



Federal Budget Task Force

**Report to the
COLORADO
LEGISLATIVE COUNCIL**

**Colorado Legislative Council
Research Publication No. 385
December 1993**

RECOMMENDATIONS FOR 1994

FEDERAL BUDGET TASK FORCE

**Report to the
Colorado General Assembly**

**Research Publication No. 385
December 1993**

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(303) 866-3521 FAX: 866-3855 TDD: 866-3472

November 15, 1993

Governor Roy Romer
Members of the Fifty-eighth General Assembly

Dear Ladies and Gentlemen:

The Federal Budget Task Force herein submits its findings and recommendations as required by House Joint Resolution 93-1012 (see page 5). The task force was authorized to continue its study of the impact on Colorado of a reordering of federal government budget priorities and reductions in the federal budget. In addition to performing its duties as outlined in H.J.R. 93-1012, the Federal Budget Task Force followed up on issues raised in 1990 by the Federal Civilian and Defense Expenditures Task Force, the predecessor to this task force, and on issues raised in 1991 by the Federal Budget Task Force.

In its 1990 report, the Task Force on Federal Civilian and Defense Expenditures recommended that the Federal Budget Task Force be designated as Office of Protocol. That recommendation was not followed and the task force again recommends that it be designated, in conjunction with other agencies, as Office of Protocol to act as a liaison to the Department of Defense, other federal agencies, and private defense-related industries.

Also in its 1990 report, the task force recommended that efforts to develop a statewide math, science, and technology initiative be nurtured. Legislation creating the Colorado Magnet School for Mathematics, Science, and Technology was subsequently adopted. That legislation designated Colorado State University at Fort Collins as the site for the magnet school. That site has not proven feasible and the task force supports legislation to designate abandoned property at Lowry Air Force Base as the site for the magnet school.

The task force studied the issue of Fitzsimons Army Medical Center and funding for a replacement facility. After learning that the Department of Defense has authorized but not released design funds for a replacement facility, the task force sent

letters to the Colorado congressional delegation and to the Senate Presidents and House Speakers of 11 other states served by Fitzsimons asking for a resolution of support of five main objectives related to securing funding for a new Fitzsimons Army Medical Center (see page 7). Task force members have subsequently learned that final design funds for the Fitzsimons project have been released by the Department of Defense. The release of the funds implies that Fitzsimons will not be on the 1995 base closure list.

The task force also studied the issue of federal mandates on state budgets. After learning that Colorado spent 11.9 percent of the total state budget and 23.2 percent of general funds on federal mandates in FY 1993, the task force agreed to author a resolution asking that Congress study the impact on the states of new mandates before imposing those mandates (see page 17).

Finally, members of the task force revisited the issue of maintaining open lines of communications between the executive and legislative branches of state government. The resolution prepared by task force members for the 1994 legislative session will request that the governor appoint a member of his staff, preferably a staff member in the Office of Business Development, as a non-voting member of the task force.

Thank you for your consideration of this report.

Respectfully submitted,

Representative Tom Ratterree
Chairman

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FEDERAL BUDGET TASK FORCE

Members of the Committee

Senator Jeff Wells
Senator Ray Peterson
Senator Dennis Gallagher

Representative Tom Ratterree,
Chairman
Representative Peggy Kerns,
Vice Chairman
Representative Rob Hernandez
Representative Ron May

Appointments by the Governor

Dr. Ray Chamberlain, Executive Director,
Department of Highways
Mr. John Donlon, Executive Director,
Department of Labor and Employment
Major General John L. France, Executive Director,
Department of Military Affairs
Dr. William Randall, State Commissioner of Education

Legislative Council Staff

Carl Jarrett
Senior Analyst

Office of Legislative Legal Services

Michele Brown
Staff Attorney

EXECUTIVE SUMMARY

Task Force Charge

The Federal Budget Task Force was originally appointed by the adoption of House Joint Resolution 90-1025 and was continued by the adoption of House Joint Resolution 93-1012. The charge to the committee was to continue the study of the impact on Colorado of a reordering of federal budget priorities in light of probable reductions in the federal budget.

Task Force Activities

In its three meetings convened during the 1993 interim, the Federal Budget Task Force's (FBTF) work focused on two main areas: 1) the status of and contributions of federal military installations in Colorado; and 2) defense conversion and retention and the affect of the federal military budget on the state's economy. The task force also discussed the affect of federal mandates on the state's budget, and reviewed the status of its previous recommendations.

