2018
ANNUAL REPORT

COMMON SENSE
Policy Roundtable

WWW.COMMONSENSEPOLICYROUNDTABLE.ORG

COMMON SENSE POLICY ROUNDTABLE
6295 GREENWOOD PLAZA BLVD, SUITE 100
GREENWOOD VILLAGE, CO 80111

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COMMON SENSE Policy Roundtable

A Message from Earl Wright, CSPR Chairman of the Board

In 2018, we achieved our mission and our voice was heard.

In a year filled with election rhetoric and spin, we brought sound fiscal analysis, economic modeling and the truth to Coloradans on a list of issues. I encourage you to review our entire annual report. It was quite a year of making an impact.

You share in our success and we sincerely appreciate your support and your faith in our mission. With your help, we delivered sound data and facts. Along with our REMI partners, Colorado Concern, the Colorado Association of Realtors, the Colorado Bankers Association and the Denver South Economic Development Partnership, we produced six detailed studies – more than we have ever produced in a single year. Our work provided a comprehensive look at the economic impact of public employee pensions, education, growth, energy, taxes, transportation and the state budget.

Perhaps as important as our analysis was our ability to reach Coloradans. We participated in dozens of events with chambers of commerce, trade associations and business organizations across Colorado to disseminate information. We grew our impact on social media and we worked with local outlets to report on our studies. In total, over fifty opinion columns and 150 news stories relayed information about our studies and data findings. Our work made a difference. The proof came in improved legislative outcomes and sound decisions at the ballot box.

For instance, in May we partnered with 20 organizations to produce an interactive, web-based voter guide for the 2018 gubernatorial race. The Business Guide used the REMI model to answer a vital question: What if Colorado high school graduates went on to obtain the level of post-secondary education and training needed to meet the demands of Colorado's economy? Working with our partners, we also included voter polling results, a statewide employer survey, and a candidate survey.

The Guide was released at an event featuring gubernatorial candidates and more than 200 business leaders. Members of the media featured the study in news coverage and editorials. In addition, the study served as a significant talking point in forums and voter outreach around the state.

Another first for CSPR this year, we provided Colorado voters with a ballot guide that included detailed analysis of the biggest issues decided on Election Day. We believe the more informed policymakers and voters are, the better the decisions will be made for Colorado.

2018 also marked continued growth for our board of directors, as we welcomed Byron Haselden and Robin Wise to the board, improving our industry diversity and collective expertise. We also named the first recipient of the Terry J. Stevinson Fellowship, Zhao Chang. Ms. Chang holds a B.S. and an M.S. in Energy and Economics from the Colorado School of Mines and made a significant contribution to our work this year.

Again, thank you for your ongoing support and thank you for all you do to make Colorado great. In 2019, we will continue to provide fact-based research, thoughtful conversations, and sound fiscal policy. We look forward to the continued fulfillment of our mission.

YEAR IN **REVIEW**

January

Colorado Bankers Join REMI Partnership

February

New Website Launch .org

March

ONE STEP FURTHER ON PERA REFORM

April

May

What if Colorado Schools Were #1?

Gubernatorial Forum

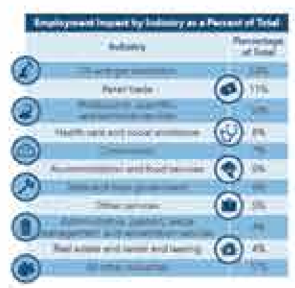
100,000 Impressions

June

Economic Impact of Restricting Housing Growth to No More than 1% in Colorado

New Board Members

July



Impact of Proposition 112

Terry J. Stevinson Research Fellow Zhao Chang

August

100,000 Facebook views and 50,000 Google search results

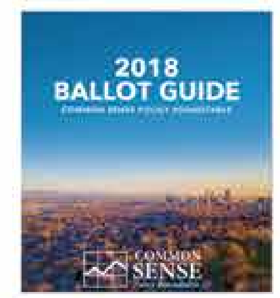
September

Amendment 73: The Economic Impact of a $1.6 Billion Tax Increase to Spend on Education

