

# UC Berkeley

## California Journal of Politics and Policy

### Title

Colorado: A New Chapter in its Perpetual Recovery

### Permalink

<https://escholarship.org/uc/item/08t1z8zb>

### Journal

California Journal of Politics and Policy, 4(3)

### Author

Moore, Scott T.

### Publication Date

2012-10-01

### DOI

10.5070/P2TG6K

Peer reviewed

## Research Article

Scott T. Moore\*

# Colorado: A New Chapter in its Perpetual Recovery

**Abstract:** The 2010 election saw the election of Democrat John Hickenlooper as Colorado Governor as well as the sound defeat of financially crippling ballot initiatives, ‘The Dirty Three.’ Combined with a new partisan split between the two legislative chambers and the term limitation of several extraordinarily experienced Joint Budget Committee members, the stage was set for new tensions and unanticipated compromises within Colorado’s legislative budget process. The new Governor, keen to appease House Republicans, negotiated K-12 cuts, employee pension cost-shifts, reserve fund recharging, cash fund transfers, tax exemption restoration, and cigarette sales tax renewal. At the same time, the legislature passed significant fee revenues while rebuffing Republican attempts to reduce fees established under Governor Ritter’s leadership. From strategic accommodations with legislative Republicans thought both unnecessary by the Democrats, Hickenlooper emerged from the session as much a puzzle as opening day. To others was left the task of proposing structural solutions to the long term revenue problems faced by the state under its Taxpayers Bill of Rights.

**Keywords:** 2010 Colorado elections; 2011–2012 budget; Colorado General Assembly; John Hickenlooper; state budgeting; state fiscal policy

---

\*Corresponding author: **Scott T. Moore**, PhD, Associate Professor of Political Science, Department of Political Science, Colorado State University, Fort Collins, Colorado 80523, e-mail: [scott.moore@colostate.edu](mailto:scott.moore@colostate.edu)

---

## 1 Introduction

The impacts of the 2010 elections figured heavily for the 2011 budget. That year, budgeting featured a partisan split between the two legislative chambers, imposing a 50–50 split on a very inexperienced Joint Budget Committee. At the same time, Colorado inaugurated a new governor in Democrat John Hickenlooper, a “pro-business Democrat” whose approach to state finances were to depart from those of his predecessor, Bill Ritter.

Occurring in a year where redistricting and reapportionment mapping were conducted, the budget process had partisan overtones although it was omnipresent in the split chambers. The immediate past 3–4 years have revealed a budget process with a lot of moving parts and subtleties, and while none of that dynamism and fragmentation was lacking this year, the partisanship of the legislature seemed to create a more transparent process of decision-making. This means that the conflicts and their resolutions were more apparent than had been usual. It must also be noted that the number of organizations, lobbyists and weblogs reporting on the legislature has expanded and the overall quality of reporting has improved.

The critical events of the budget process were (1) the governor's mid-February budget proposal for 2011–2012; (2) the ensuing political impasse between the Republican House and the Democratic Senate over the budget and its "parallel bills"; and (3) a resolution accomplished through the intervention of Governor Hickenlooper. The outcome of these interventions, though pleasing to the Republicans, did not endear the Democrats to the new governor's approach to legislative partisanship. Instead, the approach put program advocates of the state's meager public services in a deep quandary. Whether or not the governor WILL lead the state to a sustainable fiscal future as the economy recovers is very much in doubt.

## 2 The 2010 Elections

Following 10 months of political surprises, Democrat John Hickenlooper was elected governor. Incumbent Democrat Bill Ritter announced on January 6th that he would not seek reelection for personal reasons. Ritter's successful fee revenue proposals had made him vulnerable to challenge, but his reasons were personal, not political. Former 6-term 3rd District U.S. Representative, Republican Scott McIniss, had been contemplating a run against Ritter in 2010. In May, McIniss announced a candidacy that would be mortally wounded by a "plagiarism" scandal, setting off events that consequently produced another deeply wounded Republican candidacy. To put it mildly, the gubernatorial election was a disaster for the Republican Party.

In July, the *Denver Post* broke a story concerning plagiarism by the Republicans' most likely candidate for Governor (Crumy 2011). After he left the House of Representatives, the Hasan Family Foundation had awarded Scott McIniss a \$300,000 "fellowship" to research resource issues and disseminate the findings through speeches and monthly articles on the Foundation's website. After taking

a position with a Washington, D.C. law firm, McInnis contracted the research to a retired West Slope engineer named Rolly Fischer. McInnis posted 23 articles under his name in a “Musings on Water” series. However, the *Post* found that several of these were lifted from a 1984 article published in the Colorado Water Congress publication, *Colorado Water Rights*. One of the articles, “*Green Mountain Reservoir: Lock or Key?*” was written by sitting Colorado Supreme Court Justice Gregory Hobbs (Crummy 2010).

McInnis attempted to deflect criticism for several weeks, and an apology was issued to Justice Hobbs. The candidate soldiered through the primary campaign season unable to put to rest the plagiarism issues, his association with Fischer, and his unseemly treatment of the Foundation benefactors. Meanwhile “tea party” candidate Dan Maes, who had been gathering support for his Republican candidacy, narrowly defeated the wounded McInnis in the August 10th Republican primary. Maes had baggage of his own, particularly, serious distortions of his law enforcement background. These provoked a squall of outrage and withdrawals of support from Republican notables.

Into the July storm sailed Tom Tancredo, recently retired Denver suburban Republican member of Congress, former presidential candidate, and sometime leader of the nation’s right-wing immigration reform agenda. Tancredo issued an ultimatum to both Maes and McInnis to withdraw from the race or he would pursue a candidacy outside the Republican Party. After the primary, allegations of campaign financing irregularity, a drought of campaign contributions, and Republican power brokers calling for Maes to step aside formed a continual messy parade of negatives for the candidate and the party (Strogoff 2010). The Republican gubernatorial candidacy was doomed. On July 26, Tancredo became the gubernatorial candidate for the Constitution Party. In the end, “Mayor Hick” polled 51% to Tancredo’s 36%. Maes polled 11%, narrowly maintaining the Party’s “major party” status.

Republican Party Chair Dick Wadhams’ prediction that Tancredo’s challenge would damage the party’s performance in other races was partially correct. However, poor candidacies for other offices hurt the Republicans as well. For example, the U.S. Senate race attracted attention to the party’s similarly flawed candidacy of Republican Weld County Attorney Jim Buck, whose self-inflicted problems burdened his contest with incumbent Michael Bennet, a relatively weak candidate. Appointed to office in early 2010, Bennet had never previously held elective office and was unknown to many state Democrats prior to an “introduction tour” of the state accompanied by Governor Ritter. However, Buck’s coy management of “birther” and other positions put off many voters. A late-innings release of recordings featuring an unsympathetic District Attorney Buck explaining to a rape victim his decision not to prosecute her rapist reinforced a nasty

image of the man. Similar stories can be told of Republican candidates for down ticket races: The Republican Party has a hard time fielding credible candidacies while appeasing its far right.