Task Force Recommendations

As a result of the review of the status of its previous recommendations, the task force made the following two recommendations:

1. Designate FBTF, in conjunction with appropriate members of the Governor's staff, as the Office of Protocol, and appoint a member of the governor's staff as a non-voting member of FBTF; and
2. Support legislation to be introduced during the 1994 legislative session regarding a change in the statutorily designated site for the Colorado School for Mathematics, Science, and Technology.

TASK FORCE REPORT

The Status of Military Installations

The committee discussed the status of the state's military installations in several contexts: Fitzsimons Army Medical Center and efforts to secure funding for construction of a new medical facility; the closing of Lowry Air Force Base and proposed uses for the base's facilities; and the contributions and status of the Air Force Academy and Ft. Carson Army Base.

Fitzsimons Army Medical Center. The Future of Fitzsimons Initiative is a group of civic leaders, city council members, and legislators whose goal is to coordinate efforts to secure funding and construction of a new Fitzsimons Army Medical Center. The group's efforts focus on two main goals: 1) obtaining the release of design funds for the new facility from the Department of Defense (DoD); and 2) securing from Congress final funding for a new hospital.

The FBTF voted to support those goals by asking the legislatures of the eleven other states served by Fitzsimons for support. The task force wrote letters to the Colorado congressional delegation, the governor, and the House Speakers and Senate Presidents of the eleven other states served by Fitzsimons soliciting assistance in the form of a resolution from each body.

During the course of the interim, FBTF members learned that the DoD had released an additional \$30 million in design funds for a new facility. The release of the design funds implies that Fitzsimons has been chosen as one of six or seven regional medical centers in the DoD's new managed health care plan. The release of funds also implies that it is unlikely that Fitzsimons will be on the 1995 base closure list.

Lowry Air Force Base. Lowry Air Force Base is scheduled to close in September 1994. Task force discussions centered on the uses of Lowry after its closure. More specifically, the task force was interested in the order of priority for reuse and how requests for reuse are being handled. The work of the Lowry Economic Recovery Project centers on strategies for successful economic recovery in replacing lost assets at the base. Project members include the mayors of Denver and Aurora as well as one member of each city council. Priorities for reuse are: 1) federal agencies; 2) homeless housing pursuant to the federal McKinny Act; 3) public benefit, donation, or sale; 4) sale to a public body; and 5) public bid or auction.

Task force members subsequently learned that the federal Defense Authorization Bill contains a provision which would allow the cities of Denver and Aurora to acquire land and buildings at Lowry at little or no cost for business uses when the base closes. The provision reportedly has been agreed upon by both houses of Congress in conference committee.

Air Force Academy. A presentation by the academy's superintendent revealed that expenditures in the local Colorado Springs area contributed by the academy total \$170 million for FY 1993. The academy employs a total of 12,700 persons (military, civilian, and secondary jobs).

Regarding rumors of proposals to unify the Air Force, Naval, and Army military academies into one academy, the task force was told no formal proposals have been submitted nor have any ideas been given serious consideration. The proposals have most often taken one of two forms: 1) create one large academy; or 2) scale down the number of officers entering the military from the academies.

Fort Carson Army Base. Fort Carson officials reported that the army base contributes over \$500 million to the local economy. The task force's discussions centered on the chance that Ft. Carson will be on a base closure list in the future and on what assets the base has that may keep it off of the closure list. Among the base's assets are its proximity, absent other bases with similar capabilities, to the west coast for easy deployment of troops. In addition, troops from Ft. Carson have been sent to Somalia and Central America, participated in Operation Desert Storm, and assisted in the Hurricane Andrew relief efforts last year. Ft. Carson's training grounds have 100,000 acres of maneuver area and are equipped to fire all of the army's modern weapons systems.

The Federal Military Budget and the State Economy

Federal Budget Cuts and the Colorado Economy. According to the Governor's Office of Business Development, the total direct defense-related expenditures in the state equaled \$5.3 billion in federal fiscal year 1992. Over 90,000 Coloradans worked for the military in FY 1992, and Colorado ranks eighth in the nation in defense spending. However, because of cuts in military budgets, the percent of total military-related jobs in the state has declined from 6.8 percent in FY 1989 to 5.6 percent in FY 1992, a loss of over 12,000 defense-related direct jobs during the period.

