



# Colorado's Free Enterprise Report

2022 Edition





# About Common Sense Institute

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise in Colorado and aims to have an impact on the issues that matter most to Coloradans.

CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Colorado economy and individual opportunity.

Common Sense Institute was founded in 2010 originally as Common Sense Policy Roundtable. CSI's founders were a concerned group of business and community leaders who observed that divisive partisanship was overwhelming policymaking and believed that sound economic analysis could help Coloradans make fact-based and common sense decisions.



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



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# Introduction

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Colorado faces a crossroads as it emerges from a long economic winter and works to reopen businesses, support job creation, and regain a sense of normalcy for its residents. As restrictions loosen and people return to their everyday lives, Coloradans must grapple with how best to steer the state forward and continue to grow. **The answer is the same as it has always been: embrace the principles of the free enterprise system.** In times of immediate crisis, people naturally look to lawmakers for decisive action and leadership, but as the country moves onward, one constant throughout history has been that individuals working to provide for their families as well as businesses striving to meet the needs of their community—together, and free from intrusive oversight—lead to fuller bellies, bigger paychecks, and greater economic prosperity. **A return to those principles can help lead the state through the challenges ahead and back to its full potential.**

At its heart, the free enterprise system is one in which people are free to make choices about what's best for their own particular circumstances and needs. Individuals are free to work in roles that play to their strengths, businesses can compete to provide goods and services that cater to their customers, and markets are able to bring people together to transact. Those countless decisions and interactions, when taken collectively, make up the free enterprise system, which has proven to be the greatest economic engine in history and has lifted billions of people out of extreme poverty.

Recognizing the power of that system, the Common Sense Institute was founded in 2010 to champion Colorado's economy and to be an educational resource for Coloradans, providing rigorous research on the impact of policies, initiatives, and laws that ultimately shape their lives. CSI's mission is to provide Coloradans with the resources they need to make informed decisions about the future of their families and the state by helping to ground policy discussions with sound fiscal and economic research.

Though Colorado's lawmakers may largely agree on worthy and beneficial goals for the state—getting people back to work, improving access to quality health care, or strengthening the education system—the open question is always which policies will achieve those goals most effectively, efficiently, and without economic distortion. CSI's role, as it has been since its inception, is to produce sound economic analysis that helps Coloradans weigh the outcomes and effects and make common sense decisions. To that end, CSI to date has primarily studied the impacts of policy proposals individually; however, starting this year, CSI will complement that approach with an annual review of the state of free enterprise in Colorado and how it may be impacted by broader policy trends. This report—**Colorado's Free Enterprise Report: 2022 Edition**—is the inaugural edition of that annual review, to be accompanied by The Rankings Book, which includes key statistics and rankings showing where Colorado stands relative to other states.

As the state looks towards the future, CSI stands ready to be a part of the conversation and help Coloradans not only to rebuild, but also to forge a new path forward—one marked with more freedom, greater opportunity, and continued success.



# Summary of Performance and Outlook Ratings

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How is the system **performing** today? And how will it **perform** in the future? These two simple questions form the basis for our performance and outlook ratings across eight policy areas.

The performance rating reflects an assessment of historical data on both outcomes and public regulations on a scale of 1 to 5. 1 indicates very poor performance and 5 indicates excellent performance.

The outlook rating reflects whether a combination of recent trends and recent policy changes will cause the performance of the policy area to worsen, remain the same, or improve.

Taken together, the performance and outlook ratings are a summary assessment of the free enterprise system in Colorado.

## **Bottom Line**

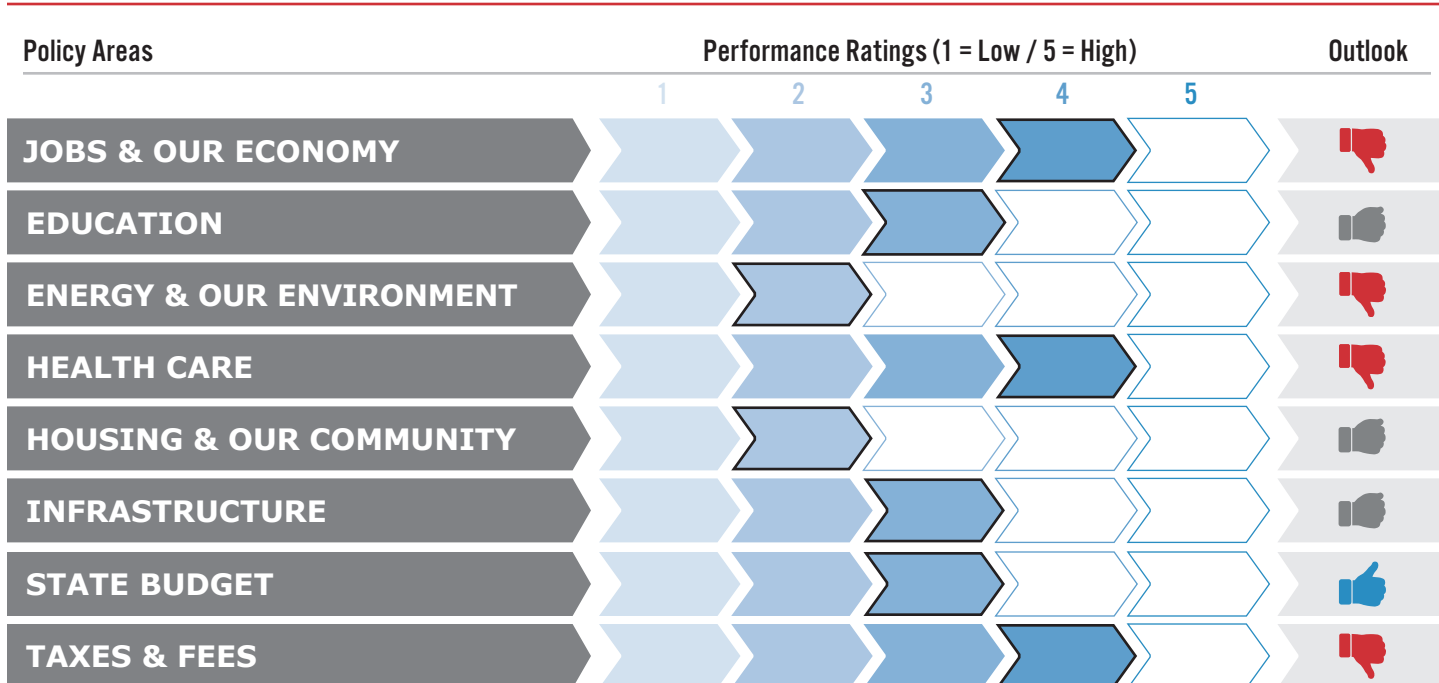
**The future performance of Colorado's free enterprise system is highly uncertain. Public policy decisions over the coming months and years will determine whether that system will flourish and keep Colorado competitive.**

In several key areas, the performance of Colorado's free enterprise system has been mediocre at best compared to other states. And in areas where Colorado has traditionally outperformed most other states, the outlook is negative.

**To be clear:** these findings are not presented as the final word or the only valid perspective on Colorado's free enterprise system. CSI fully acknowledges that different observers, when presented with the same information, can reasonably disagree about the meaning and significance of that information.

In fact, CSI welcomes discussion and debate over the findings of this report. Because if we are to preserve the free enterprise system in Colorado, then policymakers, stakeholders and citizens will need to start paying more attention to it.

# Colorado 2021 Performance and Outlook Ratings



## Rating Insights

### JOBS & OUR ECONOMY

The following findings summarize the performances and outlooks of each major policy area based upon important data trends, policy developments across the state, and recent CSI research.



- » In recent years, Colorado’s economy has been among the strongest in the country, consistently ranking high when compared to other states.
- » Colorado is a top-ten state in terms of personal income and low poverty rate.
- » Colorado has traditionally had a very high immigration rate and has been rated very highly in terms of business-friendliness, though both showed some signs of decline by 2020.
- » Every state’s economy suffered under COVID-19 policy, but Colorado’s recovery of its labor force has been slower than expected based on past performance. Women left Colorado’s workforce at a disproportionate rate during the early months of the pandemic.
- » Colorado ranks eighth for the highest cost of early child care. The annual average cost of \$15,325 for full-time infant care accounts for roughly 21% of a median family’s \$73,000 income in Colorado, and 61% of a minimum wage worker’s income
- » Coloradans are, per household, the most indebted people in the country.



## Outlook: Negative

- » Labor shortages continue to drag down the recovery of businesses that were hit hard by the COVID-19 recession.
- » Increased regulations, taxes and fees at the state and local level have raised the cost of doing business and creating jobs in Colorado.
- » The paid family leave program will cost businesses and employees billions of dollars, creating a drag on economic growth.
- » The state income tax has been lowered, but other taxes and fees continue to grow with each legislative session, further burdening the economic recovery.

## EDUCATION

Performance Rating  3 out of 5

- » Colorado has the 2<sup>nd</sup> most educationally demanding job market in the country, but the state's high school graduation rate is among the lowest in the country.
- » Colorado's K-12 ecosystem includes a variety of school models and promotes choice and competition better than many other states.
- » Colorado allocated nearly \$8 billion in total program funding (state and local funding from the School Finance Act) for FY 2022, resulting in an average of \$8,991 per pupil for a population of 888,538 students. Total program per pupil funding ranges from \$8,428 to \$19,762 across school districts.
- » Public K-12 education was hit hard by COVID-19: remote learning and restrictive measures took a toll on students, parents, teachers, and school administrators.
- » The cost of higher education has significantly outpaced inflation for many years. Approximately half of the cost increases above the rate of inflation are attributed to a declining share of state funding.

## Outlook: Neutral

- » Funding for K-12 education is at an all-time high, even as education continues to be crowded out of the state budget by spending on other areas such as healthcare and pensions.
- » While the ultimate benefit to students will depend on how effectively the resources are spent, funding to schools is expected to increase significantly. Due to the combination of record state appropriations, remaining COVID-19 relief funds and mandatory property tax increases, many Colorado schools are planning for sustained increases in their budgets.
- » Recent legislation regarding the accreditation of trade schools should expand and improve educational opportunities outside of the traditional post-secondary path.
- » Postsecondary qualifications will continue to be in high demand, and the cost of postsecondary tuitions will likely continue to rise faster than inflation.

- » Although school budgets will face increased contribution rates to fund PERA, at the moment, the automatic triggers imposed from 2018 reforms are preventing the funding problem from getting worse.