Notwithstanding these difficulties at the top of the ticket, the Republican Party took all other elected state executive offices. As expected, incumbent Republican Attorney General John Suthers handily won reelection against his Democratic opponent. Democratic Treasurer and Secretary of State incumbents were also defeated. State Treasurer Cary Kennedy, a co-organizer of the Colorado Children's Campaign that established a constitutional earmark for K-12 spending in 2000 (Amendment 23), was someone the Republican right was very eager to defeat. She had bested Republican Mark Hillman for the position in 2006. An MPA and attorney, the smart and articulate Kennedy had engaged in considerable high profile support for "spending" referenda over the past decade, including Referendum C's "timeout" from the strictures of the spending limits of the state's Taxpayer's Bill of Rights. Kennedy recorded 49.3% of the vote in this Republican year. The victor, Walker Stapleton, a member of an old Colorado political family active in several civic leadership positions, was a newcomer to elective office.

Democratic incumbent Secretary of State Bernie Buescher, a West Slope aviation executive/attorney had served as Executive Director of the Department of Health Care and Finance prior to his career as a resourceful moderate Democratic legislator. Governor Ritter appointed him to fill the vacancy created by Treasurer Mike Coffman's election in 2010 to the U.S. House District 6 (Tom Tancredo's vacated seat). In this contest, the American Constitution Party candidate drew 6.5% of the vote, to Gessler's 49.5% and Buescher's 43.8%.

Prior to the 2010 election, Colorado U.S. House delegation leaned 5-2 Democratic. Two Democratic incumbents lost their 3rd and 4th District seats, giving the House delegation a 4-3 Republican advantage. Single-term incumbent Betsy Markey lost her 4th District seat to former state legislator Cory Gardner, who polled 52% to Markey's 41%. Right leaning third and fourth candidates combined to take 6% of the 4th District balloting. Former Republican state party chair Scott Tipton defeated 3rd District Democrat incumbent John Salazar (a three-term incumbent) 49%–45%. Four incumbents retained their seats as follows:

- 7th District incumbent Democrat Ed Perlmutter polled only 53% against a relatively unremarkable Republican challenger;
- 5th District Republican incumbent Doug Lamborn handily won with 65%, as did Denver's 1st District incumbent Diana DeGette; and
- Jared Polis was elected to his second term from the Boulder-centered 2nd District.

### 3 The “Ugly Three” Ballot Initiatives

The only 2010 ballot measures related to state finances were a group of three initiated constitutional measures that opponents dubbed the “Ugly Three”.

Amendment 60 was ostensibly a tax relief measure. In fact, its passage would have reshuffled property tax burdens, shifted school funding responsibility to the state, removed citizen power to approve school mill levies beyond constitutional limits and extended voting rights to non-resident property owners. It polled <25% of the vote. It envisioned the following changes:

- subjecting public agencies and enterprises to the real property tax;
- permitting property owners to vote on property tax matters regardless of residence;
- reducing the school district’s mill levy revenues for operations by half each year over a 10-year period with the state ultimately picking up a projected \$1.5 billion difference;
- rescinding the local voter-authorized school levy increases passed since 1992 (when TABOR was passed); and
- requiring a 4-year sunset provision for all voter-authorized increases in the school mill levies (Bluebook 2010).

Amendment 61 accurately anticipated voter queasiness over the federal debt, bailouts, and other instruments of the Bush and Obama responses to financial collapse and the recession, although it failed with only 27% voting in support of the initiative. The measure sought to:

- eliminate new state government authority for all debt “in any form” including revenue bonds, lease-backs, etc.;
- prohibit new local government borrowing, unless approved by voters; and
- limit local debt to 10% of assessed value and imposed a 10-year limit on local debt (Bluebook 2010).

Proposition 101 polled the best of the three initiatives, receiving 32% support. It was framed by Governor Ritter’s successful 2009 legislative proposal to raise vehicle fees to build and repair state highways and bridges (SB09-228). Irritation over these increased over the 2009–2010 fiscal year as fees increased an average of \$43 per vehicle, and public resentment flared over late fee penalties that were altered during the 2010 session. Proposition 101 would have reduced the combined vehicle registration, license and title fees by increments over 4 years to \$10 [estimated cost of \$73 million/year], and redefined these fees as “taxation” under Colorado’s constitution. The measure changed the state’s single tax rate from 4.63% to 4.5% [estimated cost of \$183 million/year]. Finally, Proposition 101

would have prohibited fees and charges for telecomm services. (estimated cost of \$7.3 million/year) (Bluebook 2010).

All these measures reflected an exuberance that occasionally crippled the movement, but Amendment 60 was also a form of sour-graping in that School districts used TABOR-mandated referenda to raise their mill levies. Amendment 60 was an assault on the referendum process itself, and it heaped excess upon excess by adding the taxation of public property. Amendment 61's proposed debt limitations also dramatically overreached. Had the provision simply required voter approval for all bonding, the simpler measure, if passed, would have tied up the largest volume of state and local government debt – revenue bonds. Moreover, had Proposition 101 simply asked voters to eliminate the unpopular *recent* vehicle fee increases, the measure might have had a chance. Proponents campaigned for all three as a bundle, and the united opposition succeeded in drawing a new group of libertarian activists into public, televised debates on municipal cable channels up and down the Fort Range. Although the authors and proponents were associated in the press with TABOR “mastermind” Douglas Bruce (Smith 1998), Bruce was not publicly “out” as such during the campaign season. Nonetheless, these measures caused a new cadre of heretofore little-known anti-tax activists to be field-tested.

## 4 Statehouse Elections: Split Chambers

The Republicans failed to harness the full force of national trends that had been built from the fears of so-called Obamacare, anxiety over a highly politicized national debt extension and poorly understood federal bailouts of banks, insurance companies, and auto manufacturers. Local grumbling about “Governor Ritter’s” mill levy freeze, the refinancing of health care and highway/bridge construction lingered, but these fiscal adjustments did not produce complaints from the school, hospital, and highway communities who had, in fact, crafted and supported them. Still, there was great unfocused antagonism toward Democrats to go around and many Democratic incumbents to “throw out”.

The Democratic majority in the State Senate held steady at 20–15. There were 19 Senate races in 2010. For reasons of voluntary and term-limited retirements, only nine of the incumbents returned for the 2011 session. Term limits forced the retirements of five Senators, four Democrats, and one Republican. All of these open seats were filled with members of the same party, except for the 6th District seat of Senator Isgar, whose seat was taken by two-term state Republican state Representative Ellen Roberts.

There were five voluntary retirements from the Senate.

- Chris Romer (D-Denver) backed out from running for Denver Mayor and was replaced by physician Lucia Guzman.
- Incumbent Democrat Dan Gibbs declined to run for the 16th District and was succeeded by former Democratic Representative Jeanne Nicholson.
- After being pushed out of the Republican race for governor in late 2009, Josh Penry (R-7th) declined to run again. He was succeeded by Republican Steve King.
- David Schultheis, a mainstay of the Republican right, declined to seek reelection and was succeeded by Republican Kent Lambert.
- In January, Republican Senator Al White (R-8th) resigned from his seat in midterm to head the Colorado Tourism Office. He was replaced by Jean White.

The 10 new Senators constituted 29% of that body when it convened in January 2011.

The House Democrats lost six seats, giving the Republicans the narrowest of margins (33-32). By itself, term limits did not have a substantial impact on the partisan composition of the House. Eight House members were term-limited, of which seven were Democrats. Five of the six seats lost to Republicans involved defeats of Democratic incumbents; the sixth “lost seat” was an open seat vacated by term limited Buffy MacFadyen of Pueblo. Term limits did, however, thin the ranks of House Democratic leadership, forcing the retirements of Speaker Terrence Carroll [D-Denver] and Majority Leader Paul Weissmann [D-Boulder] along with Minority Leader Mike May [R-Douglas]. Retirements – through term limits (eight), voluntary retirements (six) or electoral defeats (six) created a large freshman class of 20, constituting 31% of the House membership.