Co-sponsor of South Metro Ballot Breakfast

Reached 100,000 unique people on Facebook

October



2018 Ballot Guide

Impact of Proposition 109 and 110

Co-sponsor of Women's Chamber Forum

November

Nomination for Non-profit of the Year by Colorado Business Roundtable

Over 150 mentions in media, totaling 810,470 views

December

Colorado Budget: Then and Now

2018 **RESEARCH**

ONE STEP FURTHER ON PERA REFORM

RELEASED MARCH 2018

Amid the most hotly debated issue of the 2018 Colorado Legislative Session, CSPR and the REMI Partnership released a detailed study on the financial outlook for PERA (The Public Employees Retirement Association). It also detailed sound reform options that stopped the decades long increase in taxpayer contributions while maintaining a defined benefit plan for the state's public workforce.

KEY FINDINGS:

- In 2017, the combined annual contribution from school districts, state and local governments and universities **grew to $1.6B, doubling the cost from just a decade earlier.**
- Despite the increase in costs, the unfunded liability continued to grow, totaling over $32B.

The report detailed changes that could save nearly $4B over the next 10 years, while allowing for more conservative assumptions on the target rate of return and paying off the unfunded liability within the desired 30-year window.

9NEWS.com

Business groups urge specific steps in pension system reform

THE DENVER POST

PERA Reform Must Provide Budget Relief to Schools, Local Governments & Taxpayers

March 23, 2018, by John Ikard and Mike Kopp

Open Letter to Gov. Hickenlooper

The Common Sense Policy Roundtable isn't telling lawmakers how to fix the state's over-extended pension plan, but they're offering some ideas on what to think about in a white paper released Wednesday morning. *"The Common Sense report does a great job providing the history behind our current crisis,"* He (State Senator Jack Tate) told Colorado Politics. *"Particularly effective is its highlighting the downward trend of the funded ratio over a time period in which the total taxpayer-funded employer share of contributions increased by more than 60 percent."*

– coloradopolitics, March 7, 2018

Open Letter to Colorado Lawmakers on PERA Reform — The Gazette, gazette.com

May 3, 2018 | CSPR News

May 2, 2018

An Open Letter to Colorado Lawmakers:

As representatives of the Colorado business community, we are writing to urge your support for responsible public pension reforms before the end of this legislative session.

The findings of a recent study by the REMI Partnership show just how unbalanced the PERA system has become. Taxpayer-funded contributions into the PERA system from school districts, state agencies and local governments have doubled over the past decade to $1.6 billion a year. Increasing the taxpayer contribution rate was supposed to reduce PERA's unfunded liability, but despite robust economic growth, assumptions on the costs changed and the problem has grown worse. At the same time, retired teachers and public employees are getting bigger pay raises on average – in the form of guaranteed annual benefit increases – than those still in the workforce.

We can, and we must, do better.

The situation demands bold and decisive action from our leaders. As state budget officials have acknowledged, taxpayers already [illegible]

We applaud the PERA Board, Governor John Hickenlooper, and leaders in both parties for insisting that a solution be found this year. Thank you for the work you have done, and will continue to do, on this complex issue. We look forward to the conclusion of your negotiations and a package of PERA reforms we can all support.

Sincerely,

Common Sense Policy Roundtable · Colorado Concern · Colorado Bankers Association · Denver South · Colorado Association of Realtors · The Chamber · CACI Colorado Association of Commerce & Industry · NFIB The Voice of Small Business

WHAT IF COLORADO SCHOOLS WERE #1?

RELEASED MAY 2018

WWW.BESTSCHOOLSCO.ORG

To bring the discussion of education to the forefront of the 2018 gubernatorial race, CSPR partnered with Colorado Succeeds and 20 other organizations, to host a forum that brought together candidates to address their vision for education.

