-Gerald, Sens. Betty Boyd, Moe Keller and Sue Windels, Speaker Pro Tem Cheri Jahn, Reps. Gwyn Green and Debbie Benefield

Pueblo: Sen. Abel Tapia, Reps. Buffie McFadyen and Tom Massey