Term limits figured heavily in the reconstitution of the Joint Budget Committee, which lost four members. The Committee’s partisan composition would be evenly split. There is more on this below.

## 5 Who is John Hickenlooper?

Voters in the state probably did not get a deep look at Hickenlooper. He did not face significant primary opposition – the weaknesses of his Republican opponents did most of his campaign work for him! Campaign ads highlighted a “loveable dork” persona (Bruni 2011). A skillful campaign ad even featured him taking a shower in a suit and tie...apropos of very little.



Hickenlooper's Philadelphia-area youth background was a comfortable one – Haverford School, an English B.A. from Wesleyan, and an M.S. in Geology from Wesleyan. Geology brought him to Colorado's petroleum industry until he was laid off in 1986. In 1988, he opened *THE*, a pioneering brew-pub in downtown Denver (Wynkoop Brewery) ahead of the massive and profitable renaissance of the Lower Downtown district. He expanded to several other investments and businesses. His ascent to the Denver mayoralty was also an eccentric one. Mayor Wellington Webb was termed out in 2003, and the race was predicted to be dominated by two well-known insiders who prepared to battle each other. By 2003, Denverites had tired of the deal-making and "insider" politics of the Webb years. When one of those candidates failed to make the runoff, the other candidate was unprepared to run against someone like the independent, "unconnected" Hickenlooper.

With no more prior public experience than as a proponent of the unsuccessful drive to prevent corporate naming of the new football stadium near his brewery and a strong coterie of admiring friends and associates, the talented and affable Hickenlooper spent 7.5 years as a popular Mayor. His administration was known for the creation of Greenprint Denver, a campaign to provide affordable housing for the homeless, and other successful initiatives that won the admiration of Coloradans beyond Denver. He supported the successful "Fast Tracks" referendum in 2004 for a comprehensive build-out of the Regional Transportation District rail network. In 2005, he supported Referendum C, the "Time out" from TABOR's revenue restrictions, parachuting from an airplane in a clever ad. His efforts earned him recognition by *Governing* magazine as one of 2005's Top Public Officials of the Year, and plaudits from *Time*.

Very smart and a hard worker, Mayor Hickenlooper recognized and encouraged talent. Political self-discipline is a strong suit: Even off-the-cuff public statements are articulate and measured. He does not "emote" or vent. An eccentric kind of liberal manager/technocrat with a deeply intelligent sense of humor, it is difficult not to appreciate Hickenlooper. After his election, he appointed Republican Henry Sobanet (also Governor Bill Owens' budget director) to be his budget director. He appointed as senior advisor the former Democratic Representative, Todd Salaman (D-Boulder), a veteran of the Joint Budget Committee (JBC) and Governor Bill Ritter's staff.

## 6 The Governor's State of the State Address

Hickenlooper used his "Pro-Business-Democrat" identity shrewdly. His State of the State address was a study in strategic ambiguity, but most notable were its omissions. The need to follow through on the educational reform legislation (e.g.,

accountability, performance pay, etc.) of the past several sessions was highlighted. However, beyond an insistence that schooling was a “moral obligation”, and that a high quality education system was foremost in the calculations of businesses seeking to relocate, there was nothing for the education establishment to find in the speech. For a large sector of Hickenlooper’s Democratic constituency, education funding had been in a crisis for at least 15 years. The elephant in the room was the looming \$1.1 billion shortfall for 2011–2012, and 40% of the General Fund was allocated for school spending. However, listeners could not find a clue concerning the governor’s intentions for school funding. He similarly elided commitment to a future for the state’s colleges and universities, referring his listeners to the report of Governor Ritter’s “citizen committee” on higher education. Instead, he offered...

“In the end, we believe we’ll need to engage all of Colorado in a serious conversation about the value of higher education.” (State of the State 2011).

The final part of the Governor’s State of the State Address was about “Efficiency”, paying homage to the New Public Management.

Effective. Let’s measure every aspect of government to be sure it’s doing what it’s supposed to do. Let’s look at outcomes to judge whether our programs are successful.

Efficient. Services should be delivered in ways that are timely and effective. We will review every program, identify waste and duplication and measure for efficiency.

Elegant. When I say elegant, I’m not talking about fashion – you can tell that, just look at me. I’m talking about the delivery of state services in a way that elevates both the state employee and the person receiving state services. When someone applies for a driver’s license or inspection they shouldn’t feel disrespected by the interaction, and neither should the state employee. This is the essence of customer service.

All of these changes require a fundamental shift in the culture of government, and we have no more important partner in this effort than our state employees. Making government more effective, efficient and elegant means listening to our state employees and learning from them how we can do better.

We will visit state offices across Colorado in search of ideas for efficiency, and ways to redesign the delivery of services.” (State of the State, 2011)

## 7 Leadership Changes

The Senate Democrats retained President Brendan Shaffer (D-Boulder County) in his leadership role. Reelected in 2010, Shaffer had filled the position since

2009 when Senator Peter Groff resigned to take a job in the Obama administration. Their caucus selected Senator John Morse (D-Colorado Springs) as Majority Leader. Morse was also at the beginning of his second term in the Senate. On the Minority side, Senate Republicans selected two second-term Senators, Mike Kopp (R-Jefferson County) and Bill Cadman (R-Colorado Springs), to fill the Minority Leader and Assistant Minority Leader posts, respectively.

The House Republicans elected two-term Representative Frank McNulty (R-Highlands Ranch) as Speaker, along with Rep. Amy Stephens (R-El Paso County) as Majority Leader; they also elected second-term Representative Sal Pace (D-Pueblo) and third-term Representative Nancy Todd (D-Aurora) as Minority Leader and Assistant Minority Leader, respectively. The most visible leadership combinations in the budget process this year were the Shaffer-Morse pair of Senate Democrats and the McNulty-Kopp team of House Republicans. There was no secret about Shaffer's intentions to run for Congress in 2012 against first-term 4th C.D. Representative Cory Gardner, a former State Representative until 2010. Speaker McNulty and President Shaffer developed their mutual dislike into a toxic relationship marked by occasional accusations of bad faith, shifting goal-posts, referring bills to "killer committees", and so forth.

## 8 The New Politics of the Joint Budget Committee

Composed of three members each of the Senate and House Appropriations Committee, the JBC is the single most influential actor when it comes to the budget process in the state, building annual budgets in detail from scratch every year. In a normal year, the process usually affords the governor little to no direct control over the direction and priorities in state expenditure. This was not a normal year.

For one thing, 2010 produced an astonishing term-limited discontinuity on the JBC. In the 2010 session, the JBC featured a total of 54 years in the Colorado General Assembly, 31 years of experience on the Appropriations Committees, and 20 years of experience on the JBC itself. Furthermore, the members shared 9 years of experience as either JBC Chair or Vice Chair.

The "lost four" JBC members were among the legislature's most seasoned legislators, with 46 years of legislative experience among them, including:

Senator Mary Ann Keller (D-Jefferson County);  
Senator Abel Tapia (D-Pueblo County);  
Senate Al White (R-Hayden); and  
Representative Jack Pommer (D-Boulder County).

In contrast, the JBC appointed for 2011–2013 possessed 18 years of legislative experience, 4 years of Appropriations Committee experience, and 2 years of experience on the JBC. The 2011 JBC had no member who had served as JBC Chair or Vice Chair.