WHAT IF COLORADO SCHOOLS WERE #1?

"How long can Colorado's economy continue to thrive if our education system is struggling? The current system was built for a past era, and it's clear that transforming education and improving outcomes statewide should be a priority for the state's next governor. For this reason, a coalition of 20 Colorado business groups, which we are a part of, surveyed local employers and polled voters to determine which among the state's education challenges seem the most pressing."

– Denver Business Journal, June 6, 2018

coloradopolitics

Gov. candidates talk education plans at Denver Chamber forum

Colorado Politics: May 16, 2018, by Marianne Goodland

DENVER BUSINESS JOURNAL

VIEWPOINT: Making Colorado's schools No. 1 should be the next governor's priority

June 6, 2018, by Earl Wright and Phil Kalin

If next year's 12th grade class achieved a level of education proportional to the state's workforce needs, an **additional 6,200 students** would go on to obtain some form of postsecondary education.

THE ECONOMIC AND FISCAL IMPACTS OF PROPOSITION 112

RELEASED JULY 2018

In response to a proposed ballot measure that would restrict new oil and gas development on 85% of surface land in Colorado, CSPR and the REMI Partners led a Colorado School of Mines peer-reviewed study on the potential economic impacts to the state's economy should it pass. Given CSPR was the only organization to study the impacts of Proposition 112, the results of the study were cited extensively by news outlets across the state.

THE WALL STREET JOURNAL.

"In the first year, the restrictions would take $201 million to $258 million out of state and local tax revenue. As energy production dwindled, that loss could rise to $1.1 billion annually by 2030, according to a Common Sense Policy Roundtable analysis reviewed by faculty from the Colorado School of Mines. The ban could kill up to 147,800 jobs and reduce state GDP by perhaps $218 billion between 2018 and 2030."

– September 20, 2018
by The Editorial Board

coloradopolitics

"The entire industry is projected to be reduced by 70% by 2030. If Weld County lost 70% of its production, in 2017 that would have meant a loss in school funding of $2,245 per pupil–or payroll for over 1,300 teachers."

– September 17, 2018
by Robin Wise, CSPR Board Member

KEY FINDINGS:

- The study found that by 2030 the proposed increased setback requirement would eliminate between 44% and 57% of all oil and gas production.
- By 2030 the state would lose up to 148,000 jobs across all sectors and $9B in state and local tax revenue over the next twelve years, if the measure were passed.

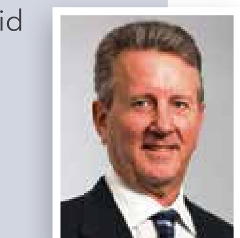
COLORADO PUBLIC RADIO
Your Questions About Proposition 112 And Oil & Gas, Answered
October 15, 2018, by Grace Hood