## ENERGY & OUR ENVIRONMENT

Performance Rating  2 out of 5

- » Colorado historically has been one of the country's top oil and gas-producing states. In 2017, the upstream and downstream value of Colorado's oil and gas industry was worth about \$19 billion. However, under changing global markets and more restrictive and uncertain state permitting laws, oil and gas production has fallen.
- » There are more than 10,000 fewer energy jobs in the state now than there were last year.
- » Despite the job losses, renewable energy production in the state is growing rapidly.
- » Colorado produces relatively little pollution, but its air quality is among the worst in the country.

Outlook:  Negative

- » A new "roadmap" for cutting statewide greenhouse gas emissions would impose tighter restrictions on fossil fuel production and likely target other industries outside the energy sector.
- » New oil-and-gas permitting rules threaten to continue to constrict energy production and employment
- » Electricity prices within the state are set to spike as soon as this winter.
- » New regulations require that electric utilities reduce their emissions to 20% of 2005 levels by 2030, yet the cost and reliability impacts are not yet known.
- » Projections suggest that the state is off pace to achieve its 2025, 2030, and 2050 emissions targets, likely producing more aggressive policy actions. However, the early pushback against state proposals like the Employer-based Trip Reduction Program (ETRP) suggest serious concerns among many stakeholders.

## HEALTH CARE

Performance Rating  4 out of 5

- » Colorado hospitals and other healthcare institutions were hit hard by the COVID-19 pandemic but avoided the system failures seen in some other parts of the country.
- » Colorado has more than its proportional share of top hospitals, and the state's quality of care is consistently ranked among the top 10 in the nation.



- » The average Coloradan spends considerably less than the average American on health care.
- » Colorado’s public health is rated 7th-best in the nation and Coloradans tend to be among the healthiest Americans.
- » The state’s benchmark health insurance premium has fallen due to the state’s reinsurance program, but government spending on health care has increased considerably.
- » Colorado has historically had relatively few hospital beds per capita and still has a shortage of healthcare providers, primarily in rural communities.

**Outlook:**  **Negative**

- » Recent policies at the state level have mostly served to promote price controls rather than to reform regulations and incentivize innovation as a means of promoting choice, competition, and lower costs.
- » HB21-1232’s Colorado Option will favor a small segment of the health insurance market with lower prices; however, the cost of this program will be met through reduced payments to healthcare providers and/or higher costs for patients in traditional private health plans. As a result of the program, payments to doctors, nurses, hospitals and other health care providers for treating patients could be cut by \$634 million to \$839 million by 2025.
- » Colorado’s new state-mandated paid family leave program will take effect in 2022, and major uncertainty hangs over the costs of the program. In its first year of operation, it will cost employers \$1.3 billion in premium payments. This number is expected to increase over time.

## HOUSING & OUR COMMUNITY



- » High population growth and policies that discourage the construction of new housing units have caused a chronic housing shortage of over 175,000 units in Colorado.
- » Colorado faces an affordable housing crisis. For example, the average Coloradan’s purchasing power for a single-family or two-bedroom home is nearly the lowest in the country.
- » High housing costs and unaddressed substance abuse and mental health issues are driving a crisis of homelessness in the Denver metropolitan area.
- » As of 2020, at least \$481.2 million is spent annually on shelters, services, emergency response and health care for individuals experiencing homelessness within the Denver metropolitan area. This equates to between \$41,679 and \$104,201 per homeless person.
- » Decades-high crime in 2020 cost Colorado over \$27 billion.

## Outlook: 🗳️ Neutral

- » While there is wide recognition of Colorado’s housing shortage and policies that deter the construction of new inventory, this has not yet produced clear state and local policy reforms to rapidly expand the inventory of new homes.
- » The recently passed SB21-293 will bring about a temporary reduction of most residential and commercial property tax rates; however, the upward pressure on property tax bills will continue.
- » Large amounts of federal COVID-19 relief funding have been dedicated to affordable housing and alleviation of homelessness; however, it remains to be seen whether the spending will improve long-term outcomes.
- » Despite Colorado having the largest increase in the property crime rate over the last decade, there has been no clear indication from state officials that criminal justice system reforms are coming.

## INFRASTRUCTURE

Performance Rating  3 out of 5

- » Colorado roads, bridges and other critical infrastructure suffer from chronic underinvestment. The state’s infrastructure was recently given a grade of C- from the American Society of Civil Engineers.
- » The state has a high-performing power grid and internet infrastructure.
- » The Colorado government spends the 37th-most among states on roadways.
- » Colorado’s road quality is below the national average and the average commuting time is rising.

## Outlook: 🗳️ Neutral

- » A massive transportation bill passed during the 2021 legislative session will increase fees levied upon transportation activities along with overall spending.
- » The state’s Zero Emission Vehicle rule could make it harder and more expensive for Coloradans to purchase the vehicles of their choice.
- » Utility companies are in the process of being required to expand their grids and build many new electric-vehicle charging stations, which will make electric vehicles more feasible. These additional costs will likely be passed along to consumers.



## STATE BUDGET

Performance Rating  3 out of 5

- » Although the state budget was in free-fall at the start of the COVID-19 pandemic, it recovered much sooner than projected. Governor Polis has proposed a record-high budget of \$40 billion for the coming fiscal year.
- » Colorado's rates of government employment and pay are both above their respective national averages.
- » The state government spent a combined 58.7% of its budget on education and Medicaid in 2020 and owes a middling amount of debt per capita.
- » Colorado's government's pension program, PERA, continues to face a large unfunded liability, though is in a better position to substantially improve its funded ratio over the next several decades.
- » Colorado is one of few remaining states that currently owes money to the national government for unemployment benefit assistance, and its unemployment insurance reserve is at the country's 4th-lowest level per capita.

Outlook:  Positive

- » Colorado's latest proposed budget allocates \$600 million to the UI Trust Fund; this will enable it to be restored to solvency much sooner than expected otherwise and save employers a lot of money over the coming years.
- » The FY21 state budget will return \$453.6 million collected above the TABOR limit to taxpayers. Over the next two years, over \$2 billion is expected to be returned.
- » The natural pace of economic growth in the aftermath of the 2020 recession will enrich the state budget as it improves the financial welfare of Coloradans.
- » Despite the disproportionate growth in the share of the state budget appropriated to health care, revenue growth has been sufficient to create a substantial reserve and support increases in state department budgets.

## TAXES & FEES

Performance Rating  4 out of 5

- » In 2021, Colorado was ranked the 21st-best business tax climate and 10th-best corporate tax climate.
- » Colorado's regular unemployment benefit was the 9th-highest in the country in 2020.
- » The average Coloradan spent a combined 5.95% of his/her income on taxes and fees in 2019.

- » Over the past several years, fees per capita have been increasing quickly. Revenue generated from Colorado state enterprise fees grew from \$742 million in FY94 to \$17.9 billion in FY18.
- » In 2021, due to fund insolvency and a wage base increase, unemployment insurance payroll taxes were higher than they had ever been before.

**Outlook:** 📉 **Negative**

- » Bills passed during the 2021 legislative session will burden Colorado taxpayers with, in total, \$302 million in new taxes and fees in 2023.
- » The property tax burden upon Coloradans will increase sharply over the next assessment period due to substantially increased property values.
- » Proposition 116, Proposition 117, and TABOR are still in place to arrest the growth of taxation and fee-collection in Colorado.





# Evaluation Criteria

## POLICY AREAS

This report is organized around the same policy areas that drive CSI's overall research. Those policy areas are:

- » JOBS & OUR ECONOMY
- » EDUCATION
- » ENERGY & OUR ENVIRONMENT
- » HEALTH CARE
- » HOUSING & OUR COMMUNITY
- » INFRASTRUCTURE
- » STATE BUDGET
- » TAXES & FEES

In the following chapters, CSI examines each policy area by providing an overview, key indicators, a list of recent policy and major issues on the horizon. Based on our internal research and review of the factors impacting each policy area, we issue **Performance and Outlook Ratings**. The expectation for these ratings is to help policymakers, stakeholders, and voters identify trends—both positive and negative—that demand their attention.

CSI's Outlook Ratings are broken down as follows:

### Performance Rating

This value is on a scale of 1-5. 1 reflects the lowest performance and 5 reflects the highest performance.

- » **Economic Vitality**
  - › Rankings
  - › Key Indicators
- » **Individual Opportunity**
  - › Rankings
  - › Key Indicators

### Outlook Rating

These ratings indicate a negative, neutral and positive outlook for the policy area in terms of where we project the performance to be in the future relative to current rating.

- » **Recent Policy**
- » **Issues to Watch**

**\*\* Note on the ranking metrics—**  
*Each ranking is ordered from best to worst. A high rank is always better than a low rank, even where a lower value of the measurement itself is preferable to a higher one.*



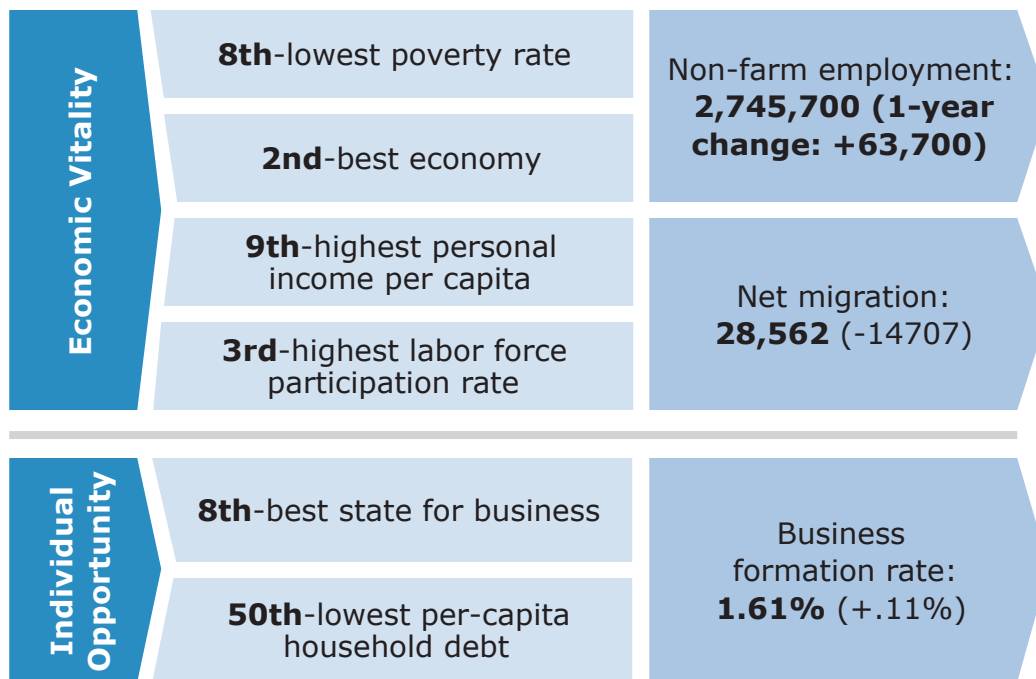
# Jobs & Our Economy

## OVERVIEW

Before the COVID-19 recession, Colorado enjoyed one of the best performing economies in the nation. But the recession triggered by the pandemic was the worst in Colorado's history and the state economy is still recovering. At the current pace of recovery, Colorado will not reach pre-recession levels of employment until 2023 at the earliest.