The one-member Republican majority in the House profoundly changed the dynamics of legislative bargains over the state's finances. This is due to the standing JBC rule requiring unanimity for Committee bills to pass out of the Committee.

Given that rules prevent the Long Bill from making “new” laws, the spending and taxing ducks must be lined up in advance, or their passage ensured by deals that would not become unstuck. Numerous other bills must be passed in advance or in parallel to the Long Bill to change revenue laws, authorize cash fund re-financing, make fund transfers, and change program expenditures.

Key among these is the School Finance Bill, which establishes the funding amounts that filter to the school districts. The orchestration of the parallel bills, under the most favorable conditions, involves a series of cooperative maneuvers.

Committee bills include the supplemental appropriations bills, the Long Bill, and a host of other bills written in the committee to articulate precisely with the provisions of the Long Bill. Of the major spending bills that are typically passed each year, only the School Finance Act is not a Committee Bill. The legislative budget process is thus fragmented to the extent that these “parallel” bills must also be fed separately through the legislative matrix. The committee's practical responsibility for all these bills is borne of a necessity to coordinate spending and revenues with the Long Bill. All these take place under legislative rules that structure the session through its annual Legislative Deadline Schedule. The deadline schedule limits each chamber's consideration of the Long Bill to less than a week. It is anticipated that the committee will reach consensus among its own members, the Appropriations Committees from which the JBC is drawn, and the party caucuses in each chamber, significantly in advance of the Long Bill's publication and introduction. Split chambers made this difficult in instances wherein each party's leadership pursued orthogonal priorities.

## 9 Early Part of the 2010 Session

Holding a tenuous majority, House Republicans sought to play a balancing act, appealing to those avid anti-taxers while attempting to share the government with Senate Democrats and a Democratic governor. Heeding the counsel of many in the Party to appeal beyond their most energized base of voters, several House Republicans sincerely strove to practice the arts of compromise throughout the session. Republicans showed both sides of this act by the middle of January.

Two failures to adhere to “bipartisan” temperament occurred early in the session. The House Republicans began softening their stands on the “dirty dozen” (bills repeal tax exemptions) and the F.A.S.T.E.R. vehicle fees after the election. Even the Littleton Republican Kathleen Conti, who had defeated F.A.S.T.E.R. sponsor Rep. Joe Rice by hammering the incumbent incessantly on this issue, failed to materialize as a voice to repeal the bill as she had promised in the campaign. House Republicans softened on FASTER partly because FASTER funds had to support a \$250 million highway bond issue sold in late November, with a planned addition \$450 million in bonding with the same FASTER revenue stream. Rep. Glenn Vaad (R-Mead), Chair of the House Transportation Committee told the *Denver Post*, “It kind of took me a minute and made me think, ‘Wait a minute. We [had] better be careful here’.” (Hoover 2010d).

On the new JBC, Republicans also struggled with their split identities. As the committee began to craft supplemental appropriations bills, Republicans found themselves wrestling with the consequences of the state’s growth in eligibility for school nutrition programs. As eligibility for school breakfast programs increased by 6% (to 56,000 statewide), the Department of Education sought \$127,299 more to support the program after the funds ran out in March. Previous JBCs had managed to leave a \$257,547 balance in the fund for the contingency. Nonetheless, an appropriation is required and all three JBC Republicans (two from the House, one from the Senate) voted against it. The *Post* burrowed into this small story with unusual detail (Hoover 2011a). Following the predictable public shaming, the committee unanimously voted to appropriate the funds. This episode left a stain on the Party’s claim to partnership in the government. The same Republican Party elements expressed the need to restore tax exemptions for downloadable software (\$23 million) and agricultural products (\$3.7 million), among others.

## 10 Supplementals for 2010–2011

The 19-bill supplemental budget package for 2010–2011 will not be examined in detail here. The General Assembly had been accused in 2010 of passing a budget that would require midyear re-budgeting. The General Assembly had employed forecasts of a steady recovery path, instead of the slow, “jerky” one that materialized. Partisan struggles between the Senate Democrats and House Republicans played out in the House Appropriations Committee, with the JBC members frozen by the etiquette of their partisan balance. Senate President Brandan Shaffer and Senate Majority Leader John Morse featured heavily in the press accounts, as did House Majority Leader Bill Cadman. The issues carried over to the bills’ second

readings on the House floor. Some of the wrangling involved the debates over SB11-164 (a bill to transfer cash funds to the General Fund), which included a \$1 million transfer from the Secretary of State, offered up by (defeated incumbent) Buescher after the 2010 elections. His successor, Scott Gessler, wanted that removed from the bill, as did the Republicans. So, too, was sharp partisanship evident in the disposition of SB11-156, a bill to reduce the General Fund statutory reserve from 4% to 2.3%. Democrats added a provision that would dedicate excess funds from the reserve to the state education fund, following the lead of the SB11-001 bill sponsored by Senator Shaffer and Bacon. The Democratic mantra on education in this dismal revenue environment voiced by Rep. Andy Kerr (D-Lakewood) was directed as much to the education community as the Republicans: “...when the economy turns around, Democrats’ priority is to restore education funding first...” (Goodland 2011a). It appeared that they had succeeded.

Major accomplishments of the package include the following:

- saving \$115 million by reducing the General Fund Reserve to 2.3%;
- transferring \$103 million in cash funds to the General Fund;
- repurposing \$156 million in Recovery Act monies for direct school funding; and
- transferring \$51 million in dedicated cigarette and tobacco tax revenue to the GF to fund the Medicaid program (Hoover 2011b)

The result of these supplemental actions would leave a General Fund balance of \$447 million (*Forecast* March 2011). Pursuant to SB11-156, this would be moved to the State Education Fund.

Yet, on the same day the supplemental bills passed the House, across the street in the third floor JBC hearing room, Governor Hickenlooper would deliver his budget request for 2011–2012. Notwithstanding the shock of the details for that year’s education budget, it also triggered Democratic disappointment in “their” new Governor and caused them to recalibrate their overall expectations of him as a political ally.

## 11 The February Hickenlooper Budget Proposal for 2011–2012

Given that Colorado’s governor enjoys a line-item veto, the Appropriations Committees and the JBC are always keen to find out the markers being laid down by the governor. With that, they know what the work of persuading each other and the governor will be. While Governor Ritter had made budget requests and recommen-

dations back in November, the legislature knew that the new governor was going to present his own. Hickenlooper had done little to tip his hand, save for the State of the State address and broad statements of his coolness to the idea of tax increases.

However, on Thursday, 10 February, lobbyists and organizational officers of the state's education establishment were called to a briefing by the governor's staff to preview the governor's scheduled presentation to the JBC the following Wednesday. These showed a brisk departure from Governor's Ritter's November recommendation to leave the K-12 and higher education budgets alone (Hoover 2011c). The chart below details the Hickenlooper proposal for 2011–2012.

The shocker, of course, was the education component – a \$257 million reduction. Yet, the General Fund cuts tell only part of the story, since school mill levies were forecast to yield \$117 million less than the previous year. Hickenlooper did not sugar coat his memo nor his presentation:

“This change results [in] a *reduction of \$332 million* compared to the total K-12 funding level in FY 2010–11. With this cut, the state will now be \$836 million short of funding K-12 at the total cost defined by the School Finance Act”. [Emphasis added]

The 2010 session saw the General Assembly cut nearly \$250 million from the school funding formula, which breached the intent of Amendment 23 that was passed in 2000. Amendment 23 amounted to a constitutional earmark for Colorado education funding, to “catch up” with losses incurred from inflation during the 1990's. In fact, the provision required an annual increase (to adjust to inflation) plus an additional 1% from 2001 to 2011. After 2011, the growth was to be limited to inflation alone. Governor Ritter and the then Democratic-controlled General Assembly agreed to a legal solution that permitted these cuts to be crafted in a way that would not violate the state's constitution. Nonetheless, the K-12 community was not happy about the 2010 cuts. Now, another such “breach” of constitutional promises to K-12 would be even larger.