AMENDMENT 73: THE ECONOMIC IMPACTS OF A $1.6B TAX INCREASE TO SPEND ON EDUCATION

RELEASED SEPTEMBER 2018

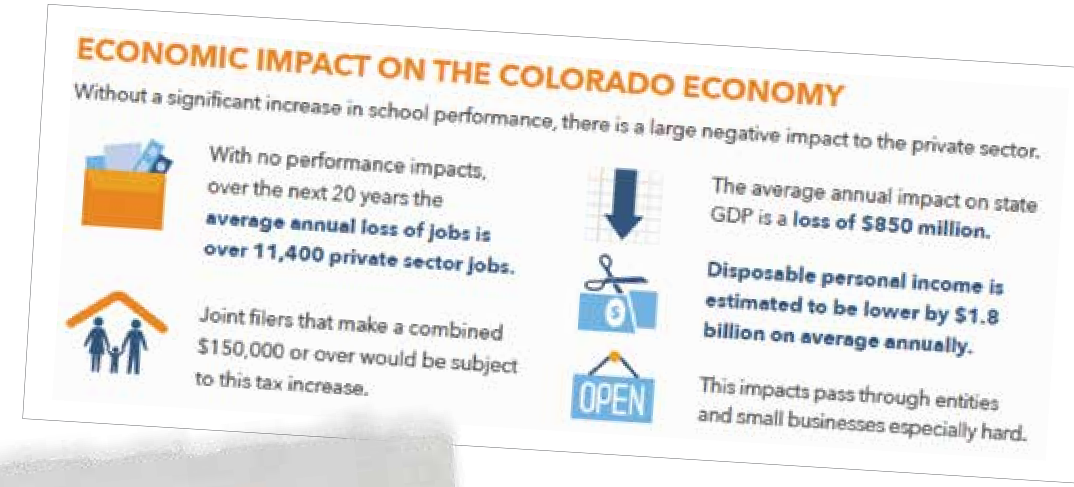
Amendment 73 proposed changing multiple elements within the Colorado tax code, including moving the state's income tax from a flat tax to a graduated tax, while promising no improvements to school performance. The findings of the study were used to illustrate the impacts of greatly increasing taxes on small businesses, families, large corporations and home owners that would result while statistical modeling showed no correlation between increased per-pupil spending and improved graduation rates.

"I am very passionate about PK – 12 education as it is the single most important foundation for the future and an investment in our great state and country," said **Buz Koelbel, Vice-Chairman of the Common Sense Policy Roundtable Board of Directors.** *"Unfortunately, Amendment 73 is not the answer. With no guarantee or defined expectation of improved student performance, this measure represents a massive tax increase, much of it on the backs of small businesses that will cost jobs and cause negative repercussions across our economy."*



KEY FINDINGS:

- An unintended consequence of the proposed change in property tax law would have likely led to lower revenue to local tax districts other than schools.
- The top marginal tax rate in Colorado would have jumped from 37th to 8th highest in the country, impacting a lot of small business owners.
- Corporate income taxes would have jumped from 43rd lowest to 31st nationally.



THE DENVER POST
No on Amendment 73: It's a $1.6 billion tax increase disguised as a boon to schools
The Denver Post: October 12, 2018, by Dave Davia

coloradopolitics
Opinion: Amendment 73 = crippling tax hikes + no accountability
September 27, 2018, by Buz Koelbel

2018 **RESEARCH**

ECONOMIC IMPACT OF RESTRICTING HOUSING GROWTH TO NO MORE THAN 1% IN COLORADO

RELEASED JUNE 2018

Following the 2017 report in response to a proposed 1% growth cap in the city of Lakewood, CSPR and the REMI Partners released an economic impact study on a citizen led ballot proposal to impose a 1% growth cap across 10 front range counties. Simultaneous to the release of the study, the proposal sponsor chose to remove the initiative, avoiding significant economic loss as detailed in the study.

KEY FINDINGS:

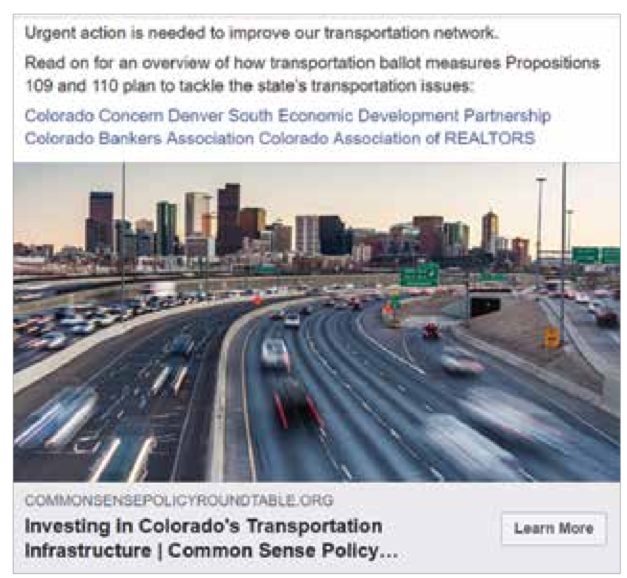
- A 1% growth cap would reduce the number of new units built against current baseline projections by around 158,000 to 240,000 units.
- The reduction in new housing investment alone would reduce employment by between 35,000 to 55,000 jobs annually and put even greater pressure on housing prices as demand would continue to outpace supply.