Task force members were encouraged to work with the Colorado congressional delegation, the Pentagon, and defense contractors to promote the state as the ideal place to consolidate military operations being downsized from other locations. To that end, the Governor's Office has formed the 21-member Defense Conversion and Retention Council.

Defense Conversion and Retention

Defense Conversion and Retention. The Defense Conversion and Retention Council's charge is to gather information on Colorado's defense industry; research, evaluate, and develop and implement plans in response to changes in defense expenditures; advise and report back to the Governor. An inventory of defense contractors and subcontractors will be conducted along with an inventory of job skills.

The council's main goals are geared to the conversion of land and technology and the retraining of personnel, and the retention of as many military assets in Colorado as possible. There are four committees of the council: 1) technical transfer; 2) retention; 3) business development and training; and 4) government affairs. The council is scheduled to report its findings to the Governor by May 1994 and is scheduled to terminate on December 31, 1994.

Federal Mandates

An additional area FBTF reviewed was that of federal and state mandates. A survey of Colorado state departments identified about 195 federal programs which contain mandates for state or local governments. Over 100 of those programs require compliance with the mandate at the risk of sanctions or losing federal aid.

Colorado spent \$793.9 million in FY 1993 to comply with federal requirements and that amount represented 11.9 percent of the total state budget for that year. Of that amount, \$715.8 million was expended from the General Fund (23.2 percent). About two-thirds of mandated state spending was in the areas of social services and institutions. Significant mandate costs were also incurred in transportation, judicial/public safety, and health.

There is concern about new federal mandates on the states, including standards for collecting student loan defaults, child support enforcement requirements, child immunization requirements, and standards for reimbursements for the administration of AFDC and food stamp programs. To this end, the task force agreed to adopt a resolution to send to Congress asking that before federal mandates are imposed on the states, a study of the fiscal impact on the states be performed. A copy of that resolution is on page 17.

Review of Previous Recommendations

A final effort of FBTF was to review the recommendations made in previous years by the task force and its predecessor. A copy of that review is on page 19. In reviewing past recommendations, the task force discovered that many of the recommendations had been accomplished. Reports requested of the Office of State Planning and Budgeting on the impact of the defense industry and conversion in Colorado have been written and an update has been prepared. Communications between the task force and members of the Colorado congressional delegation have been maintained. In addition, efforts to improve the state's research universities in space science, and to improve the skills of pre-K through 12 and postsecondary students in math, science and technology have been undertaken by the Colorado Commission on Higher Education.

Maintaining Open Lines of Communication. This issue was addressed by the Task Force on Federal Civilian and Defense Expenditures and a recommendation was

made in its report dated July 1, 1990 (Legislative Council Research Publication No. 349). That recommendation was to either ask the Governor to designate FBTF as Office of Protocol by executive order or to ask the Executive Committee of the Legislative Council to designate FBTF as Office of Protocol. A letter was written to the chairman of the executive committee of the Legislative Council asking the council to designate FBTF as Office of Protocol. The executive committee declined to address the issue.

The FBTF still has the same concerns and desires as the task force did in 1990. In addition, FBTF is concerned that the executive and legislative branches somehow devise a way to keep each other informed of their work in the area of defense conversion and retention. *The task force makes two recommendations in this area:*

- 1) Designate FBTF, in conjunction with appropriate members of the Governor's staff, as Office of Protocol to act as a liaison to the DoD, other federal agencies, and private defense-related industries; and
- 2) Appoint a member of the governor's staff who works in the defense conversion and retention initiative in the Governor's Office of Business Development as a non-voting member of FBTF.

Colorado Magnet School for Mathematics, Science, and Technology. Senate Bill 172 1991 legislative session), created the "Colorado Magnet School for Mathematics, Science, and Technology". The school is to be a residential educational institution located on the campus of Colorado State University. Grants have been secured for the school, but the Colorado Commission on Higher Education (CCHE) has determined that the CSU site may not be feasible and that space at Lowry would be more appropriate. An application has already been prepared to submit to the Lowry Economic Recovery Project for use of space at Lowry for the school.

Legislation is needed in order to change the site designated in section 22-84-104 (1), C.R.S. Because of the time frame in which FBTF dealt with the issue, the task force will not be able to recommend a bill. *The task force recommends* that a legislative member of FBTF carry the bill and legislative members of FBTF will sign on as co-sponsors. In addition, Dr. Randall, State Commissioner of Education and FBTF member, will work with FBTF legislator members to keep them informed of the Colorado Commission on Higher Education's work in this effort.