- » **Private employment: 2,297,800 (83.8%)**
- » **Government employment: 443,300 (16.2%)**
- » **GDP: \$382,584.7 million (1.8% of U.S.)**
- » **Labor force: 3,211,153 (2% of U.S.)**

Following the financial crisis, Colorado experienced rapid population and job growth. Relative to expensive urban areas on both the west and east coasts, Colorado was an attractive destination for both an educated workforce and companies interested in expanding their employment footprint.





## RECENT POLICY – JOBS & OUR ECONOMY

- » SB21-087: Agricultural Workers’ Rights
  - › “The Colorado Labor Peace Act currently exempts agricultural workers and their employers from certain rights and obligations. This bill removes that exemption, granting agricultural workers new rights and protections, and instituting new requirements for employers.”<sup>i</sup>
- » SB20-205: Sick Leave for Employees
  - › “The bill creates the Healthy Families and Workplace Act and requires that all employers in Colorado provide paid sick leave to each employee. Beginning January 1, 2021, employers with 16 or more employees must provide one hour of paid sick leave for every 30 hours worked, up to a maximum of 48 hours per year. On January 1, 2022, every employer in Colorado must provide paid sick leave.”<sup>ii</sup>
- » Proposition 118 (2020): Paid Family and Medical Leave
  - › “Proposition 118 creates a state-run paid family and medical leave (PFML) insurance program in Colorado that allows employees to take up to 12 weeks of leave and keep their job.”<sup>iii</sup>
- » SB19-085: Equal Pay for Equal Work Act
  - › “This bill modifies existing sex-based wage discrimination law and creates new provisions regarding transparency in wages and promotions.”<sup>iv</sup>
- » HB19-1210: Local Government Minimum Wage
  - › “This bill allows a local government to establish a minimum wage law for individuals performing work in its jurisdiction.”<sup>v</sup>

## ISSUES TO WATCH – JOBS & OUR ECONOMY

- » How will Colorado’s labor participation rate change over the coming year?
- » Will more women return to the Colorado workforce?
- » Will increased employment costs, including heightened minimum wages, and mandatory sick leave limit the number of new hires made by businesses?
- » How will the landscape of Colorado’s agricultural industry change due to the new labor laws?
- » How will the several new employee protection laws affect poverty?

For further information about **Jobs & Our Economy**, please review the following CSI reports:

- » Colorado Jobs and Labor Force Update: October 2021
- » Colorado Jobs and Labor Force Update: September 2021
- » Colorado Jobs and Labor Force Update: August 2021
- » Colorado Jobs and Labor Force Update: July 2021
- » The Economic Footprint of Homelessness in Metro Denver
- » Colorado Jobs and Labor Force Update: June 2021
- » The Steep Price Tag of the 2021 Legislative Session:
- » Colorado Jobs and Labor Force Update: May 2021
- » Colorado Jobs and Labor Force Update: April 2021
- » Spend Now, Save Later
- » Colorado Jobs and Labor Force Update: March 2021
- » The State of Colorado's Unemployment Insurance Trust Fund
- » Building Back Stronger Requires Addressing Colorado's Looming Fiscal Challenges
- » Colorado Jobs and Labor Force Update: February 2021
- » January 2021 Colorado Employment Update
- » Colorado's Competitiveness: The Challenge of Economic Recovery Under More than \$1.8 Billion in New Regulations, Taxes and Fees
- » The She-Cession in Colorado: The Impact of COVID-19 on Women in the Workforce in 2020
- » Colorado Prices in the 21st Century
- » Spotlight on Colorado's Recovery: The Economic Impact of Immigration
- » Colorado's Labor Force & Jobs Report COVID-19



# Education

## OVERVIEW

Colorado’s K–12 education system is mostly government-run and taxpayer-funded, and the state’s higher education institutions receive most of their funding from student fees supplemented by government loans. Even so, Colorado’s schools play critical roles in supporting the free enterprise system, both as large employers and because they educate and train the state’s future workforce and help meet the childcare needs of working parents. Today, Colorado boasts a highly educated workforce of natives and transplants despite a very low high school graduation rate.

- » **40,200 private education jobs**
- » **55,842 public school teachers**
- » **883,199 public school students**
- » **40 4-year universities**

The education system faced problems of funding and performance prior to the COVID-19 crisis, and the pandemic initially exacerbated and added to these. Since then, though, Colorado’s public education system received billions of dollars of relief funding from the federal government and is now flush with discretionary money. Whether or not this money will stabilize and improve the state’s education system will depend upon the choices officials make over the next several years.



<b>Economic Vitality</b>	<b>25th</b> -highest 4-year college graduate rate	<b>3.29%</b> of state population enrolled in public colleges: <b>(1-year change: -.01)</b>
	<b>12th</b> -highest adult education attainment	Share of incoming college students requiring remedial classes: <b>34.8% (-1.1)</b>
	<b>2nd</b> -most educationally demanding job market	Share of 3rd graders proficient at literacy: <b>39.1% (-2.2)</b>
<b>Individual Opportunity</b>	<b>12th</b> -highest preschool enrollment rate	Per-pupil public school spending: <b>\$16,266 (+256)</b>
	<b>41st</b> -highest high school graduation rate	Average 4-year tuition and fees: <b>\$11,165 (+81)</b>
	<b>15th</b> -lowest average debt at graduation	Federal public school funding per pupil: <b>\$933.43 (+88.01)</b>

## RECENT POLICY - EDUCATION

- » An estimated \$2.5 billion of federal COVID-19 relief funds came into Colorado's K-12 system.<sup>vi</sup>
- » HB21-1164: Total Program Mill Levy Tax Credit
  - » "This bill requires the Colorado Department of Education (CDE) to begin phasing out [school-district property tax] credits, beginning in the 2021 property tax year, according to an established correction schedule."<sup>vii</sup>
- » HB21-1306: Accreditation of Postsecondary Institutions
  - » "The bill increases the number of accreditation bodies recognized by the state for the authorization of private colleges and universities."<sup>viii</sup>
- » Highest-ever per-pupil K-12 funding, free universal preschool, and \$30 million for childcare in the FY23 budget proposal<sup>ix</sup>

## ISSUES TO WATCH - EDUCATION

- » How will future school boards of major school districts, such as DPS, continue to promote and enhance public school options for families, given that the current approach is heading in the opposite direction?
- » How well will federal COVID-19 relief dollars be allocated by school officials towards student resources and opportunities to lower long-term costs?
- » Will K-12 education's share of the general fund continue to decline, or will it stabilize as other pressures on the budget are addressed?
- » Will there be substantive changes to the state's education funding formula that will address inequities in allocations across districts?
- » How successful are workforce training programs in helping workers acquire new skills and training and helping address labor shortages?
- » Will COVID-19 relief dollars be allocated evenly on a per-pupil basis across district-run schools and public charter schools?
- » How will the impact of the COVID-19 pandemic on student educational outcomes be measured and how will those impacts be addressed?
- » How will long-term enrollment patterns between district-run schools, charter schools and private schools change, if at all, in the wake of COVID-19?



For further information about **Education**, please review the following CSI reports:

- » Dollars and Data 2021
- » Potential Reach of Proposition 119 “The Learning Enrichment and Academic Progress Program (LEAP)”
- » \$2.5 Billion in COVID-19 Federal Relief Funding to Colorado’s K-12 Education System
- » Trying to Fix a Broken Education Finance System
- » The Price of Higher Education in Colorado
- » Digging Into the Data on Colorado Charter Schools
- » Putting Students First: Strategies to Mitigate the COVID Slide
- » Dollars and Data: A Look at K-12 Education Funding in Colorado
- » What if Colorado Students Were #1



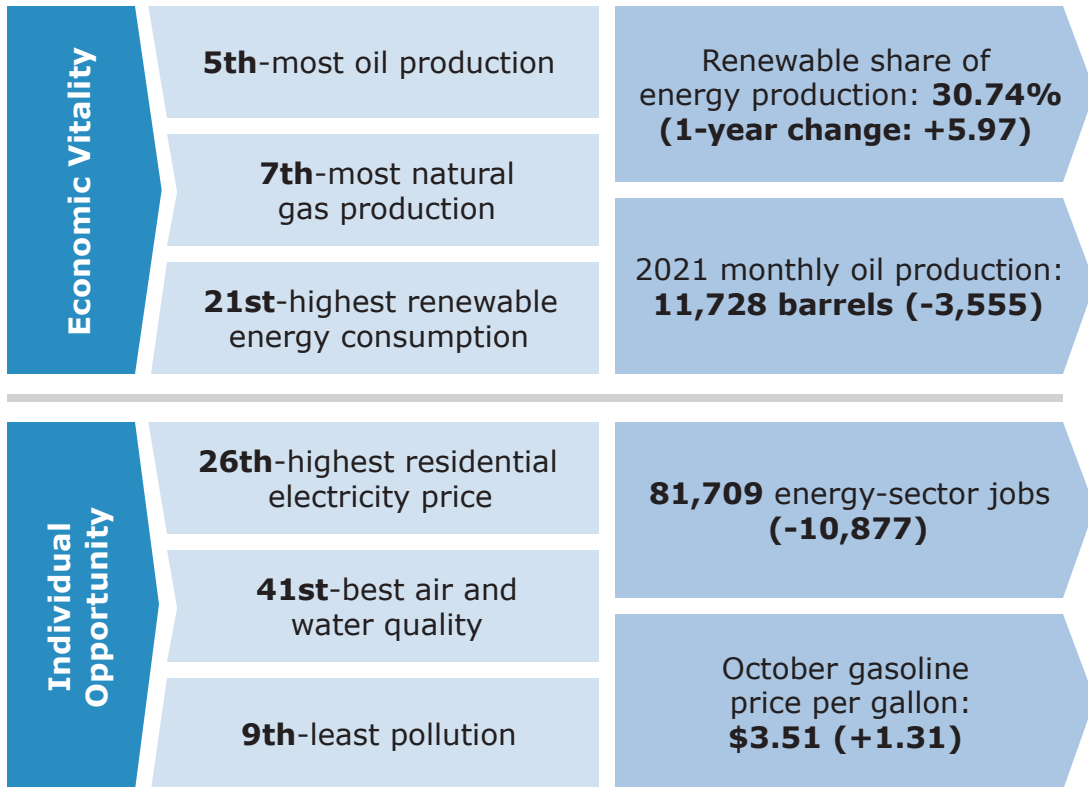
# Energy & Our Environment

## OVERVIEW

Colorado is one of the nation’s top energy-producing states and plays a leadership role in both the fossil fuel and renewable electricity sectors. In response to global prices and several new laws and regulations, though, Colorado’s permitting and production of oil and natural gas has fallen sharply, even as competitors in other states have increased theirs. This decline has reduced jobs in the energy sector and associated tax revenue to school districts, public safety agencies, and other essential local services.