INVESTING IN COLORADO'S TRANSPORTATION INFRASTRUCTURE

RELEASED SEPTEMBER 2018

To give Colorado voters a more direct guide to compare and contrast the two proposed transportation funding measures, CSPR and the REMI Partners released a report providing a closer look at Proposition 110 and 109. Proposition 110 imposed an increase in the state's sales tax and Proposition 109 required the use of existing funds. The study examined each measure and reported highlights.

Colorado's transportation infrastructure is vital to the success of the state's economy. According to our recent analysis with the REMI Partnership, *"Investing in Colorado's Transportation Infrastructure," Colorado's transportation network is costing the state over $7.1 billion annually due to congestion and deteriorating roads.*



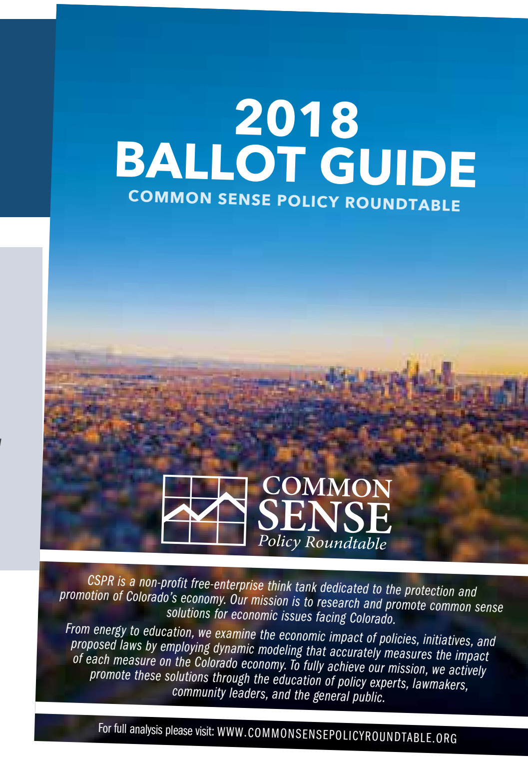
KEY FINDINGS:

- Given the current cost to the Colorado economy of over $7.1B annually, urgent action is needed to improve our transportation network.
- In 2017 only 5.8% of all spending by CDOT was on expanding the state's road network. 84% was on maintenance and operations.
- The increase in sales tax in Proposition 110 would have increased revenue by over $18 annually for the next 20 years to be used on transportation projects across the state. Proposition 109 would have required an additional $260 million to be allocated to transportation projects from the general fund, that otherwise would have required some other purpose.

BALLOT GUIDE

RELEASED SEPTEMBER 2018

The Common Sense Policy Roundtable, a Colorado business coalition that seeks pragmatic solutions to policy conundrums, provided fiscal analysis of the ballot proposals. *"We believe the more informed policymakers and voters are, the better decisions will be made for the benefit of our State," Kristin Strohm, CSPR's Executive Director,*