STATE OF COLORADO

BY REPRESENTATIVE Ratterree;
also SENATOR Gallagher.

HOUSE JOINT RESOLUTION 93-1012

1 *Be It Resolved by the House of Representatives of the*
2 *Fifty-ninth General Assembly of the State of Colorado, the Senate*
3 *concurring herein:*

4 That the Federal Budget Task Force, appointed pursuant to
5 House Joint Resolution 90-1025, be authorized to continue the study
6 of the impact on Colorado of a reordering of federal government
7 budget priorities in light of probable reductions in the federal
8 budget.

9 *Be It Further Resolved*, That a member of the Federal Budget
10 Task Force serve ex officio on the Colorado space advisory council
11 to the Colorado office of space advocacy, created pursuant to
12 section 24-48-103, Colorado Revised Statutes, that such member be
13 a voting member thereof, and that such member be compensated in the
14 manner set forth in said section 24-48-103.

15 *Be It Further Resolved*, That members of the Federal Budget
16 Task Force shall not be compensated for their attendance at task
17 force meetings and that staff shall be provided to the task force
18 by the Legislative Council and the Office of State Planning and
19 Budgeting.

20 *Be It Further Resolved*, That the Federal Budget Task Force
21 complete its activities no later than January 1, 1994, and that the
22 task force make a final report of its findings and recommendations
23 to the Governor and the General Assembly as soon thereafter as
24 practicable.

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ROOM 029 STATE CAPITOL
DENVER, COLORADO 80203-1784
(303) 866-3521 FAX: 866-3855 TDD: 866-3472

October 6, 1993

The Honorable Name
State House/Senate
Room
State Capitol Building
City, State, Zip

Salutation:

The Federal Budget Task Force, appointed pursuant to Joint Resolution of the Colorado General Assembly, is authorized to study the impact on Colorado of a reordering of federal government budget priorities in light of changes in the federal budget. One of the issues being studied by the Task Force is that of Fitzsimons Army Medical Center located in Aurora, Colorado. The Task Force has become involved in an effort, initiated by the City of Aurora and The Future of Fitzsimons Initiative, to encourage acceleration of the construction of a replacement hospital at Fitzsimons.

The Fitzsimons Army Medical Center serves 952,000 active duty military personnel, veterans, and their dependents in the 12-state Fitzsimons Health Services Region including Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Utah, Wisconsin, and Wyoming. Fitzsimons provides all levels of health care to beneficiaries in these states and is one of eight U.S. Army medical training centers in the United States, in addition to being the only one located in this region of the country.

The major missions of Fitzsimons are to provide tertiary medical care and to provide medical expansion capacity in the event of a national or military emergency. Most recently, Fitzsimons played a key role for troops in need of medical care returning from Operation Desert Storm. Other missions include regional veterinary, dental, and preventive medical support.

Another major mission of Fitzsimons is to provide medical education and training for both active and reserve units. Professional education for medical corps

Mr. Speaker/Mr. President
October 6, 1993
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officers (physicians) includes graduate medical education at the intern, residency and fellowship levels. Because Fitzsimons is accredited to provide this training, this mission **cannot be transferred** without Fitzsimons losing accreditation. While there may be other hospitals within the 12-state region which could be expanded to carry out some of the day-to-day functions, these facilities could not obtain the accreditation Fitzsimons presently has. **Without an accredited Fitzsimons, no military medical training facility will exist in this region of the country.**

We are writing to request that the General Assemblies of those states served by Fitzsimons consider adopting a resolution of support resolving that plans for expansion at Fitzsimons be aggressively pursued, and that the final design for the new facility be completed as expeditiously as possible. A copy of the resolution adopted by the Colorado General Assembly during the 1992 legislative session is attached as well as a Fact Sheet and an informational paper answering ten most frequently asked questions about the Fitzsimons Army Medical Center replacement facility.

Our efforts focus on five main objectives:

- Obtain language through the House and Senate Armed Services Committees authorizing funding to complete the final phase of design for the Fitzsimons project. **COMPLETED**
- Obtain appropriations through the House and Senate to fund the final phase of design for the Fitzsimons project. **COMPLETED**
- Work with the department of Defense (DOD) to expedite the remaining 65 percent of design work for the Fitzsimons project.
- Work with the DOD to expedite the final required revalidation prior to construction.
- Work with Congress and DOD to move forward site preparation and construction appropriations for the new Fitzsimons Army Medical Center replacement hospital.