- » **81,709 energy jobs**
- » **\$46.1 billion oil-and-gas GDP (2019)**
- » **112.969 MMT CO<sub>2</sub>e emissions (2021 projection)**
- » **Largest end-use consumption sector: transportation**

Colorado’s natural environment, which many laws and regulations are designed to protect, enhances the free enterprise system by enhancing quality of life and attracting migration and tourism. Several recent laws have yet to move through the entire regulatory process, and significant concerns.



## RECENT POLICY – ENERGY & OUR ENVIRONMENT

- » HB21-1266: Environmental Justice Disproportionate Impacted Community
  - » “This bill directs the Air Quality Control Commission (AQCC) within the Department of Public Health and Environment (CDPHE) to update the list of air pollutants that are required to be reported in an air pollutant emission notice (APEN) to include greenhouse gases, and to establish a fee per ton of GHG based on the most recent APEN on file. It also requires electric utilities to submit plans to the Public Utilities Commission (PUC) that includes GHG emission reductions.”<sup>x</sup>
- » HB21-1286: Energy Performance for Buildings
  - » “The bill directs the Colorado Energy Office to implement a building performance program, and requires owners of certain large buildings to submit annual energy use data to the office and meet energy performance standards.”<sup>xi</sup>
- » HB19-1261: Climate Action Plan to Reduce Pollution
  - » “This bill sets statewide greenhouse gas pollution reduction goals relative to 2005 statewide greenhouse gas pollution levels and requires the Air Quality Control Commission to adopt rules and regulations for statewide greenhouse gas pollution reduction.”<sup>xii</sup>
- » AQCC Zero Emission Vehicle Mandate
  - » “On June 18, 2018, Governor John Hickenlooper, by Executive Order B 2018 006, directed the Colorado Department of Public Health and Environment to develop and propose a regulation for the implementation of a Colorado low emission vehicle (“LEV”) program, incorporating the requirements of the California LEV program. The Executive Order declared the need for adopting the LEV program as a response to the federal governments announced intention to roll back vehicle greenhouse gas (“GHG”) standards for model years 2022 and beyond.”<sup>xiii</sup>
- » Utility Emissions-reduction Requirements
  - » “The largest single opportunity for near term reductions is in the electricity sector, where the Roadmap is targeting an 80% reduction, or 32 million tons, below 2005 emissions levels by 2030. Utilities representing more than 99% of the state fossil generation have already committed to resource plans that meet or exceed an 80% GHG pollution reduction by 2030.”<sup>xiv</sup>
- » SB19-181: Protect Public Welfare Oil and Gas Operations
  - » “This bill modifies the composition and the regulatory charge of the Colorado Oil and Gas Conservation Commission (COGCC) in the Department of Natural Resources (DNR), expands the regulatory charge of the Colorado Department of Public Health and Environment (CDPHE), imposes new requirements on oil and gas operators, and provides additional regulatory authority over oil and gas operations to local governments.”<sup>xv</sup>

*Continued on page 20*

## RECENT POLICY – ENERGY & OUR ENVIRONMENT (CONT'D)

- » HB19-1231: New Appliance Energy and Water Efficiency Standards
  - » “This bill adopts water and energy efficiency standards for certain consumer and commercial appliances and products and requires the Department of Public Health and Environment to publish the standards.”<sup>xvi</sup>

## ISSUES TO WATCH – ENERGY & OUR ENVIRONMENT

- » How aggressively will state agencies push ahead with rulemakings and regulatory requirements to meet the recently imposed greenhouse gas emissions reduction levels?
- » How will new rules and regulations impact the cost of doing business in Colorado, industry retention and recruitment efforts, and job growth?
- » Will the pressure on utilities to reduce emissions and expand renewable energy sources result in higher or lower electricity and natural gas bills for homeowners and businesses?
- » Will the grid face increased reliability concerns?
- » Will permitting for new oil and natural gas projects recover to the levels seen before SB19-181 and allow energy production to rebound?
- » How will the market regulating electric vehicle charging stations evolve over the coming years, and will there be greater asset ownership by large public utilities, or will new private businesses form and compete in a market?

## Energy & Our Environment • CSI Research

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For further information about **Energy & Our Environment**, please review the following CSI reports:

- » Understanding Costs and Impacts of Energy Performance Mandates for Buildings
- » Economic Impacts of the Colorado Oil and Gas Conservation Commission Series 1200 Proposed Oil and Gas Setbacks
- » The Economic Impacts of Oil and Gas Setback Ballot Measures in Colorado: A Historical Review
- » The Local Revenue Impacts of Near-Term Oil and Gas Development
- » Reducing Greenhouse Gas Emissions in Colorado: Can You Comply?
- » Senate Bill 181



# Health Care

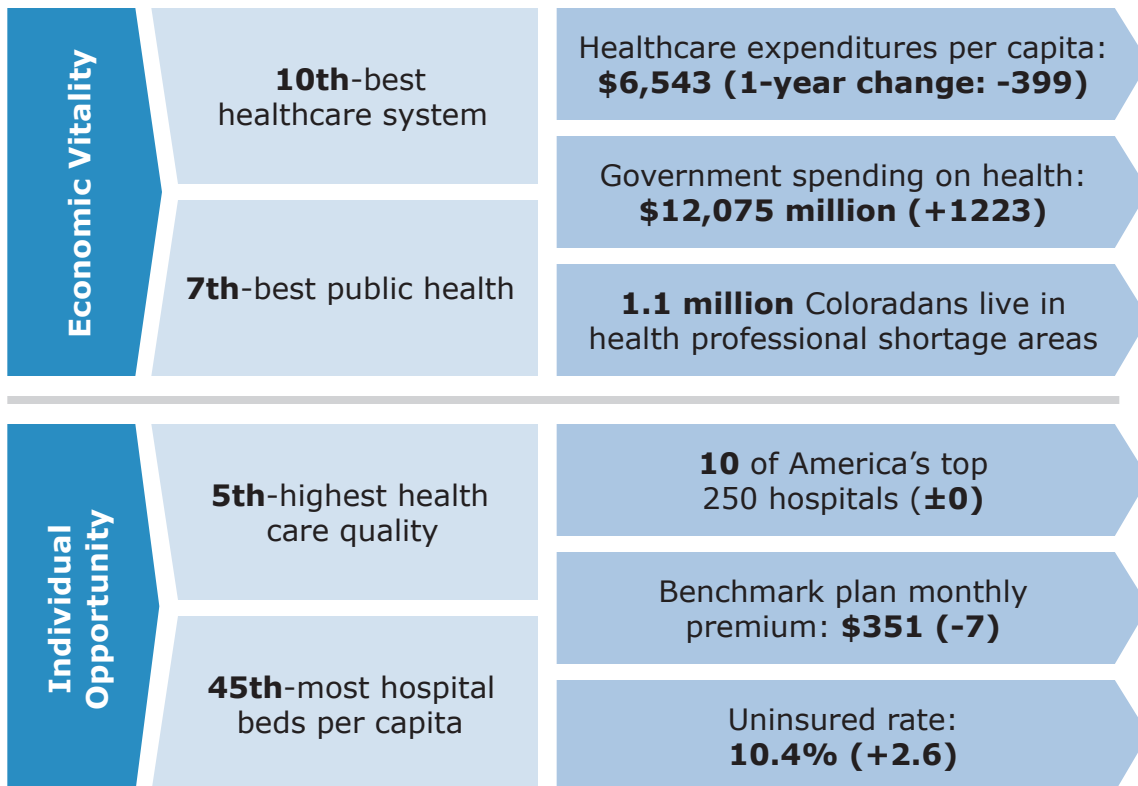
## OVERVIEW

Colorado has one of the healthiest populations and best health care systems in the country. Though Colorado has relatively low hospital capacity, in the early months of the pandemic it was not overwhelmed by the demands of COVID-19 the way some other states were. Though health insurance price increases have started to stabilize following the disruption of the Affordable Care Act, overall health care prices remain high. Due to good public health, however, the average Coloradan spends considerably less on health care than the average American.

- » **90 community hospitals in Colorado (64 private, 26 public)**
- » **10,665 hospital beds (20.4% public, 59.1% non-profit, 20.4% for-profit)**
- » **31.9% of Coloradans covered by public insurance, 60.3% covered by private insurance**

Recent policy, however, threatens to upset this balance. The unilateral expansion of government-run health insurance programs, like the Colorado Option, and government price controls, like the Prescription Drug Affordability Review Board, are putting new constraints on the state's health care sector and potentially adding new costs for consumers. The state's reinsurance program has lowered prices for some payers, but other new laws and regulations will result in lower revenue to providers and cost-shifting to consumers.