CO-SPONSORED BALLOT GUIDE EVENTS

SOUTH METRO DENVER CHAMBER

COLORADO WOMEN'S CHAMBER OF COMMERCE ADVANCING WOMEN IN BUSINESS

COLORADO BUDGET – THEN AND NOW

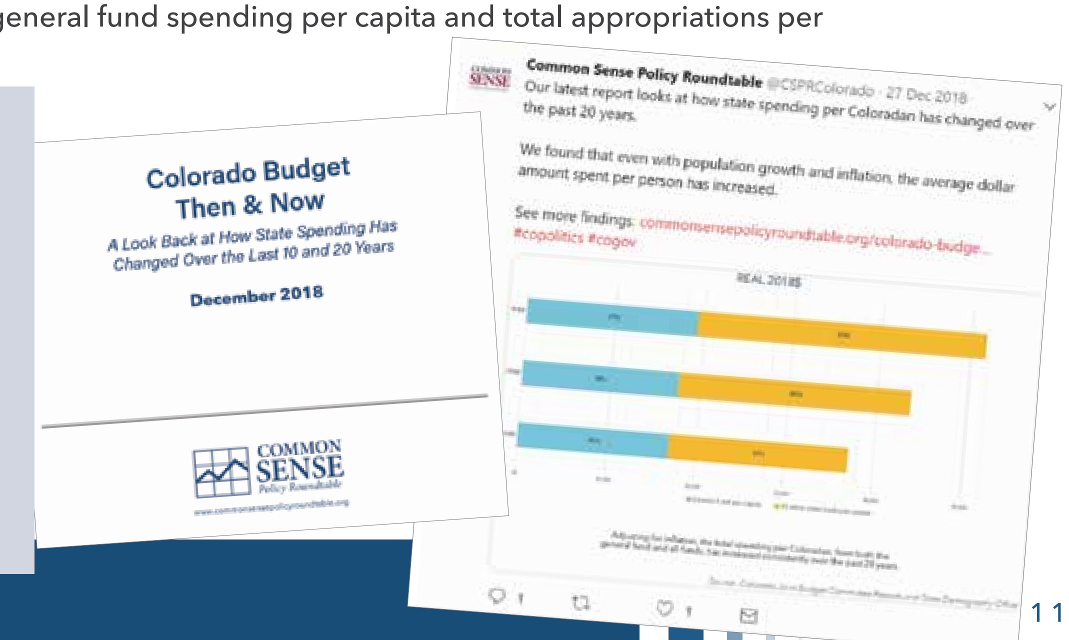
RELEASED DECEMBER 2018

The 2018 release of Colorado Budget: Then and Now offers an updated "big picture" view of how spending by the State of Colorado has changed over the past 20 years. Leading into the 2019 legislative session, it is important to be aware of the history of spending and the entirety of the budget, along with a focus on singular issues. These charts should prompt more questions about the details of "Why" and help frame the perpetual debate that shapes the priorities of our state government spending.

KEY FINDINGS:

- Cash funds have grown from just 10% of all appropriations in FY 1999 to 29% in FY 2019.
- Over the last decade, the share of general fund spending on Health Care Policy and Financing has increased by over 4%, while the share of education has dropped by over 6%.
- In real 2018 dollars, both general fund spending per capita and total appropriations per capita have increased.

"We believe the more informed policymakers and voters are, the better decisions will be made for Colorado," said Chris Brown, CSPR Director of Policy and Research.



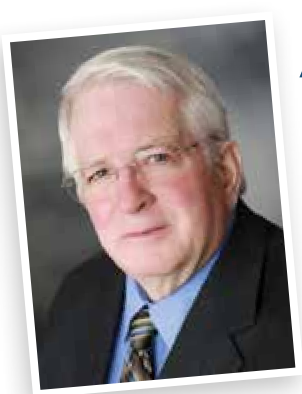
EXPANDING OUR **REACH**

REMI PARTNERSHIP

A partnership of public and private organizations announced in July 2013 the formation of a collaboration to provide Colorado lawmakers, policymakers, and business leaders with greater insight into the economic impact of public policy decisions that face the state. The 2018 partners included the Common Sense Policy Roundtable, The Colorado Association of REALTORS, Colorado Bankers Association, Denver South Economic Development Partnership, and Colorado Concern.