Finally, the governor urged adherence to the 4% General Fund statutory reserve. Saying that even 4% was insufficient, the state needs to have greater flexibility in responding to revenue fluctuations.

In spite of the fact that the previous week's briefing had let the cat out of the bag, stunned Chair of the State Education Committee, Bob Bacon (D-Fort Collins) told the *Post* (Hoover 2011e):

“The governor's plan as he gives it to us is, I hope, in part, DOA.”

Schools boards, teachers, and parents had expected nothing of this scale from the new governor, and the implications were quickly broadcast. The authoritative EdNews website (<http://www.ednewscolorado.org/>) installed a “click-on” feature for subscribers to calculate the impact of the cuts for their own districts.

**General Fund Revenue decreases**


---

Education	\$257 million cut All but \$1 million comes from the school aid formula
Health Care Policy & Finance	\$57.3 million Largest elements: \$28 million refinanced through a cash fund \$13 million cuts in Medicaid \$12 million refinanced through Amendment 35 (tobacco tax) funds \$6 million cut in indigent care program
Higher Education	\$36 million cut
Human Services	\$17.3 million cut \$17 million cut associated with Youth Service caseload decrease \$5 refinance of Child Welfare w/ TANF funds
PERA 'swap'	\$2.2 cuts from facilities closing \$15.7 million cut [state employees assume 2% greater share of monthly payments to state retirement system]
Restoration of 4% General Fund Statutory Reserve	\$141 million
General Fund Revenue Changes	\$42.3 million net revenue increases \$23.8 revenue decrease (associated with Health Care Financing Fund insolvency) \$65.4 million addition: Mineral severance tax account transfers (4)

---

**Table 1:** Major elements of Governor Hickenlooper's Budget Proposal for 2011–2012.

Source: "Governor Hickenlooper's Budget Package for FY 2010–11 and FY 2011–12" Letter to Senator Mary Hodge, Chair of Joint Budget Committee. February 15, 2011.

Hickenlooper's proposed cuts' would average \$486/pupil across the state, with Aurora and Denver schools absorbing \$512 and \$520, respectively (Mitchel 2011). School districts polled parents on where and how to absorb another set of cuts.

It was thus made clear that Hickenlooper was not going to hit the ground running with a new revenue plan, but would instead "manage" the state's finances and innovate on the margins set by current revenue conditions. As such, Democrats had to come up with a way to find more revenues to lessen the cuts, understanding that the Reserve would be the single largest rival claim on their "discoveries". Hickenlooper had put them in a tough spot.

The *Economic and Revenue Forecast*, issued on March 20 took some sting out of the situation. General Fund Revenue Forecasts had not been encouraging over the prior six to nine months as the 2011–2012 forecasts "hiccapped" in mid-2010.



However, General Fund revenues were forecast in March to be \$100 million over the December forecast.

- March 2010 General Fund Rev Forecast for 2011–2012: \$7,561,900,000
- June 2010 General Fund Rev Forecast 2011–2012: \$7,623,000,000
- September 2010 General Fund Rev Forecast for 2011–2012: \$7,487,400,000
- December 2010 General Fund Rev Forecast for 2011–2012: \$7,463,200,000

The Legislative Council economists estimated that the 2011–2012 budget was currently out of balance by \$601 million. The larger General Fund balance created by transferring the school funds (SB11-156) to the General Fund reduced that imbalance by \$447 million to \$152 million.

However, the governor's proposal would be costly: School funds would still be cut, but not as greatly as would have been the case previously. Thus, several other transfers to the General Fund would be necessary.

## 12 An Ugly List

On March 21st, JBC Staff Director John Ziegler produced an “ugly list” of possible measures to find funds to help avoid cuts. The list included options to cut parts or all of several General Fund programs to the tune of \$9.1 million for 2010–2011 and \$1.12 billion for 2011–2012. This large section of the spreadsheet was truly “ugly”, constituting a total of 15% of “current law” General Fund expenditures for 2011–2012. Also listed were potential cash fund transfers to the General Fund totaling \$206.9 Million for 2010–2011 and \$232 Million for 2011–2012. The list included refinancing of General Fund programs with Cash Funds (fees) – \$5.3 Million for 2010–2011 and \$54 Million for 2011–2012.

The lowest hanging fruit on this 28-page spreadsheet were the cash fund balances designated for “mineral-impacted” local governments from the state's severance tax. These constituted \$136 million in 2010–2011 and \$71 million in 2011–2012. Whether or not it intended to remind members of the costs of not cutting K-12 funding, it had a sobering effect.

## 13 Building a Budget Impasse ... March and April

The meaning of the governor's budget proposal took little time to register with Republicans as well. The proposal tracked Republican interest in cutting public employment and selected services. It saddled legislative Democrats with a greater

burden to defend those services across a range of subjects, as well as provided a buttress for Republican legislative strategies to mount some trophies of their own. These are listed below.

- Expand the “PERA swap” for state employees (temporarily shifting 2.5% of the total retirement contribution from state employers to employees for FY 2011–2012). Republicans favored extending the PERA swap to the state’s school teachers as well.
- The Dirty Dozen tax bills passed in the 2010 session were also targets. These had raised \$102.2 million in 2010–2011, and (fully implemented in 2011–2012) were forecast to add \$120 million that would otherwise not be available to the General Fund. The largest of the tax law changes simply removed the exemptions from sales or income tax. For example:
  - treatment of candy and soda as food items under the current law, taking that exemption away yielded \$18 million in 2010–2011;
  - removal of the exemption for energy used for industrial purposes (\$38 million in 2010–2011);
  - withdrawal of the exemption for downloaded and non-custom software purchases (\$23.7 million); and
  - removal of the sales tax on agricultural products such as agricultural pharmaceuticals, bull semen, and so on (\$3.7 million).
- The reduction of the state’s “sales tax vendor fee” would expire at the end of 2010–2011. Thus, Republicans wanted no legislation that included vendor fee reductions. The total value of the vendor fee was about \$65 million.

The JBC’s institutional strength depends in part on the stubbornness of the JBC members themselves to serve not only as guardians of their own handiwork, but by extension, guardians of legislative prerogative from gubernatorial “interference.” This tendency frayed this year. The Long Bill was late to be introduced because the House and Senate could not resolve lingering issues. Resolving these conflicts was necessary to avoid vulnerability to floor amendment and a (likely) irreconcilable conference (which for the Long Bill is the JBC itself).

As the JBC moved forward drafting a Long Bill on the basis of what the two parties agreed upon, progress stalled on those matters on which they did not. The JBC budget was built around provisions that the House Republican leadership favored, which, in adhering to the Long Bill alone and imperiling the “parallel bills”, would advance Republican legislative goals. The House was holding up the “parallel bills”. Monday, March 28th was the deadline for the Long Bill’s introduction in the Senate, according to the Deadline Schedule pacing the General Assembly through its 120 calendar-day session. A week after the deadline for its introduction in the Senate, no progress had occurred.