Performance Rating 1 2 3 4 5 4 out of 5



## RECENT POLICY – HEALTH CARE

- » HB21-1232: Standardized Health Benefit Plan Colorado Option
  - › “The bill directs the Commissioner of Insurance to develop a standardized health insurance plan that private health insurance carriers are required to offer. It sets targets for premium rate reductions under the plan and creates a process by which health care providers and hospitals may be required to accept the plan and rates established by state regulators.”<sup>xvii</sup>
- » SB21-175: Prescription Drug Affordability Review Board
  - › “The bill creates the Prescription Drug Affordability Review Board, charged with reviewing prescription drug affordability data and creating caps on drug costs. Beginning January 1, 2022, it is unlawful to purchase a prescription drug at a cost that exceeds the cap established by the board except for personal or familial use.”<sup>xviii</sup>
- » HB20-1158: Insurance Cover Infertility Diagnosis Treatment Preserve
  - › “The bill requires that state regulated health insurance plans provide coverage for the diagnosis of and treatment for infertility.”<sup>xix</sup>
- » SB20-205: Sick Leave for Employees
  - › “The bill creates the Healthy Families and Workplace Act and requires that all employers in Colorado provide paid sick leave to each employee. Beginning January 1, 2021, employers with 16 or more employees must provide one hour of paid sick leave for every 30 hours worked, up to a maximum of 48 hours per year. On January 1, 2022, every employer in Colorado must provide paid sick leave.”<sup>xx</sup>
- » Proposition 118 (2020): Paid Family and Medical Leave
  - › “Proposition 118 creates a state-run paid family and medical leave (PFML) insurance program in Colorado that allows employees to take up to 12 weeks of leave and keep their job.”<sup>xxi</sup>

## ISSUES TO WATCH – HEALTH CARE

- » How quickly will health care institutions and individual health care workers recover from close to two years of pandemic-level working conditions?
- » Will innovations developed in response to the pandemic, such as widespread adoption of telemedicine, increase the accessibility of health care while also reducing its cost?
- » How will the Colorado Option’s price mandates in the insurance market and participation mandates for health care providers impact staffing levels and quality of care across the state’s health sector?

*Continued on page 23*

## ISSUES TO WATCH – HEALTH CARE (CONT'D)

- » How will the Colorado Option's price mandates in the insurance market and participation mandates for health care providers impact the cost-shift from government-controlled health plans to private health plans?
- » Will price mandates for prescription drugs impact the availability of some medicines in Colorado?
- » How will federal policies dealing with health insurance and prescription drugs interact with new state-level policies, and where will this leave patients and their health care providers?
- » Will the cost of new paid leave requirements impact the ability of businesses to hire new staff or raise the wages of existing staff?

## Health Care • CSI Research

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For further information about **Health Care**, please review the following CSI reports:

- » The Evolution of the Colorado Public Option: CSI Impacting the Debate
- » The Revamped Public Option Bill
- » Following the Facts in Colorado's Healthcare Debate: Recent Trends Have Resulted in Lower Costs and More Choice
- » Third Time Is No Charm
- » Recent Trends in Health Insurance Costs: Early Results of Public Option in Washington State Compared to Colorado
- » Five Things Lawmakers Should Consider Before the Next Round of the Public Option Debate
- » Proposition 118: A Statewide Paid Family and Medical Leave Program for Colorado but At What Cost?
- » Proposition 118: How Will It Affect Your Bottom Line?
- » The Colorado Option Plan: Modeling the Impacts of Government Price Controls in Health Care
- » What's at Stake with the Colorado Public Option?

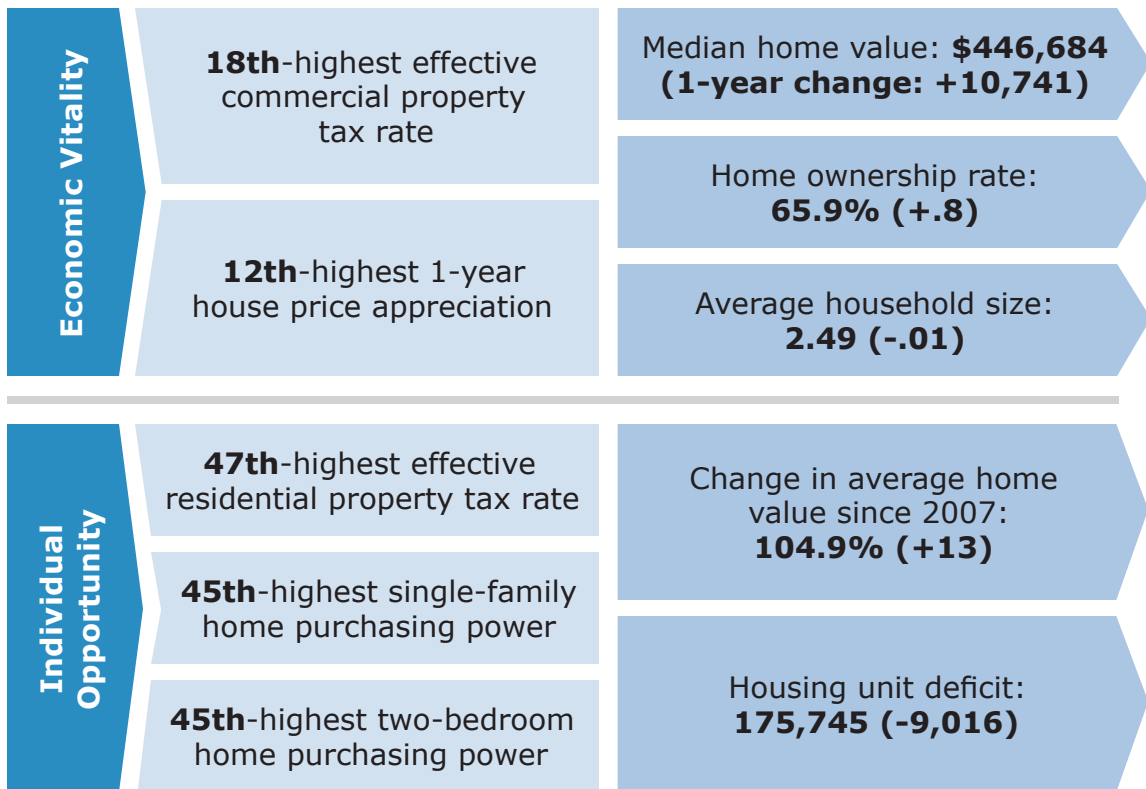
# Housing & Our Community

## OVERVIEW

The homes and communities where people live serve a critically important role in the free enterprise system. The availability and affordability of housing directly impact each family’s ability to spend and save. It impacts Colorado businesses’ abilities to recruit and retain skilled workers. Similarly, when public safety and property rights are undermined by crime, homelessness, and other social ills, the economy suffers.

- » 2,501,682 housing units
- » 83,000 affordable housing units
- » 40,843 new housing units in 2020
- » 9,846 homeless people

Today, Colorado is facing a crisis of housing affordability and a crisis of homelessness. Homeowners benefit from high property values, but a broken housing development value chain continues to limit the supply of housing in Colorado and drive prices up for buyers. In 2019, for example, CSI estimates the state had had a shortage of 175,000 homes, which contributed to price increases far outpacing inflation. Meanwhile, in Denver, homelessness increased by 25% between 2017 and 2020 and crime spiked by 20% over the past 18 months, damaging Colorado’s largest urban communities. The total cost of crime was more than \$27 billion in 2020 and in 2021 the violent crime rate is on pace to be the highest in Colorado since 1994.





## RECENT POLICY – HOUSING & OUR COMMUNITY

- » Large sums of federal COVID-19 relief money were allocated to the state and local governments earmarked for housing and homelessness support.
- » Denver Inclusionary Housing Ordinance
  - › “The Inclusionary Housing Ordinance requires 10% affordability in new, for-sale developments of 30 or more units.”<sup>xxii</sup>
- » HB21-1117: Local Government Authority Promote Affordable Housing Units
  - › “The bill clarifies that the state prohibition on local rent control laws is not applicable to local laws that restrict rents on newly constructed or redeveloped housing so long as the local regulation provides options to the property owner or land developer, and creates alternatives to the construction of new affordable housing on the building site.”<sup>xxiii</sup>
- » HB21-1286: Energy Performance for Buildings
  - › “The bill directs the Colorado Energy Office to implement a building performance program, and requires owners of certain large buildings to submit annual energy use data to the office and meet energy performance standards.”<sup>xxiv</sup>
- » Utility Emissions-reduction Requirements
  - › “The largest single opportunity for near term reductions is in the electricity sector, where the Roadmap is targeting an 80% reduction, or 32 million tons, below 2005 emissions levels by 2030. Utilities representing more than 99% of the state fossil generation have already committed to resource plans that meet or exceed an 80% GHG pollution reduction by 2030.”<sup>xxv</sup>
- » SB21-293: Property Tax Classification and Assessment Rates
  - › “For 2022 and 2023, the bill reduces property tax assessment rates for residential property, agricultural property, and property used for renewable energy production. It also expands the state property tax deferral program to all homeowners whose property taxes increase by at least a certain rate each year, and requires a study of the program.”<sup>xxvi</sup>
- » “[In 2020,] from March 1st to April 15th, the average daily number of people in jail in Denver, Colorado, dropped by about 41% following the release of people over 60 years old, those who are pregnant or have health conditions, people with low bond amounts, and those with less than 60 days remaining on their sentences.”<sup>xxvii</sup>

## ISSUES TO WATCH – HOUSING & OUR COMMUNITY

- » Will state and local officials remove the regulatory barriers to new housing construction, or will existing barriers be made worse through the adoption of permitting caps and other anti-growth measures?
- » Will surging home prices incentivize builders to increase the pace of construction and significantly close the gap on supply, assuming sufficient permits are available?
- » Will there be statewide policy action that directly addresses the supply issues facing the housing market?
- » How will Colorado’s property tax system undergo further changes in the wake of the repeal of the Gallagher amendment?
- » Will COVID-19 relief funding from the federal government for housing and homelessness programs have a sustaining impact?
- » How will potential regulations or future tax policies impact the short-term rental market?
- » Will crime rates continue to increase due to the state’s criminal justice policy before and during the COVID-19 pandemic?