TERRY J. STEVINSON FELLOWSHIP

In July 2018, the first Terry J. Stevinson Fellowship recipient Zhao Chang was named. Ms. Chang is a recent graduate of the Colorado School of Mines Mineral and Energy Economics Master's Program. She also holds an undergraduate degree in Petroleum Engineering. Ms. Chang was instrumental in supporting 2018 research and co-authored several studies.



ABOUT THE FELLOWSHIP:

The Terry J. Stevinson Research Fellowship is a year-long commitment. As an organization dedicated to developing deep insights into critical policy issues, with a strong emphasis on understanding the full economic and fiscal ramifications of policy choices, the Research Fellow is responsible for supporting the public facing research that CSPR develops. The Fellowship is named after and funded thanks to the generosity of CSPR Founding Board Member Terry Stevinson.

IMPACT

LAUNCH OF NEW WEBSITE

WWW.COMMONSENSEPOLICYROUNDTABLE.ORG

IN MEDIA:

- More than **50 op-eds placed**
- More than **150 mentions** in print, radio and tv stories

SOCIAL MEDIA MILESTONES 2018:

MAY — **100,000** views on Twitter

AUG — viewed **100,000 times** on Facebook; viewed **50,000 times** in Google search results

SEPT — reached **100,000** unique people on Facebook

OCT — received **150 mentions** in the media, totaling **810,470 views**

NOV — over **10,000 unique website visitors** in 3 months; over **3,500 website clicks** in Google Search

Connect with us:

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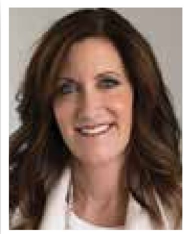
BOARD OF **DIRECTORS**



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CAMP BOW WOW
SUPERIOR, CO

Lem Smith
PRINCIPAL

SQUIRE PATTON BOGGS
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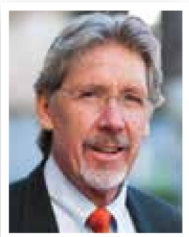

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PARTNER

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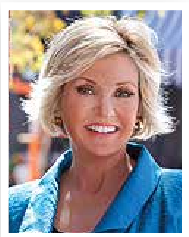
FORT COLLINS, CO



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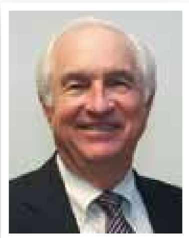
Byron Haselden
PRESIDENT & CEO

HASELDEN CONSTRUCTION
CENTENNIAL, CO



Earl Wright
CEO & CHAIRMAN

AMG NATIONAL TRUST BANK
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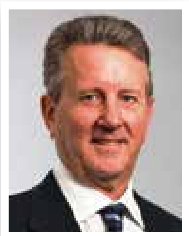
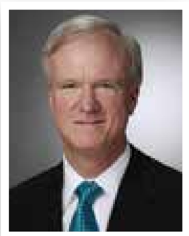