An additional focus of the Task Force is establishing a Defense Women's Health Research Center at Fitzsimons pursuant to a recommendation of the Armed Services Committee of the U.S. House of Representatives. The committee recommended that the Department of Defense make the following factors key elements in selecting a site: that the site for such a center have long-standing and fruitful relationships with Veterans Administration hospitals and university research teaching hospitals, and that the facility cover a large number of states in its service area. We find that Fitzsimons meets these criteria and ask that you also support an effort to consider locating the Women's Health

Mr. Speaker/Mr. President
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Research Center at Fitzsimons.

Because of the successful work of The Future of Fitzsimons Initiative and Colorado Congresswoman Pat Schroeder, Congressman Dan Schaefer, Senator Hank Brown, Senator Ben Nighthorse Campbell, and other members of the Colorado delegation, Congress has authorized \$390 million for the new hospital and appropriated \$57.4 million for the design of the hospital and related projects. Both bills have been signed into law by the President. Efforts requesting that Congress fund other ancillary projects to begin in FY 1994 will continue until construction of the replacement facility is underway. The major effort to obtain funding for the replacement hospital will be pursued in Congress in 1994 with anticipated funding in FY 1995.

Thank you for your support and assistance. If you have questions, please call Carl Jarrett, staff to the Federal Budget Task Force at 303-866-3521, or David Howlett or Marge Price, Project Coordinators for The Future of Fitzsimons Initiative at 303-825-4959.

Sincerely,

Representative Tom Ratterree
Chairman
Federal Budget Task Force

Representative Peggy Kerns
Vice Chairman
Federal Budget Task Force

Senator Dennis Gallagher

Senator Ray Peterson

Senator Jeff Wells

Representative Rob Hernandez

Representative Ron May

Mr. Ray Chamberlain

Mr. Speaker/Mr. President
October 6, 1993
Page 4

Colonel Phil Conway

Mr. John Donlon

Major General John France

Mr. William Randall

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October 6, 1993

Senator/Congressperson _____
House Office Building
Washington, D.C.

Dear Senator/Congressperson _____:

This letter serves to update you on the activities of the Federal Budget Task Force appointed pursuant to Joint Resolution of the General Assembly. The Task Force was charged with studying the impact on Colorado of a reordering of federal government budget priorities in light of probable reductions in the federal budget.

The Task Force has met once and the primary issue of concern was the release of final funding for the design of a new Fitzsimons Army Medical Center facility. As you may know, the Department of Defense has not released the final design funds. We have written the Senate Presidents and House Speakers of the 11 other states served by Fitzsimons, asking for their support by adopting a resolution resolving that plans for expansion at Fitzsimons be aggressively pursued, and that the final design for the new facility be completed as expeditiously as possible. A copy of the letter we sent is attached and we ask that you support our efforts by writing a letter to the Secretary.

At future meetings, we will be discussing defense conversion and will hear from the Defense Conversion and Retention Council. We will also be briefed on proposals for uses of the facilities at Lowry Air Force Base, and we will be hearing from the Superintendent of the Air Force Academy and from personnel at Ft. Carson Army Base to discuss their contributions to the state's economy and how changes in the Defense budget will alter that contribution.

We trust that you share our concern for the impact on the state's economy of defense conversion, budget cuts at our military installations, and the new Fitzsimons Army Medical Center. We believe that Colorado is in a unique position to meet the challenge required by the reordering of federal defense budget priorities in a proactive and innovative manner.

Carl Jarrett of the Legislative Council staff is staffing the Federal Budget Task

Senator/Congressperson _____

October 6, 1993

Page 2

Force. Please let him know if there is other information we can provide to you, and also let him know which person on your staff he may work with.

We will keep you updated on our work and we thank you for your support in our efforts.

Sincerely,

Representative Tom Ratterree
Chairman
Federal Budget Task Force

Representative Peggy Kerns
Vice Chairman
Federal Budget Task Force

Senator Dennis Gallagher

Senator Ray Peterson

Senator Jeff Wells

Representative Rob Hernandez

Representative Ron May

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November 24, 1993

Representative Chuck Berry, Chairman
Executive Committee of the Legislative Council

Dear Representative Berry:

The Federal Budget Task Force (FBTF) is writing you, as chairman of the Executive Committee of the Legislative Council, to request that members of the task force, in addition to the appropriate members of the Governor's staff, be appointed as an Office of Protocol through an Executive Committee Resolution.