## Housing & Our Community • CSI Research

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For further information about **Housing & Our Community**, please review the following CSI reports:

- » The Economic Footprint of Homelessness in Metro Denver
- » Homelessness Ecosystem Analysis Phase 2
- » Homelessness Issues on the Denver 2021 Ballot: Ordinance 303 and Referred Question 2B
- » From Conflict to Compassion: A Colorado Housing Development Blueprint For Transformational Change
- » Building Gated Cities
- » Economic Impact of Restricting Housing Growth to No More Than 1% in Colorado

# Infrastructure

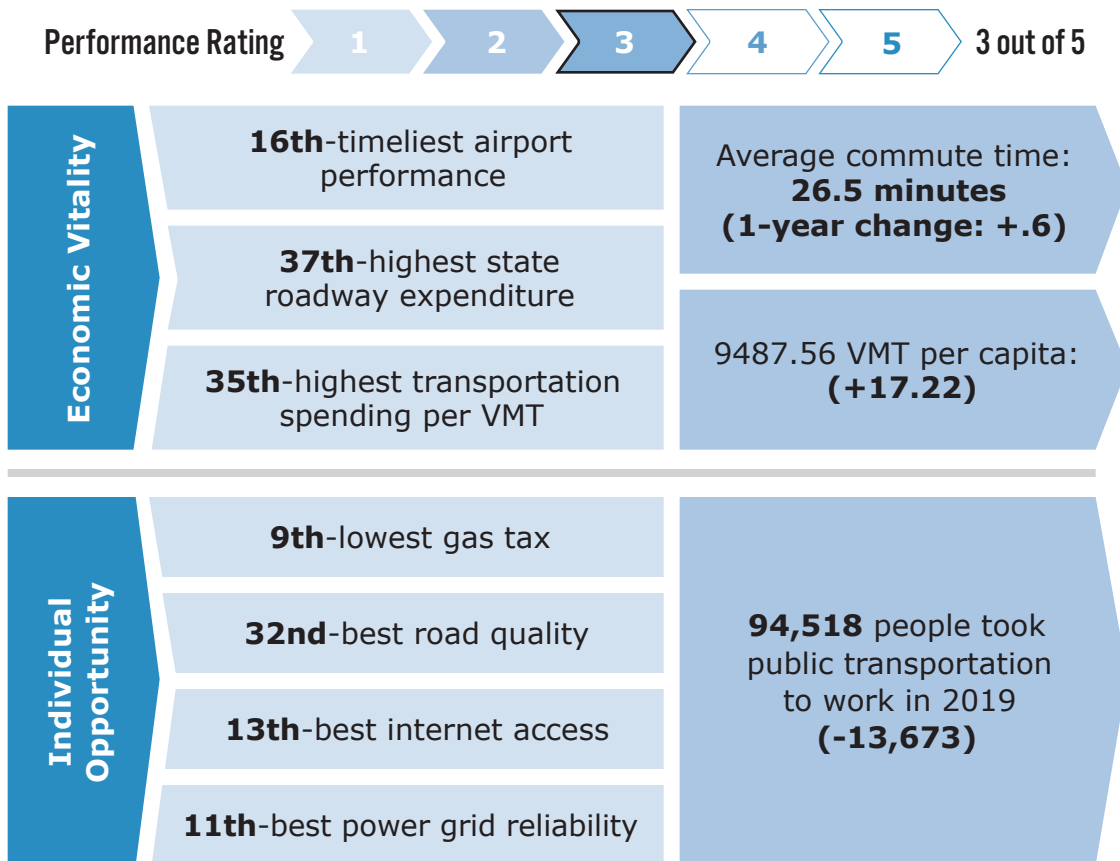
## OVERVIEW

Public investment in the state’s physical infrastructure serves to support the movement of people, goods, water, and information. Whereas private companies invest in capital assets, public infrastructure is generally regarded as supporting the public good.

- » **185,486 total lane miles**
- » **8,829 bridges (481 in poor condition)**
- » **85.9% terrestrial broadband coverage**
- » **1,803 dams**

Colorado’s infrastructure is facing significant pressures on multiple fronts. Population growth and a lack of significant new spending on roadway capacity has led to higher congestion and deteriorating roads and bridges. The state faces an increasingly uncertain future with the supply of water and an even less certain future over the infrastructure to store it. One bright spot has been recent state policy and federal funding that have increased the likelihood of significantly expanded broadband across the state. Taken all together, in 2020, the American Society of Civil Engineers evaluated more than a dozen different categories of infrastructure and gave Colorado a C- for an overall grade.

Recent passage of a federal infrastructure package totaling \$1.2 trillion and the passage of state funding increases may help alleviate some of Colorado’s infrastructure challenges, but it remains to be seen how this spending will be targeted and prioritized alongside overlapping policy efforts aimed at reducing emissions.



## RECENT POLICY - INFRASTRUCTURE

- » SB21-260: Sustainability of the Transportation System
  - » “This bill increases spending for the state’s transportation system through General Fund transfers and new fees; creates and modifies state enterprises; and expands authority for transportation planning organizations.”<sup>xxviii</sup>
- » AQCC Zero Emission Vehicle Mandate
  - » “On June 18, 2018, Governor John Hickenlooper, by Executive Order B 2018 006, directed the Colorado Department of Public Health and Environment to develop and propose a regulation for the implementation of a Colorado low emission vehicle (“LEV”) program, incorporating the requirements of the California LEV program. The Executive Order declared the need for adopting the LEV program as a response to the federal governments announced intention to roll back vehicle greenhouse gas (“GHG”) standards for model years 2022 and beyond.”<sup>xxix</sup>
- » SB21-189: Colorado Water Conservation Board Construction Fund Project
  - » “The bill appropriates funds from the Colorado Water Conservation Board (CWCB) Construction Fund in the Department of Natural Resources (DNR) to the CWCB and the Division of Water Resources for specified water-related projects.”<sup>xxx</sup>
- » SB18-002: Financing Rural Broadband Deployment
  - » This bill phases in additional funding from the High-Cost Support Mechanism (HCSM) to support broadband deployment grants and makes changes to the Broadband Deployment Board’s membership and grant application process. It also repeals the Public Utilities Commission’s oversight of the HCSM on September 1, 2024, subject to a sunset review.<sup>xxxi</sup>

## ISSUES TO WATCH - INFRASTRUCTURE

- » Will state goals and directives around sustainability limit the expansion of infrastructure capacity, even with large increases in funding from federal and state sources?
- » How will statewide rules impact different communities across the state given their diverse transportation needs and opportunities for viable transit?
- » How will Colorado spend the money it receives from the federal government’s \$1.2 trillion infrastructure package?
- » How will new fees under SB21-260 impact motorists and other consumers and how will those fees be spent?

*Continued on page 29*



## ISSUES TO WATCH - INFRASTRUCTURE (CONTD)

- » Will zero-emission vehicle mandates limit the kinds of cars and trucks that Coloradan can choose from when shopping for new vehicles, or will electric vehicle adoption rates naturally surpass the mandated levels?
- » How will utility companies respond to the expansion of charging stations and other upgrades to the power grid needed to support electric vehicles and how much will consumers pay for these upgrades?
- » How will water regulatory policy evolve to help increase market-driven solutions to prevent a water compact call?

## Infrastructure • CSI Research

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For further information about **Infrastructure**, please review the following CSI reports:

- » Colorado's Road to Recovery
- » The She-Cession in Colorado: The Impact of COVID-19 on Women in the Workforce in 2020
- » A Path Forward: A Common Sense Strategy for the Continued Viability of Colorado's Transportation Network
- » Investing in Colorado's Transportation Infrastructure
- » Building Gated Cities



# State Budget

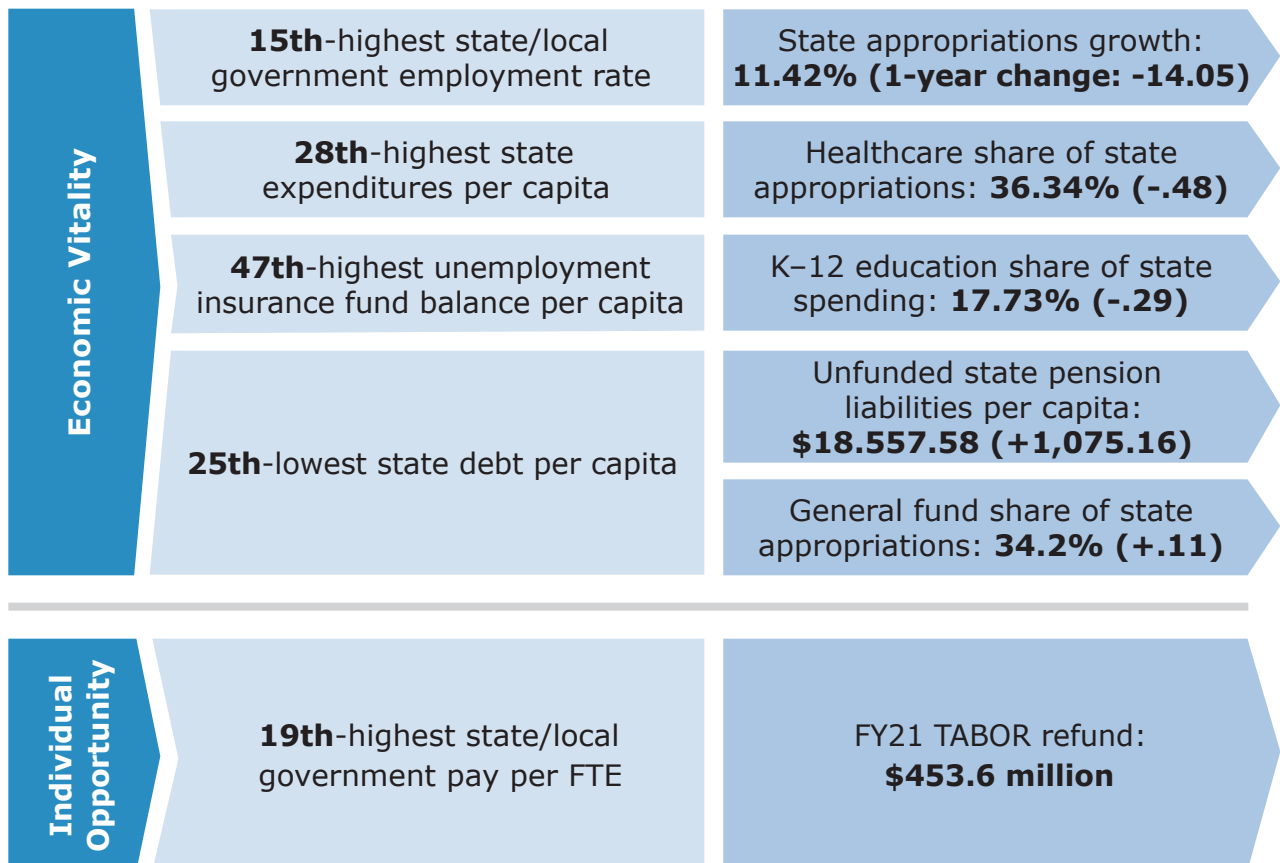
## OVERVIEW

In recent years, the state government’s annual operating budget has totaled approximately \$30 billion to \$35 billion. The legislature and the governor determine how these funds, generated primarily by taxes and fees on private economic activity, are spent on an annual basis.