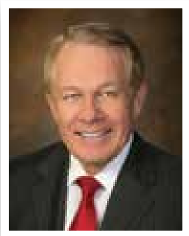
Buz Koelbel
PRESIDENT

KOELBEL & COMPANY
DENVER, CO



T. Scott Martin
MANAGING PARTNER

RIVERCREST CAPITAL MANAGEMENT
BOULDER, CO



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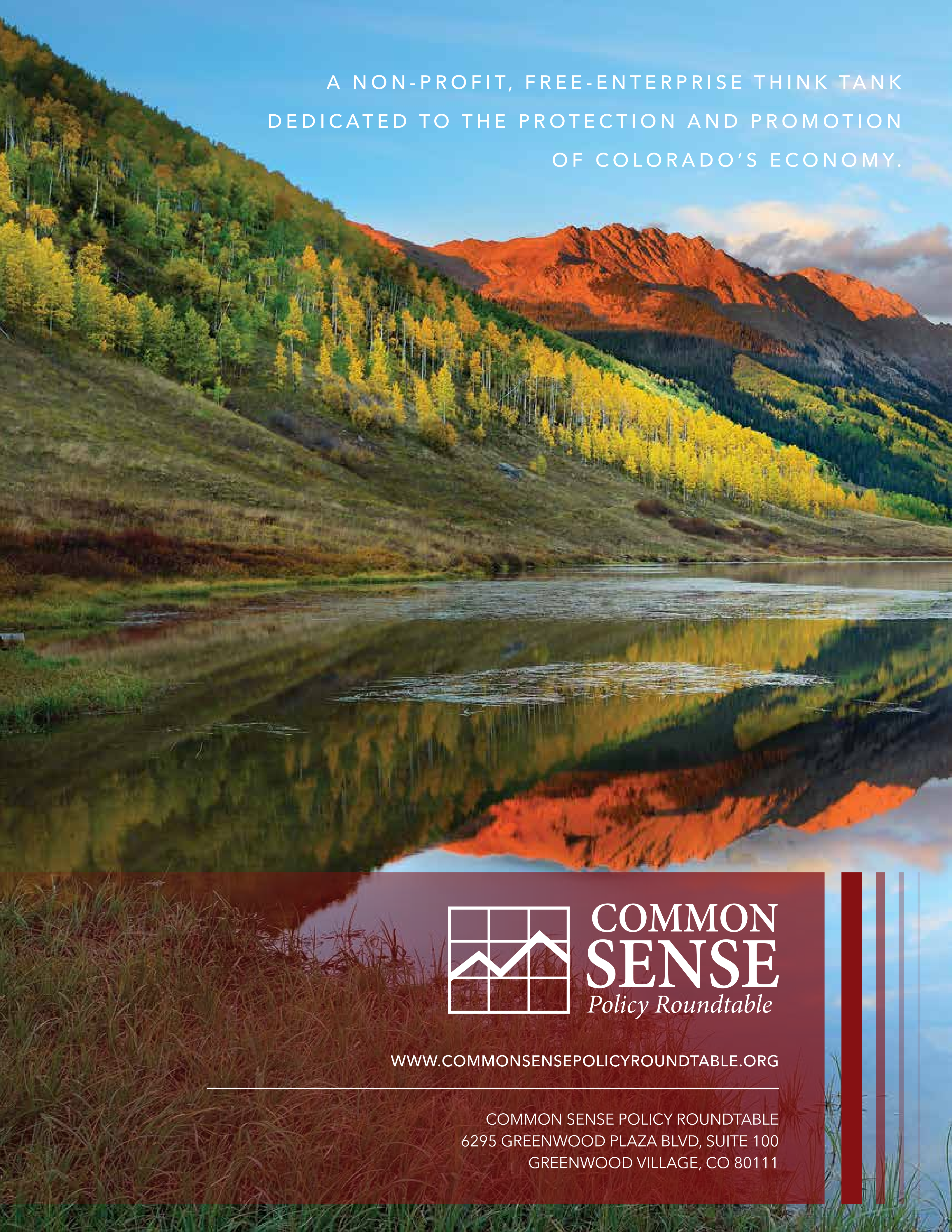
COMMON SENSE POLICY ROUNDTABLE IS A FREE-ENTERPRISE THINK TANK DEDICATED TO THE PROTECTION AND PROMOTION OF COLORADO'S ECONOMY.

CSPR researches and promotes **common sense** solutions for economic issues facing the state.

We are **THE SOURCE** for **FACTS** on free enterprise issues in Colorado.

CSPR is a nonpartisan, nonprofit, 501(c)(3) educational organization. CSPR owns the The REMI Tax-PI dynamic model, which was built for Colorado and calibrated with Colorado revenues, expenditures, employment and population. We are supported by our board of directors and private donations from foundations, individuals and corporations.
We do not accept any government funding.

For more information please visit:
www.commonsensepolicyroundtable.org



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