The Senate President then announced his intention to introduce the Long Bill (and a gaggle of others) in the Senate himself. On Tuesday the 5th, several of the “parallel bills” were introduced to the Senate and referred to the Committee. A Senate alternative to the Long Bill was discussed, but it was not necessary. The JBC was increasingly moved to the sidelines, particularly when the governor and his staff became involved in negotiations. A series of three-way conferences were joined on the Monday the 4th and Tuesday the 5th in the Senate President’s Office, by the House and Senate leadership, the governor and his staff. These continued intermittently for several more days.

Ultimately, the compromise Long Bill and the 18-bill cluster of related “parallel bills” included the provisions below.

- An agreement to allow the General Fund Reserve to recharge to its 4% level, costing the General Fund \$141 million.
- SB11-230 A School Finance Act which reduced the per pupil funding formula, thereby reducing 2011–2012 expenditures by \$250 million (as opposed to the \$332 million originally proposed by the governor.) The governor did succeed in retaining \$100 million of the State Education Fund in reserve.
- SB11-226 Transfers of various cash funds containing \$123 million from mineral severance cash funds to the General Fund in 2011–2012. (This is what the governor had requested in February).
- SB11-76. The governor’s request for the PERA “swap” was agreed for state and judicial branch employees, but the Republican position on imposing a similar swap on school teacher pensions (also in PERA) was rejected. It appears that this will reduce General Fund contributions by \$35 million.
- Republicans achieved removal of two of the Dirty Dozen tax bills of 2010, which shrunk the General Fund by \$24.3 million in 2011–2012:
  - HB11-1005 restored the tax exemption repealed in 2010 for agricultural products, agricultural pharmaceuticals and bull semen. Cost to the General Fund will be \$3.7 million in 2011–2012.
  - HB11-1293 restored the exemption of the state’s 2.9% sales tax on downloaded software purchases, the exemption for which was ended by last year’s General Assembly. This will cost the state’s General Fund \$21.6 million in 2011–2012.
- SB11-223 Restoration of the sales tax “vendor fee” to a reduced 2.2% (from 3.3%) until 2013–2014 yielding \$23.6 million for the General Fund in 2011–2012.
- HB11-1296 Continued for another 2 years the sales tax on cigarettes and tobacco products, yielding \$27.6 million for the General Fund in 2011–2012.

In the end, the pieces fell into place with only minor bits of drama. The Senate passed the Long Bill 30-5 on April 11th with Senator Heath among the no votes. Throughout the final months of the session he had raised objections to the sales tax bills and the vendor fee bill in light of the gravity of the education cuts. Many Democrats thought that the governor had given away too much and had not leaned on the Republican House stoutly enough. The House vote on the 14th was 50-14, with no Republican votes opposing. That is, nearly half the House Democrats voted against the Bill. Speaker McNulty [R-Highlands Ranch] voted for his first Long Bill after voting against in 2009 and 2010. After a week's conference bill back and forth, the Long Bill was sent to the governor on the 26th of April.

## 14 General Fund Revenues: Recovery on the Way?

It appears that realistic prospects for General Revenues are positive, taking pressure off next year's budgeters. Of course, the sales and income tax bases were broadening in 2010 with the repeal of certain exemptions. Whether they are retained or cancelled could change the future beyond 2012 by \$180 million or so.

	2007-08	2008-09	2009-10	2010-11	2011-12
	Actual <sup>a</sup>	Actual <sup>b</sup>	Actual <sup>c</sup>	Prelim <sup>d</sup>	Est <sup>e</sup>
Sales, Use and Excise Taxes	2,411.6	2,199.4	2,073.1	2324.2	2286.9
Personal and Corporate Income Taxes	5,481.6	4,625.8	4,455.9	4890.0	5083.8
Combined Sales and Income Taxes	7,893.2	6,825.2	6,529	7214.2	7370.7
Other General Fund Revenues	258.1	257.4	257.5	241.0	249.8
Gross General Fund Revenues	8,151.3	7,082.6	6,786.5	7455.2	7620.5

**Table 2:** Trends and Projections for General Fund Revenues, 2007–2012.

<sup>a</sup> *Economic & Revenue Forecast*. Legislative Council. June 2009.

<sup>b</sup> *Economic & Revenue Forecast*. Legislative Council. June 2010.

<sup>c</sup> *Economic & Revenue Forecast*. Legislative Council. June 2011.

<sup>d,e</sup> *Economic & Revenue Forecast*. Legislative Council. September 2011.

## 15 Panning for Cash: The Search for Fee Revenues

It has been said that Colorado fiscal politics would be defined in part by fee-based refinancing of state government activities (Moore 2010). The year 2009 was a banner year for the development of fee-based revenues. In that year, FASTER [SB09-108] and Hospital Provider Fees [HB09-1293] were passed, adding \$530

million to highways and bridge revenues and matchable revenues (through Medicaid). During that 2009 legislative session, Governor Ritter reduced the pressure on the State's General Fund funding by halting the downward spiral of the school district property tax base, in effect, shifting some of the costs of the school funding formula "back" to the districts. Three years into these innovations, Ritter will have added close to \$1 billion to the fiscal footprint of the state. The 2009 session also saw the passage of another 50 bills that either expanded fees or created new ones. These bills were forecast to yield \$15 million in 2010–2011 (Legislative Council 2009).

The General Assembly passed 42 "fee bills" in 2010, for a net increase of \$14,599,600 for 2010–2011. Three of these exceeded \$1 million in impact ("Tax and Finance 2010"):

SB10-120	Prepaid Wireless Surcharge [revenues for local governments]	\$3,171,700
HB10-1377	Cash funding for Ag Inspection	\$1,400,000
HB10-1379	Per Diem Nursing Home Fee	\$5,800,000
HB10-1284	Medical Marijuana License Fee	\$2,700,000

In 2011, the General Assembly passed 35 "fee bills" for a projected net revenue increase of \$68,892,708 in 2011–2012 and \$44,352,913 in 2012–2013. Two of these exceeded \$1 million in revenue impacts:

SB11-125	Nursing Home Fees	\$15,529,615
SB11-212	Hospital Provider Fee Offset	\$50,000,000

Those fee bills which failed in the General Assembly were also notable: Democrats offered some \$85 million in fee increases which failed to pass. Those with the largest revenue impacts were:

HB11-1247	[Pabon] Deposit Beverage Container Fund	\$79,241,250
HB11-1136	[Williams] Foreclosure Prevention Counseling	\$5,040,000
HB11-1264	[Priola] License fee, highway accounts	\$2,598,000

House Republicans sponsored several "fee repeal" bills that failed in the recent session. The impact of these failed bills would have been -\$375,914,492 in 2011–2012 and -\$434,602,043 in 2012–2013 ("Tax and Finance" 2011, "Fee Bills" 2011). The largest of these (in descending order of estimated impact) were:

HB11-1025	Repeal Hospital Provider Fee	-\$436,200,000
HB11-1184	Modify Vehicle Late Fee	-\$25,000,000
SB11-1124	Repeal Low Income Telephone Fund	-\$2,230,000

Senator Rollie Heath [D-Boulder] served as the goal-keeper for the Senate Democrats, heading the State Affairs Committee, the Senate leadership's "killer committee" where unwanted bills went to defeat. Heath was also appointed as Chair of the Redistricting Committee. Fresh from his experience in 2009 as the Chair of the Fiscal Stabilization Committee and as Chair of the Senate Finance Committee in 2010, Senator Heath sponsored many of the 2010 bills repealing over \$100 million in tax exemptions.