- » **State spending: \$48.8 billion (13.1% of state economy)**
- » **State tax revenue: \$13.8 billion**
- » **State operating budget: \$32 billion**

Historically, health care and education have been the largest spending items and Colorado has held relatively little debt. When the first wave of COVID-19 struck in the spring of 2020, Colorado’s budget entered free fall. Lockdowns and other social distancing policies brought the private economy to a standstill and tax revenues dropped precipitously. State officials were faced with a potential budget shortfall of \$3 billion, but pandemic assistance from the federal government kept many workers in their jobs, bolstered household finances and consumer spending, and also provided additional revenues to the state budget.

Colorado’s state budget rebounded much sooner than expected, but the state’s unemployment insurance fund has more than \$1 billion in federal loans, and the state pension funds still face a precarious path to return to adequate funding levels.



## RECENT POLICY – STATE BUDGET

- » The governor’s FY 2022-23 Budget Proposal includes highest levels of spending in state’s history<sup>xxxii</sup>
- » \$65 billion of federal COVID-19 relief funds to the state and Colorado municipalities
- » Unemployment Insurance Trust Fund loans from the Federal Unemployment Account (\$1.014 billion, as of 12/3/21)<sup>xxxiii</sup>
- » SB18-200: Modifications to PERA Public Employees’ Retirement Association to Eliminate Unfunded Liability
  - › “This bill makes several changes related to the Colorado Public Employees’ Retirement Association (PERA). It creates ongoing state revenue reductions; ongoing state and local government expenditure increases; and ongoing PERA revenue increases.”<sup>xxxiv</sup>

## ISSUES TO WATCH – STATE BUDGET

- » The state is projected to have significant funds in excess of the TABOR spending limits. Will TABOR refunds be returned to taxpayers or will the legislature propose an alternative use?
- » How will the recovery from the COVID-19 recession impact the state budget’s growth outlook?
- » Will government spending increase at a rate faster than existing revenues can sustain? Will this put more pressure on policy to increase taxes?
- » How will the state address PERA’s underfunding problem should the automatic triggers to increase contributions put in place in 2018 not be enough?
- » What lasting effect will federal relief have upon the state’s budget? Will the money be spent wisely, or will it put further pressure on future budgets to sustain an increased level of spending?
- » How soon will the budgeted \$600 million infusion into the Unemployment Insurance Trust Fund restore fund solvency and lower employer payroll taxes?



For further information about the **State Budget**, please review the following CSI reports:

- » Colorado Budget: Then and Now
- » The Steep Price Tag of the 2021 Legislative Session
- » Is Colorado's Budget Ready for a Recession?
- » The State of Colorado's Unemployment Insurance Trust Fund
- » One Step Further on PERA Reform





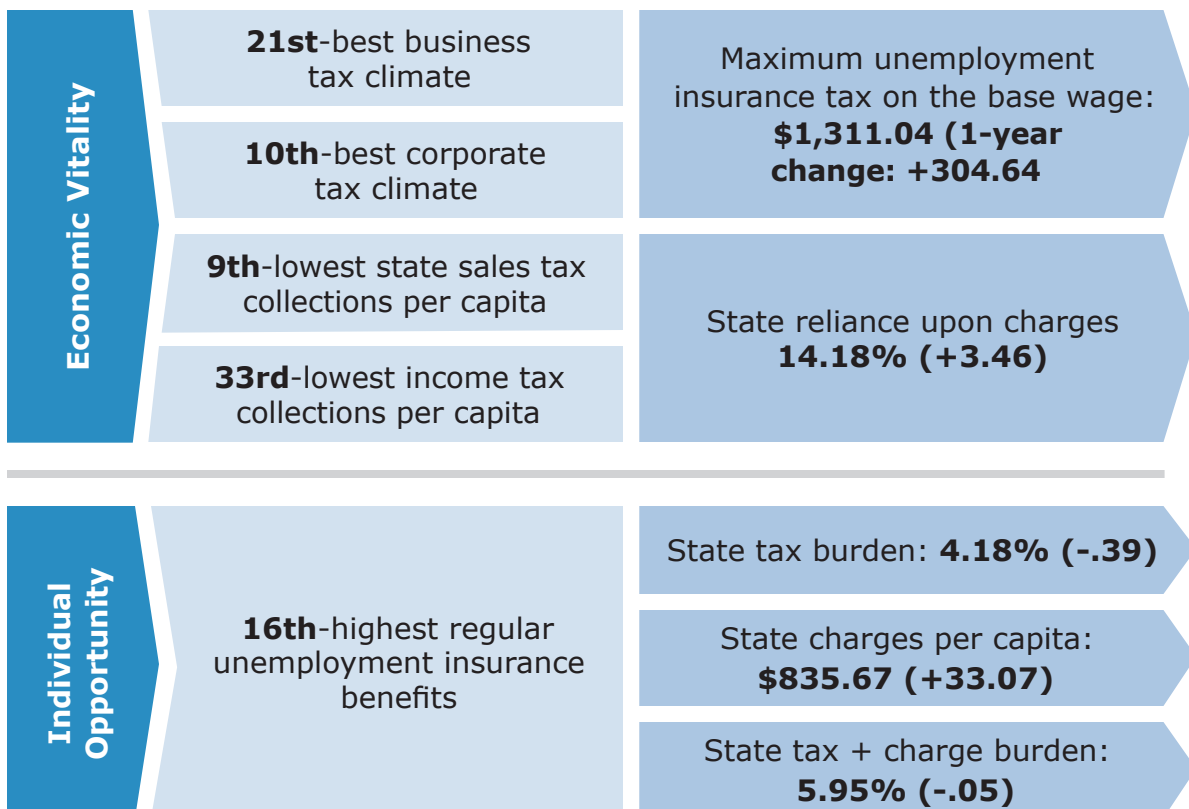
## OVERVIEW

State and local governments in Colorado have the authority to raise revenues through taxation and fees on various economic activities and types of property. At the state level, the largest sources of revenues are personal income taxes, sales and use taxes, corporate income taxes, and motor fuels taxes. At the local level, a mix of property taxes and sales taxes generate most revenues, which are used to support city, county, public school and other special district budgets.

- » **State income tax rate and FY20 collections: 4.55% and \$8.241 billion**
- » **State sales tax rate and FY20 collections: 2.9% and \$4.71 billion**
- » **Number of current and approved fee enterprises (excluding higher education): 21**
- » **Total fee collections (excluding higher education): \$9.35 billion**

Colorado's taxes have historically been low, largely because of TABOR, a law which requires that the state and localities obtain voter approval before raising tax rates. Increasingly, however, policymakers have turned to fees to generate additional revenues exempt from the TABOR limitations. Between 2000 and 2018, non-university fees per capita rose by 900%. During FY21, 77.7% of all state revenue was exempt from TABOR according to the state comptroller.<sup>xxxv</sup> Certain TABOR protections have kept the tax burden low, but legislative interest in new programs, growing budget pressures, and creeping fee increases threaten Colorado's competitive and attractive tax climate.

Performance Rating 1 2 3 4 5 4 out of 5



## RECENT POLICY – TAXES & FEES

- » HB21-1311: Income Tax
  - › “The bill makes various changes to Colorado income tax policy, including taxable income additions and subtractions, income tax credits, corporate income tax policy, and the tax treatment of certain captive insurance companies.”<sup>xxxvi</sup>
- » HB21-1312: Insurance Premium Property Sales Severance Tax
  - › “The bill [increases] the state insurance premium tax, sales and use tax, and the severance tax, and makes changes to the administration of property tax. These changes are described in greater detail below.”<sup>xxxvii</sup>
- » HB21-1164: Total Program Mill Levy Tax Credit
  - › “This bill requires the Colorado Department of Education (CDE) to begin phasing out [school-district property tax] credits, beginning in the 2021 property tax year, according to an established correction schedule.”<sup>xxxviii</sup>
- » SB21-293: Property Tax Classification and Assessment Rates
  - › “For 2022 and 2023, the bill reduces property tax assessment rates for residential property, agricultural property, and property used for renewable energy production. It also expands the state property tax deferral program to all homeowners whose property taxes increase by at least a certain rate each year, and requires a study of the program.”<sup>xxxix</sup>
- » Proposition 116 (2020): State Income Tax Rate Reduction
  - › “For tax year 2020 and all subsequent years, the measure reduces the state income tax rate from 4.63 percent to 4.55 percent.”<sup>xi</sup>
- » Proposition 117 (2020): Voter Approval for Certain New State Enterprises
  - › “Beginning in 2021, the measure requires that voter approval be obtained in order for new programs to be created as state enterprises..., and in order for existing state programs that are not enterprises to qualify as enterprises. The voter approval requirement applies if the program’s projected or actual revenue from fees and surcharges exceeds \$100 million over the first five years for which the program will operate as an enterprise.”<sup>xii</sup>

## ISSUES TO WATCH - TAXES & FEES

- » Revenue collections and projections are at all-time highs, but will growing budget pressures be addressed through spending cuts or revenue increases?
- » Will efforts to dismantle Colorado’s flat income tax and replace it with a progressive schedule resurface? Will they drive away investment and wealthy Coloradans or discourage migration of skilled workers?

*Continued on page 39*

## ISSUES TO WATCH - TAXES & FEES (CONT'D)

- » Will short-term rentals face increase property taxes, or will they face other regulatory changes?
- » Will policy broaden Colorado's narrow sales tax base to include services, and will any such broadening be offset by tax decreases elsewhere?
- » Will the repeal of the Gallagher property tax amendment yield to policy which increases, decreases, or redistributes property taxes?
- » Will 2020's Proposition 117 have a lasting impact upon the growth of statewide fee enterprises, or will lawmakers continue working to circumvent it?
- » How will changing federal tax policy impact Colorado, especially considering the legislature's recent move to decouple Colorado's income taxation from federal standards?

