

March 1, 2010



225 E. 16th Avenue, Suite 260
DENVER, COLORADO 80203
TELEPHONE (303) 860-1616
FAX (303) 860-0175
www.axiomstrategiesinc.com

FOLLOWING THE LEADERS

An up to date review of Colorado government and politics as they relate to the clients of Axiom Strategies Inc.

“People do not seem to realize that their opinion of the world is also a confession of character.” Ralph Waldo Emerson

65 Days to Sine Die

Colorado a Race to the Top Finalist

The U.S. Department of Education last week named Colorado as one of 16 finalists for the first round of Race to the Top education reform grants. Colorado and the other finalists were selected from 40 states and the District of Columbia. Race to the Top is a federal competition to advance school reform, asking states to show reform in:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
- Turning around lowest-achieving schools.

The 16 finalists will present their proposals to a panel of reviewers in Washington, D.C., the week of March 15. Lt. Governor Barbara O’Brien and Colorado Education Commissioner Dwight D. Jones will lead the Colorado team of presenters. Colorado’s Race to the top proposal asks for \$377 million over four years. Successful first round Race to the Top applicants will be announced in April.

In order to further Colorado’s Race to the Top Efforts, Governor Ritter also announced the appointees to the Colorado Council for Educator Effectiveness. The council was created by executive order to work on defining educator effectiveness and new educator evaluations tied to student growth, and will begin meeting later this month.

Surveillance Passes 2nd Reading

Legislation from the Pinnacol Interim Committee that would severely limit the ability of a company to use surveillance for investigation of fraud in workers' comp claims passed a voice vote in the House on Friday. Legislators gave initial floor approval to HB 1012 - Limit Surveillance Workers' Comp Claims by Rep. Sal Pace (D-Pueblo) and Sen. Morgan Carroll (D-Aurora) despite widespread concerns amongst the business community that removing a key tool for preventing and investigating workers' comp fraud will drive the cost of premiums up without actually achieving the goal of the bill. As amended by the House Appropriations Committee, the bill's intent shifted. Questions as to why legislators are not looking to the regulation of private investigation practices, rather than setting an unreasonably high bar for when surveillance can be admitted in court seems to have fallen on deaf ears.

The bill will likely be heard for a final vote in the House on Monday morning – if you would like to weigh in with your House member, better do it now!

Final Pinnacol Bill Introduced

The last, and possibly most onerous, piece of legislation to come out of the Pinnacol Interim Committee was introduced this week. HB 1356 - Workers' Comp Policyholder Protection Act 2010 by Rep. Su Ryden (D-Aurora) and Sen. Lois Tochtrop (D-Thornton) would require Pinnacol Assurance to distribute surplus holdings in excess of 800 percent of risk based capital (RBC) to policyholders. RBC is the amount of required capital that an insurance company must maintain based on the inherent risks in the insurer's operations and is how the Commissioner of Insurance measures solvency.

The bill arbitrarily sets the amount for dividends to be distributed by Pinnacol Assurance to its policyholders. Pinnacol has distributed \$347 million in dividends to policyholders over the past five years, with consideration for various factors that impact their business, and without direction from the legislature to do so. The bill seems to be in search of a problem to solve, other than solving the issue of retribution for Pinnacol not handing over their reserves to the legislature in 2009. HB 1356 has been assigned to the House Business Affairs and Labor Committee.

Bike Helmet Bill to Senate, Bill Ritter to Hospital

Legislation that would require kids to wear a helmet when using non-motorized wheeled transportation (such as bikes, scooters and skateboards) on public streets and sidewalks received final passage in the House this week, the day after Colorado Governor Bill Ritter suffered a major bike accident. While HB 1147 - Safer Streets For Nonmotorized Transport by Rep. John Kefalas (D-Fort Collins) and Sen. Bob Bacon (D-Fort Collins) moved to the Senate, Ritter remained in the hospital with five broken ribs and a separated shoulder. The Governor remained at Denver Health Medical Center through Friday for doctors to monitor for pneumonia, which often sets in following similar injuries.

Ritter remained in good spirits and signed legislation from his hospital bed. For the record, he did strike his head in the fall, but was protected by his helmet.

I-70 Ski Traffic Bills Coming

Senators Dan Gibbs (D-Silverthorne) and Chris Romer (D-Denver) will be introducing legislation to help clear up the heavy winter weekend traffic on I-70, the interstate that transports cars from the metro area to a variety of Colorado ski resorts. The bill would allow movable concrete barriers to be used to temporarily rededicate the inside lane of westbound I-70 to eastbound traffic on weekend afternoons. The barriers would create an eastbound express lane from just before Georgetown to Central City Parkway for three to four hours on Saturdays and Sundays. However, the Colorado Department of Transportation has said that the bill is unnecessary, as they already have the authority to use barriers in such a manner, and are currently studying safety issues.

Sen. Gibbs is already carrying another bill aimed at dealing with I-70 traffic. SB 173 – Commercial Vehicle Left Lane Speed, also carried by Rep. Christine Scanlan (D-Dillon), would prohibit driving a vehicle with a gross vehicle weight rating of more than 26,000 pounds in the left lane of I-70 on a grade of 6% or more, except when necessary to obey a traffic control device, enter or exit I-70, or when weather or heavy traffic slows speed. The bill has been assigned to the Senate Transportation Committee, which Sen. Gibbs chairs.

Phone Book Bill Dies

Legislation that attempted to create a Do Not Deliver list for phone books died in an 8-3 vote in the House Transportation and Energy Committee this week. HB 1068 - White & Yellow Page Delivery by Rep. Mark Ferrandino initially attempted to create an opt-in provision for phone book delivery, and then went through several drafts of rewrites before being heard in committee. Opponents of the bill argued that there are already ways for residents to opt out of the deliveries. Additionally, many individuals still want their phone books, especially the elderly and those in rural areas.

Colorado Clean Air-Clean Jobs Act

Gov. Ritter, Xcel Energy and a coalition of lawmakers, energy companies and environmentalists have announced an agreement on legislation to cut air pollution, create jobs and increase the use of cleaner energy sources. The proposed Colorado Clean Air-Clean Jobs Act would require Xcel Energy to sharply reduce pollutants by retiring, retrofitting or repowering Front Range coal-fired power plants by the end of 2017 and replacing them with facilities fueled by natural gas and other lower- or non-emitting energy sources. The bill will be carried by Sen. John Whitehead (D-Hesperus) and Rep. Judy Solano (D-Brighton).

Payday Lending Up in Committee

The bill that aims to eradicate payday lending will be heard in the House Judiciary Committee today. HB 1351 - Deferred Deposit Loan Interest Rate by Rep. Mark Ferrandino (D-Denver) and Sen. Chris Romer (D-Denver) would ask voters to cap the APR on payday loans at 36%, a change that would put most of the industry out of business by applying an annual percentage rate to a charge better described as a fee. Short-term, unsecured loans can provide relief to employed individuals who have an immediate financial need, but proponents of the bill believe those individuals would be better off without that option and should instead look to friends and family, charity, or

cash advances on credit cards. However, studies have shown that individuals who utilize payday lenders are well aware of their other financial options, and make an informed choice they believe to be the best for themselves. The bill will be heard at 1:30 in the Old Supreme Court Chambers.

Introduced Bills

House	358
Senate	180
Total	538