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FOLLOWING THE LEADERS

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

*“He only employs his passion who can make no use of his reason.”
Marcus Tullius Cicero*

114 Days to Sine Die

2010 Session Begins

The 2010 General Assembly began on Wednesday, January 11, and over the next 120 days will consider a multitude of issues. Governor Ritter’s State of the State speech outlined several legislative priorities, beginning with keeping the state budget balanced, a difficult challenge as Colorado continues to struggle to climb out of the recession. Other agenda items include creating jobs and growing Colorado’s New Energy Economy, making the Colorado State Park system the first in the country to use zero net energy, modernizing teacher and student assessments, regulating the medical marijuana program, and shoring up the state’s Public Employee Retirement Association pension fund. Election year politics are sure to play a role in the session, with both parties steering debates in order to gather political ammunition for the November election. The coupling of the election with severe budget challenges will make for a contentious four months at the state capitol.

In the Races – Ritter Out, Hickenlooper In

In a shocking move less than a week before the start of the 2010 legislative session, Governor Ritter announced that he would not be continuing his reelection race. Ritter cited his family’s sacrifice in leaving the race, and noted that he had not found the proper balance of all of his roles and made his family the priority they should be. The question now remains what kind of governor Ritter will be now that he is unencumbered by election-year politics. Vetoes of several union-backed bills earned Ritter the ire of many pro-labor democrats who had backed him in the election, and he now has the

opportunity to sign union legislation without concerns for backlash from the business community.

With the Democrat nomination for governor suddenly open, Denver Mayor John Hickenlooper took the opportunity to jump into a race he was thought to seriously consider in the 2006 election cycle. Other candidates rumored to have considered the run included Secretary of the Interior Ken Salazar, Congressman Ed Perlmutter, former House Speaker Andrew Romanoff, and Colorado State Treasurer Cary Kennedy, but all have declined the race. The question now is who will be Hickenlooper's pick for Lieutenant Governor. While popular in Denver, Hickenlooper will need a running mate who appeals to rural and western slope Colorado.

On the other side of the race, Republicans avoided a divisive primary when Senate Republican Leader Josh Penry dropped out of the race and cleared the field for former Congressman Scott McInnis. Penry is now rumored to be McInnis' chief of staff if he wins the race.

Back in Denver, Hickenlooper's entry into a statewide race leaves the mayoral seat for the state capitol wide open. State Senator Chris Romer, son of former Colorado Governor Roy Romer, has already expressed interest in the seat. Others rumored to be considering entering the race are former Denver City Council President and current Councilman from District 11, Michael B. Hancock; Carol Boigon, Denver City Councilwoman – at large; prominent Denver attorney and partner from Hogan and Hartson, who was also the Mayor's Chief of Staff and City Attorney, Cole Finegan; Penfield Tate, attorney for GreenbergTraurig and former State Senator and Representative; and Denver businessman Walter Isenberg. Others are also expected to consider the race.

Battling for Colorado's U.S. Senate seat, it is difficult to say whether Democrat Michael Bennet or Republican Jane Norton is leading the race. A recent Rasmussen Reports poll had Norton ahead of Bennet 49 percent to 37 percent. However, in the most recent fundraising quarter, Bennet took in \$1.2 million, more than double Norton's approximately \$550,000 raised. Polling and fundraising are two key gauges of a candidate's likely success, and with the results of these two methods mixed, this race is anyone's game.

One question remains in these races: what will Romanoff do? The popular former Speaker of the House has led a delayed and surprisingly quiet primary battle against Michael Bennet for the Senate, and has been rumored to be considering getting out of the race. But for which race? The Democrat considered a jump into the gubernatorial race, but would now have to challenge Hickenlooper, a friend, to a difficult primary. Joining Hickenlooper as his running mate is a possibility, but stacks the ticket with two Denver Democrats, a disadvantage in a statewide race. He could consider the mayoral race, but would need to move quickly with several Denver Dems eyeing the seat.

Shift on Business Affairs

Representative Ed Casso, a Commerce City Democrat, lost his post as Vice-Chair of the House Business Affairs Committee due to remarks he made following Governor Ritter's reelection announcement. Casso sponsored two of the pro-labor bills vetoed by Ritter in the 2009 session. The comments, including that "As with most of his decisions in the last four years, the governor is a day late, a dollar short, and without regard except

for his own well being and interests” caught fellow Democrats by surprise, hearing words more likely to come from the opposition party than their own. Speaker Carroll exercised his ability to make committee assignments by replacing Casso with Representative Sara Gagliardi of Arvada as the committee’s Vice-Chair. Casso will still continue to serve on the committee without a leadership role.

Curry’s Party Switch Leads to New Leadership

Following disagreements with Democratic leadership over her sponsorship of a bill imposing a moratorium on insurance mandates, Representative Kathleen Curry (D-Gunnison) changed her party affiliation to Independent. The switch prompted Speaker Carroll to reassign her two leadership positions. Representative Buffie McFadyen will now serve as Speaker Pro Tem, and Representative Randy Fischer (D-Fort Collins) will chair the House Agriculture, Livestock and Natural Resources Committee.