## CSI Research • Taxes & Fees

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For further information about **Taxes & Fees**, please review the following CSI reports:

- » Are Denver Taxes Too High? The Fiscal Impacts of Ordinance 304 "Enough Taxes Already"
- » Proposition 120: What Voters See, May Not Be What Voters Get
- » Property Tax in Colorado Post Gallagher: What Can Be Understood From Other States?
- » New Spending in Denver to Reduce Greenhouse Gas and Adapt to Climate Change: Get It Right and Avoid Further Tax Increases
- » Sales Tax Revenue In Colorado Cities Since Start Of The Pandemic
- » Amendment B: The Inherent Tradeoffs in Amendment B
- » Proposition 116: Dynamic Economic and Fiscal Impacts of a Cut to Colorado's State Income Tax Rate
- » Proposition 117 – Voter Approval of New Fee Based Enterprises
- » \$4 Billion in New Taxes and Fees on the Table

## Appendix • Sources of Performance Figures

POLICY AREA	STAT	YEAR	SOURCE(S)
Jobs & Our Economy	8th-lowest poverty rate	2019	U.S. Census Bureau
Jobs & Our Economy	2nd-best economy	2021	U.S. News
Jobs & Our Economy	9th-highest personal income per capita	2020	Bureau of Economic Analysis
Jobs & Our Economy	3rd-highest labor force participation rate	2021	Bureau of Labor Statistics
Jobs & Our Economy	Non-farm employment: 2,702,700 (+63,700)	2021	Bureau of Labor Statistics
Jobs & Our Economy	Net migration: 28,562 (-14,707)	2020	Colorado Demographer's Office
Jobs & Our Economy	8th-best state for business	2021	CNBC
Jobs & Our Economy	50th-lowest per-capita household debt	2020	Federal Reserve Bank of New York
Jobs & Our Economy	Business formation rate: 1.61% (+.11)	2021	U.S. Census Bureau
Education	25th-highest 4-year college graduation rate	2019	National Center for Education Statistics
Education	12th-highest adult educational attainment	2021	2022 Competitiveness Redbook
Education	16th-highest math and 6th-highest reading scores	2019	National Assessment of Educational Progress
Education	2nd-most educationally demanding job market	2020	Georgetown University: Job Growth and Education Requirements Through 2020
Education	3.29% of state population enrolled in public colleges (-.01)	2020	Colorado Department of Higher Education
Education	12th-highest preschool enrollment rate	2019	U.S. Census Bureau
Education	41st-public highest high school graduation rate	2019	National Center for Education Statistics
Education	15th-lowest average debt at graduation	2019	The Institute for College Access and Success
Education	Per-pupil public school spending: \$16,266 (+256)	2020	Colorado Department of Education
Education	Average 4-year tuition and fees: \$11,165 (+81)	2021	Colorado Department of Higher Education
Education	Federal public school funding per pupil: \$933.43 (+88.01)	2020	Colorado Department of Education
Energy & Our Environment	5th-most oil production	2020	U.S. Energy Information Administration
Energy & Our Environment	7th-most natural gas production	2020	U.S. Energy Information Administration
Energy & Our Environment	21st-highest renewable energy consumption	2019	U.S. Energy Information Administration

POLICY AREA	STAT	YEAR	SOURCE(S)
Energy & Our Environment	Renewable share of energy production: 30.74% (+5.97)	2020	U.S. Energy Information Administration
Energy & Our Environment	2021 monthly oil production: 11,728 barrels (-3,355)	2021	U.S. Energy Information Administration
Energy & Our Environment	26th-highest residential electricity price	2020	U.S. Energy Information Administration
Energy & Our Environment	41st-best air and water quality	2021	U.S. News
Energy & Our Environment	9th-least pollution	2021	U.S. News
Energy & Our Environment	81,709 energy-sector jobs (-10,877)	2021	US Energy & Employment Jobs Report
Energy & Our Environment	October gasoline price per gallon: \$3.51 (+1.31)	2021	U.S. Energy Information Administration
Health Care	10th-best healthcare system	2021	U.S. News
Health Care	7th-best public health	2021	U.S. News
Health Care	Health care expenditures per capita: \$6,543 (-399)	2020	Bureau of Economic Analysis
Health Care	Government spending on health: \$12,075 million (+1,223)	2021	Colorado General Assembly
Health Care	1.1 million Coloradans live in health professional shortage areas	2021	U.S. Department of Health and Human Services
Health Care	5th-highest health care quality	2021	U.S. News
Health Care	45th-most hospital beds per capita	2019	Kaiser Family Foundation
Health Care	10 of America's top 250 hospitals ( $\pm 0$ )	2021	healthgrades: America's 250 Best Hospitals
Health Care	Benchmark plan monthly premium: \$351 (-7)	2021	Kaiser Family Foundation
Health Care	Uninsured rate: 10.4% (+2.6)	2020	Kaiser Family Foundation
Housing & Our Community	18th-highest effective commercial property tax rate	2020	2022 Competitiveness Redbook
Housing & Our Community	12th-highest 1-year house price appreciation	2021	2022 Competitiveness Redbook
Housing & Our Community	Median home value: \$446,684 (\$10,741)	2021	Zillow Home Price Index
Housing & Our Community	Home ownership rate: 65.9% (+.8)	2019	U.S. Census Bureau
Housing & Our Community	Average household size: 2.49 (-.01)	2019	Colorado Demographer's Office
Housing & Our Community	47th-highest effective residential property tax rate	2020	2022 Competitiveness Redbook
Housing & Our Community	45th-highest single-family home purchasing power	2021	Zillow Home Price Index and Bureau of Economic Analysis
Housing & Our Community	45th-highest two-bedroom home purchasing power	2021	Zillow Home Price Index and Bureau of Economic Analysis



POLICY AREA	STAT	YEAR	SOURCE(S)
Housing & Our Community	Change in average home value since 2007: 104.9% (+13)	2021	Federal Housing Finance Agency
Housing & Our Community	Housing unit deficit: 175,745 (-9,016)	2019	Colorado Demographer's Office and Internal Calculations
Infrastructure	16th-timeliest airport performance	2020	2022 Competitiveness Redbook
Infrastructure	37th-highest state roadway expenditure	2019	Federal Highway Administration
Infrastructure	35th-highest transportation spending per VMT	2019	Federal Highway Administration and National Association of State Budget Officers
Infrastructure	Average commute time: 26.5 minutes (+.6)	2021	U.S. News
Infrastructure	9487.56 VMT per capita (+17.22)	2019	Federal Highway Administration
Infrastructure	9th-lowest gas tax	2021	2022 Competitiveness Redbook
Infrastructure	32nd-best road quality	2019	Federal Highway Administration
Infrastructure	13th-best internet access	2021	U.S. News
Infrastructure	11th-best power grid reliability	2019	U.S. Energy Information Administration
Infrastructure	94,518 people took public transportation to work in 2019 (+13,673)	2019	U.S. Census Bureau
State Budget	15th-highest state/local government employment rate	2020	2022 Competitiveness Redbook
State Budget	28th-highest state expenditures per capita	2020	National Association of State Budget Officers
State Budget	47th-highest unemployment insurance fund balance per capita	2021	U.S. Department of Labor
State Budget	25th-lowest state debt per capita	2019	U.S. Census Bureau
State Budget	State appropriations growth: 11.42% (-14.05)	2021	Colorado Joint Budget Committee
State Budget	Healthcare share of state appropriations: 36.34% (-.48)	2021	Colorado Joint Budget Committee
State Budget	Unfunded state pension liabilities per capita: \$18,557.58 (+1,075.16)	2019	American Legislative Exchange Council
State Budget	General fund share of state appropriations: 34.2% (+.11)	2021	Colorado Joint Budget Committee
State Budget	K-12 education share of state spending: 17.73% (-.29)	2021	Colorado Joint Budget Committee
State Budget	19th-highest state/local government pay per FTE	2020	2022 Competitiveness Redbook
Taxes & Fees	21st-best business tax climate	2021	Tax Foundation
Taxes & Fees	10th-best corporate tax climate	2021	Tax Foundation

POLICY AREA	STAT	YEAR	SOURCE(S)
Taxes & Fees	9th-lowest state sales tax collections per capita	2020	U.S. Census Bureau
Taxes & Fees	33rd-lowest income tax collections per capita	2020	U.S. Census Bureau
Taxes & Fees	Maximum unemployment insurance tax on the base wage: \$1,311.04 (+304.64)	2021	Colorado Department of Labor and Employment
Taxes & Fees	State reliance upon charges: 14.18% (+3.46)	2019	U.S. Census Bureau
Taxes & Fees	16th-highest regular unemployment insurance benefits	2021	2022 Competitiveness Redbook
Taxes & Fees	State tax burden: 4.18% (-.39)	2020	U.S. Census Bureau and Bureau of Economic Analysis
Taxes & Fees	State charges per capita: \$835.67 (+33.07)	2019	U.S. Census Bureau
Taxes & Fees	State tax + charge burden: 5.95% (-.05)	2019	U.S. Census Bureau and Bureau of Economic Analysis

## ENDNOTES

- <sup>i</sup> [https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a\\_sb087\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb087_f1.pdf)
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- <sup>iv</sup> [https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a\\_sb085\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a_sb085_f1.pdf)
- <sup>v</sup> [https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a\\_hb1210\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a_hb1210_f1.pdf)
- <sup>vi</sup> <https://commonsenseinstitute.org/2-5-billion-in-covid-19-federal-relief-funding-to-colorados-k-12-education-system/>
- <sup>vii</sup> [https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a\\_hb1164\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_hb1164_f1.pdf)
- <sup>viii</sup> [https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a\\_hb1306\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_hb1306_f1.pdf)
- <sup>ix</sup> <https://drive.google.com/file/d/1OzZWVQrIA0-iCpw3ODZkDwwS8ovnbvY-/view>
- <sup>x</sup> [https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a\\_hb1266\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_hb1266_f1.pdf)
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- <sup>xii</sup> [https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a\\_hb1261\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a_hb1261_f1.pdf)
- <sup>xiii</sup> <https://drive.google.com/file/d/1LmJQHfKUKzG6HuAKDZ0xzDO4MJMchxxA/view>
- <sup>xiv</sup> <https://energyoffice.colorado.gov/climate-energy/ghg-pollution-reduction-roadmap>
- <sup>xv</sup> [https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a\\_sb181\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a_sb181_f1.pdf)
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- <sup>xviii</sup> [https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a\\_sb175\\_f1.pdf](https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb175_f1.pdf)
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- <sup>xxvii</sup> <https://www.prisonpolicy.org/virus/virusresponse.html>
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- <sup>xxix</sup> <https://drive.google.com/file/d/1LmJQHfKUKzG6HuAKDZ0xzDO4MJMchxxA/view>
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- <sup>xl</sup> [https://leg.colorado.gov/sites/default/files/2020\\_fiscal\\_impact\\_statements\\_for\\_web.pdf](https://leg.colorado.gov/sites/default/files/2020_fiscal_impact_statements_for_web.pdf)
- <sup>xli</sup> *ibidem*



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