## 16 Ballot Initiative Proposals for November 2011

The governor's February budget proposal propelled Senator Rollie Heath into the initiative process. Unable to "do nothing" while the state K-12 funding was subjected to a second round of deep cuts, Heath floated several versions of a "tax-rate restoration" amendment. The central feature of these was to ask voters to approve a constitutional amendment to raise the income tax from 4.63% to 5.0% and the sales tax from 2.9% to 3%. The proposal levels were for those in effect prior to the tax cuts and revenue refunds in 1999 and 2000. The measure that Heath settled upon would restore those tax rates for 5 years, raising \$3 billion over that period and dedicating those funds to K-12 funding. It was projected to raise over \$500 million in the first year of implementation. The kickoff press conference was ominous, as neither the Colorado Educational Association nor the Colorado Association of School Boards sent representatives to stand with Heath. The measure, Amendment 103, would garner sufficient signatures by mid-August to qualify for the November ballot, the only such measure on the ballot. Expectations for passage were dim.

A more aggressive amendment was drafted, which would have created a graduated income tax ranging from 4.2% to 9%. Some draft versions would have created an Earned Income Tax Credit. The measures were pulled in March by the Colorado Center for Law and Policy Institute after weak polling. The proponents also faced promises from several business and civic organizations to defeat that amendment. These were the Denver Metro Chamber of Commerce, Colorado Forum, and Colorado Concern. The latter two organizations are among the most influential non-partisan elite civic associations in the state. The Chamber, while enthusiastic about aggressive public works spending during other recessions, has the capacity to raise extraordinary sums of money to influence statewide initiative campaigns. The Center has a broader agenda than education funding per se, and has sought permanent solutions to the state's constitutional fiscal bind, but it enthusiastically supported and campaigned for Heath's Amendment 103.

## 17 A State of Perpetual Recovery

It has been nearly a generation since the Taxpayers Bill of Right was passed in 1992. Due in part to the late 1980's recession, TABOR's effects (to the extent they were considered) were encouraged by the impressive economic expansion during the 1990s. Personal income growth, consumption and employment were sufficiently large to build reservoirs of surplus revenues (monies in excess of the "inflation+population growth" expenditure limits). Successive Republican majorities in the General Assembly presided over revenue refunds at the same time that they cut the state's 3% sales tax to 2.9% and cut the state's personal income tax from 5% to 4.63%. In the 2001 recession, belts were tightened and the slow process of government shrinkage became normalized in what would become a recurring series of grim rituals through the decade. During recoveries, tax policy changes were rejected as harmful to "the recovery". Yet during the decade's three recessions fiscal problems were secondary to promoting recovery. Colorado, it appears is in a perpetual state of fiscal policy paralysis.

Breakout from the cycle of paralysis came in 2000 with Amendment 23's successful constitutional earmark for school spending until the earmarked funds themselves proved inadequate. The constitutional earmark of General Fund revenues also destabilized funding for higher education, corrections and medical services which were forced to compete at a disadvantage with the Amendment 23 earmark for General Fund dollars. During the decade's "middle recession" in 2005, the passage of Referendum C, the temporary halt to the imposition ("Time out") of TABOR limits, was a victory for the shriveled public economy. Yet it was a shallow victory; it was billed as a temporary "exception" to an otherwise sound TABOR limit, requiring an extraordinary effort and a disciplined consensus to avoid the obvious fiscal train wreck.

TABOR has become an institutional embodiment of 1980s "blame the government" sentiments from which it sprung, and then some, adding clever provisions that turned the tables on advocates of the welfare state. Aided by Republican majorities in the 1990s, which passed implementing statutes, the intentions of TABOR's authors were cemented. It is not an exaggeration to state that TABOR has changed the axes of political discussion and expectation in Colorado politics. An expanding roster of highly reputable voices express a desire to "repeal TABOR", both through the ballot and through the courts. However, these do not appear to appreciate the depths of TABOR's legitimacy in the public mind. Even the temporary "time out" of Referendum C was a victory for TABOR. Responses to TABOR included the refinancing of the state through fee financing. Substantial credit is due Governor Ritter for building the consensus in the hospital and highway communities for the large fee innovations there. The reversal of the

ratios of state funds to tuition over the past 20 is another “fee-driven” refinancing of the state government, aided by a “pass-through” trust-fund arrangement permitting university tuition to escape expenditure limitations under TABOR. All of these appear to be acceptable to Coloradoans and they have gone down without discernible public agony or (judging from the votes on the Ugly Three) voter resistance.

The Long March of TABOR’s author, Douglas Bruce, was marked by persistent failures of a succession of tax limitation measures from 1986 to 1990. By presenting his tax and spending limitation formulas before the public again and again, refining the contents and his strategy, Bruce et al, were able to refine their message, build support, tire their opposition and exploit transient moments of opportunity. They believed and hoped. Tax limitation was their singular priority. It was a difficult, daunting journey. They won and they continue to win. It appears that TABOR, even the chipped and dented version that has emerged after 20 years, has survived as an interlocking set of ideas and prescriptions. TABOR persists because government remains distrusted, tax limitations are appealing, and spending limitations do not appear to most Coloradoans to matter enough to change.

On the side of public expenditure and Republican government, little coalition activity outside the state’s school board/teachers/school executive community and the class of politically abused civic and service organizations is evident. But few others seem prepared for a fight. Some proponents of change seem to adhere to the view that changing TABOR will be a very expensive media-intensive campaign. Deterred from contributing to ballot measures that might fail the first time, donors shy away from a long strategy conceived this way. Perhaps the organizational basis of the anti-TABOR activity is due for a change. Few public officials in Colorado seem to be willing to start the Long March, with the exception of Senator Heath.

## 18 Conclusion

The state’s politics are grounded in ambivalence about whether and when to go after more cash. Substantially greater fee refinancing of General Fund programs or spinning off agencies into enterprises is a possibility. An adequate Constitutionally-dedicated revenue stream for K-12 (i.e., a permanent version of Senator Heath’s doomed Amendment 103 this year) also seems possible after the recession abates but it would face an uphill battle.

What is on horizon? With a new state party chair in both major political parties, the success of candidate recruitment to replenish the ranks of term-limited



legislators becomes important. There are many moving parts in the Republican equation besides “leadership replenishment”, including the durability of the tea party movement and the degree of adherence to the compromise politics that the governor has handed them. Although one is never too sure, the Democrats seem to have solved problems on the candidate-recruitment and the fund-raising sides. And having won majorities in both chambers in recent years, the prospect of drawing more candidates from the public service/non-profit talent pool as the Party has from the past decade seems promising.

One senses that the governor was comfortable operating with split chambers during the past session. Much veto-able legislation did not reach his desk this session, because, as Lynn Bartells put it, “The legislature did his laundry for him” (Inside/Out 2011). What the Democrats passed in the Senate ran a gauntlet in the (barely) Republican House, for example. Hickenlooper emerged from the session unscathed, but it was hard to tell that he had much skin in the game. At session’s end he remarked that he had intended to propose legislation to “cut red tape and burdensome regulations on businesses” but that his cabinet was wary of unintended impacts (Bartells 2011). Some version will likely emerge next year.

It is not clear if and where Hickenlooper will come down on the state’s long-term financial sustainability. Dealing with TABOR or changing it, or working around it – these are all heavy tasks that can be accomplished only with a supportive and trusted governor. Although he is the kind of person who wants to accomplish things, it is not clear what he wants to accomplish. While he has been cautious to avoid large initiatives (and large conflicts) in his first year, it is not at all clear that his ambitions would run in that direction. It seems likely that the governor will also be the “new governor” next session as well. For the moment, Colorado’s fiscal puzzles are wrapped in the enigmatic Governor Hickenlooper.