Meanwhile, Curry will face an uphill reelection battle as an Independent. Unaffiliated candidates running for public office in Colorado must declare their independence more than a year prior to an election. Curry will have to run as a write-in candidate, a serious challenge for any contender. Curry is rumored to be introducing legislation to overturn the state law that requires candidates to declare their unaffiliated status by the June 15 prior to a November election, but such legislation would come too late for her own reelection race.

Hillman to Chair Colorado Civil Justice League

Former State Treasurer Mark Hillman has been named as executive director of the Colorado Civil Justice League, a state-wide coalition dedicated to ending abusive lawsuits and creating a fair civil justice system in Colorado. Following the announcement of their new leadership, CCJL released their session preview of legislation they expect to see this year that they believe will challenge common sense in the courtroom. These include false claims act bills intended to stop fraud that the organization believes create new opportunities for litigation abuse, expanded employment liability, and medical malpractice caps. A construction defects bill is expected that would allow for attorney’s fees in construction defects cases, and a substitute service of process bill, which would allow service documents to be delivered to the Secretary of State in cases where a defendant cannot be located, is anticipated as well.

Race to the Top Bill First Passed of 2010

Colorado is working hard to win Race to the Top dollars, a federal competition for states to advance reforms in education. Colorado’s application, which will be submitted on Tuesday, January 19, is expected to request approximately \$400 million. Awards in Race to the Top will go to states that are leading the way with ambitious yet achievable plans for implementing coherent, compelling, and comprehensive education reform in four areas:

- 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 our lowest-achieving schools.

In order to better position Colorado to receive the grants, Sen. Michael Johnston (D-Denver) sponsored SB 36 - Program Results For Educator Preparation, a bill to allow institutions that teach educators to track the effectiveness of their training programs. With the deadline for applications less than a week away, the Senate and House fast-tracked the bill through the legislature in the shortest amount of time allowable for bill passage, just three days. The bill was introduced Wednesday, and had its committee and floor hearings in the same day. It arrived on the Governor's desk Friday, and was signed and put into law by close of business that day.

Not only was the bill the first signed piece of legislation of the session, it was the first bill by Johnston, who was appointed over the interim to fill former Senate President Peter Groff's seat upon his resignation. Legislators engaged in standard freshman orientation practices, with all senators except for Johnston voting down the bill, only to resurrect and pass the legislation on a Committee of the Whole amendment.

Lobbyist ID Card

State lobbyists may be able to bypass the metal detectors and personal searches if HB 1092 passes. Introduced by Representative Larry Liston (R-Colorado Springs) and Senator Pat Steadman (D-Denver), the bill authorizes the Secretary of the Senate or Chief Clerk of the House to issue a lobbyist identification card to lobbyists who have met relevant registration requirements. Lobbyists will be required to pay a fee, submit proof of registration, and submit to a criminal background check in order to obtain the card. Lobbyists, currently at the mercy of long security lines of school children and tour groups while key bills are being voted on within the capitol walls, are enthusiastically supporting the bill.

A similar process for lobbyists was in place years ago when metal detectors were used following 9/11. Those extra security precautions were ultimately removed, but were put back in place following a shooting in the capitol by State Patrol of an armed man who announced his intent to kill the Governor. However, the lobbyist security clearance was not reenacted at that time.

Government Efficiencies Bill Introduced

Senate Republican Leader Josh Penry has introduced a detailed and extensive piece of legislation aimed at creating efficiencies and cost savings in state and local government. Just a few of the changes proposed include:

- Reducing the personnel budget of the governor's office, the executive directors' offices, and the directors of each principal department's offices to 2005-06 fiscal year levels;
- Requiring the governor to report in writing to the general assembly by April 1, 2010, regarding which agencies and departments perform similar or redundant functions and should be consolidated;

- Reducing by 3% the number of all full-time equivalent state employees paid in whole or in part with general fund dollars within 5 years;
- Requiring the governor to reduce by 10% the pay of all full-time equivalent state employees earning \$125,000 or more annually, except employees of state institutions of higher education;
- Implementing a 2-year statewide hiring freeze that will require the governor or his or her designee to sign off on all new hires. All new hires must meet the test of being critical to protecting the life, health, or safety of Colorado residents.
- Removing the requirement that motor vehicles have a front license plate.

Concerns are being raised that the changes are too broad and extensive, but they are likely to facilitate many conversations about the right ways and places to cut the budget. Additionally, Axiom Strategies Inc. looks forward to the opportunity to provide you with your very own Axiom vanity plate.

MLK Day Closures

The state capitol will be closed on Monday, January 18 in observance of Martin Luther King Jr. Day. Business will resume on Tuesday, January 19. Monday events in Denver will include the laying of a wreath and remarks at the Dr. Martin Luther King Jr. statue in City Park, followed by a parade from City Park to the state Capitol grounds and Civic Center Park, and a program in the Greek Theater.

Introduced Bills

House	126
Senate	83
Total	209