## References

- “Assessing Hickenlooper’s First Session” (2011) *Coloradopol.com* (blog site). Retrieved 16 May 2010, from <http://www.coloradopol.com/diary/15717/assessing-hickenloopers-first-session>.
- Appropriations Report, 2011–2012. Denver. Joint Budget Committee. July 2010.
- Auge, K. and C. Illescas (2011) “Colorado Educators Decry Planned Cuts as Shirtsighted,” *Denver Post*, February 16.
- Bartells, L. (2011) “Hickenlooper Reflects on First Session,” *The Spot* (Denver Post blog site). Retrieved 12 May 2010, from <http://blogs.denverpost.com/thespot/2011/05/12/>.
- Bruni, F. (2011) “The Hickenlooper Exception,” *The New York Times Magazine*. January 5.
- “Colorado Inside/Out Broadcast” (2011) KDBI Channel 12. May 13.
- Crummy, K. (2010) “McInnis’ Articles for Foundation Lift Words, Ideas from 20-year old Essay,” *Denver Post*. July 13.

- Economic and Revenue Forecast. Legislative Council. June 2010; September, 2010; December 2010; March 2011; June 2011; September 2011.
- (2010) “McInnis, It’s Time to Come Clean,” *Colorado Springs Gazette*. Editorial, July 13.
- “Fee Bills – 2009 Session,” Legislative Council Memorandum. July 23, 2009.
- “Fee Bills – 2011 Session” (As of 6/20/2011) Legislative Council staff. n.d.
- Fonda, D. (2005) “John Hickenlooper / Denver,” *Time Magazine*, April 17.
- Goodland, M. (2011a) 2010–11 “Budget Balancing Passes House,” *Colorado Statesman*, February 18.
- Goodland, M. (2011b) “Forecasts Show State Revenue is Up, Just in Time for the Legislature’s Long Bill,” *Colorado Statesman*, March 25.
- Goodland, M. (2011c) “Making of the 2011 Budget,” *Colorado Statesman*. April 8.
- Goodland, M. (2011d) “Education Funding and Politics Also Torpedoed JBC Budget Bill in 1986,” *Colorado Statesman*, April 8.
- Goodland, M. (2011e) “Budget Package, Round 2: The House,” *Colorado Statesman*, April 15.
- Goodland, M. (2011f) “Gov. Hickenlooper Signs First Budget; Vetoes Eight Footnotes,” *Colorado Statesman*, May 6.
- Goodland, M. (2011g) “Winners and Losers in Biz, Education, Health Care,” *Colorado Statesman*, May 20.
- Graham, D. (2010) “McInnis’ Water-loo,” *Four Corners Free Press*. August. [<http://www.fourcornersfreepress.com/long/0810.htm>].
- Hickenlooper, J. (2011) “Governor Hickenlooper’s Budget Package for FY 2010–11 and FY 2011–12,” Letter to Senator Mary Hodge, Chair of Joint Budget Committee. February 15.
- “Hickenlooper Reflects on First Legislative Session” (2011) *FoxNews Denver*. Broadcast May 13. [[http://www.dailymotion.com/video/xiol8p\\_hickenlooper-reflects-on-first-legislative-session\\_news](http://www.dailymotion.com/video/xiol8p_hickenlooper-reflects-on-first-legislative-session_news)].
- Hoover, T. (2010a) “GOP Senators Call to Restore Tax Breaks,” *Denver Post*, September 18.
- Hoover, T. (2010b) “GOP Vows Budget Panel Members Will Right Ship,” *Denver Post*, November 5.
- Hoover, T. (2010c) “Funding Shortfalls the Hard Reality” *Denver Post*. November 21.
- Hoover, T. (2010d) “2011 Legislature – Car-fee Hike Repeal Unlikely,” *Denver Post*, December 4.
- Hoover, T. (2010e) “Short on Specifics, Hick Looks to Balance State’s 2011–2012 budget,” *Denver Post*, December 17.
- Hoover, T. (2011a) “School-breakfast Funds Cut Off,” *Denver Post*, January 21.
- Hoover, T. (2011b) “Package of Balance Colorado Budget Advances in Senate,” *Denver Post*, February 12.
- Hoover, T. (2011c) “Deep Education Cuts Loom,” *Denver Post*, February 13.
- Hoover, T. (2011d) “Schools Bear Brunt of Hick’s New Cuts,” *Denver Post*, February 16.
- Hoover, T. (2011e) “Legislature 2011 – Dems Set to Put Up Fight Over Hick Cuts,” *Denver Post*, February 17.
- Hoover, T. (2011f) “Nowhere Else To Turn,” *Denver Post*, February 20.
- Hoover, T. (2011g) “Teacher Pensions Scrutinized,” *Denver Post*, March 17.
- Hoover, T. (2011h) “Good Fortune for Budget,” *Denver Post*, March 19.
- Hoover, T. (2011i) “Colorado Legislators Reach Budget Deal,” *Denver Post*, April 6.
- Hoover, T. (2011j) “State Jobs in Public Eye,” *Denver Post*, April 10.
- Hoover, T. (2011k) “Deal Offsets Less Cuts to K-12,” *Denver Post*, April 22.
- Hoover, T. (2011l) “State Budget – GOP-Backed Plan Like Those it Once Fought,” *Denver Post*, April 24.

- Hoover, T. (2011m) "Legislature 2011 – Hickenlooper Inks Budget, But Some Pieces Still in Play," Denver Post, May 7.
- Malone, P. (2011a) "Partisan Fiscal Battle Begins in Earnest," Pueblo Chieftain, February 12.
- Malone, P. (2011b) "Bombshell Budget 'Beginning of a Conversation,'" Pueblo Chieftain, February 19.
- Malone, P. (2011c) "Accord Reached on State Budget," Pueblo Chieftain, April 6.
- Malone, P. (2011d) "Governor's Moderate Tone Soothed Politicians," Pueblo Chieftain, May 14.
- Mitchel, N. (2011) "Districts Face Another Round of Budget Cuts," Education News [EdNews], March 1, 2011.
- Moore, S. (2010) "The Path to Resolution: Democrats Map the Future of Colorado's State Finance (2009)," Salt Lake City: University of Utah Center for Public Policy and Administration. [<http://www.cppa.utah.edu/westernstatesbudgets/>].
- Moore, S. (2011) "Financial Architecture of Post-Republican Colorado," In (Courtenay Daum et al. eds.) *State of Change: Colorado Politics in the Twenty-First Century Boulder*. University Press of Colorado.
- Smith, D. (1998) *Tax Crusaders and the Politics of Direct Democracy*. New York: Routledge.
- "Senate Minority Leader Kopp's Statement on Hickenlooper Budget" (2011) States News Service. February 15.
- Strogoff, J. (2010) "Pressure Mounting on GOP Candidate Maes to Withdraw from Guv Race," Colorado Statesman, September 3.
- "Tax and Finance" Summary of Major Legislation. Denver. Legislative Council. 2010 <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1231331487338>.
- "Tax and Finance." Summary of Major Legislation – 2011. "Tax and Finance" <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1231331487338>.
- Wyatt, K. (2011) "Colorado House Gives Final Approval to \$18B Budget," Associated Press, April 14.