In July of 1990, the Federal Budget Task Force requested that its members be appointed as an Office of Protocol (a copy of that letter is attached). The issue was not addressed by the Executive Committee, and the need to address changes in the federal defense budget has become more urgent.

Because of changes in the federal defense budget and the impact those changes are having on Colorado's defense industry, the task force needs greater awareness of and involvement in the Department of Defense's (DoD) budget policies. In 1990, no entity in the state was carrying out these functions. Presently, the Governor's Office of Business Development carries out these functions, but communication between the Governor's Office and the task force is inadequate for our needs. Task force members wish to improve that level of communication and become more active in DoD policy-making by having members of the task force, along with appropriate members of the Governor's Office of Business Development, appointed as Office of Protocol to the DoD.

The duties of the Office of Protocol would be to act as a liaison to the DoD in order to better monitor the changes in the defense budget and DoD policies which would impact the state's defense industry. The Office of Protocol would maintain lines of communication between Colorado and the DoD, provide information to the DoD on Colorado's defense industry, and would establish relations with visiting representatives of the DoD in the state.

Representative Chuck Berry
November 24, 1993
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In order to further establish and maintain the lines of communication between the task force and the Governor's Office, the task force has written a letter to the Governor asking that a member of his staff be appointed as a non-voting member to the Federal Budget Task Force. A copy of that letter is also attached.

Thank you for your consideration of this matter. I look forward to working with you and the Governor's Office to resolve this issue.

With best regards,

Representative Tom Ratterree
Chairman, Federal Budget Task Force

cc: Governor Roy Romer

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November 24, 1993

Governor Roy Romer

Dear Governor Romer:

The Federal Budget Task Force (FBTF) is writing this letter to request that a member of your staff be appointed as a non-voting member to the task force. As you know, the FBTF is established by resolution and is charged with studying the impact on Colorado of a reordering of federal budget priorities in light of reductions in the federal budget. The task force has focused its efforts on changes in the state's defense industry as a result of changes in the Department of Defense (DoD) budget.

As part of its work during the 1993 interim, the task force heard from Stewart Bliss, your former chief of staff, regarding changes in the federal budget and the effect of those changes on the state's budget. We also heard from John Mullins and Michelle Harper regarding the work of the Office of Business Development and defense conversion and retention initiatives.

In previous years, the task force has felt the need to increase the level of communication between the task force and members of your staff. During our hearings this interim, we reaffirmed that need. In order to improve the level of communication between the task force and your staff, we are asking that you appoint Michelle Harper in the Office of Business Development as a non-voting member of the FBTF. We suggest Ms. Harper because of her expertise in defense conversion and retention initiatives. However, we are aware that the Office of Business Development may eventually become part of a new Executive Branch department. In that event, we ask that the appropriate person from your staff be appointed to the FBTF.

In order to further open the lines of communication between the FBTF, your office, and the DoD, we have written a letter to the Executive Committee of the Legislative Council asking that task force members, in addition to appropriate members of your staff, be appointed as Office of Protocol to act as a liaison between the state and the DoD (a copy of that letter is attached). We understand that Ms. Harper of your

Governor Roy Romer
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staff currently serves as a liaison between the state and the DoD as well as the Department of Energy.

Thank you for your consideration of these matters. I look forward to working with you and the Executive Committee to resolve these issues.

With best regards,

Representative Tom Ratterree
Chairman, Federal Budget Task Force

cc: Representative Chuck Berry, Chairman
Executive Committee of the Legislative Council

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HOUSE JOINT RESOLUTION 94-

WHEREAS, House Joint Resolution 93-1012, enacted at the First Regular Session of the Fifty-eighth General Assembly, continued the activities of the Federal Budget Task Force; and

WHEREAS, The Federal Budget Task Force met on three occasions during the 1993 legislative interim and will make its recommendations to the Governor and the General Assembly no later than the required reporting date of January 1, 1994; and

WHEREAS, a survey of Colorado state government departments identified 195 federal programs which contain mandates for state or local governments, over 100 of which contain direct orders for which noncompliance will result in sanctions or the loss of federal aid; and

WHEREAS, between 1981 and 1990, Congress enacted 27 new laws or major amendments which added significant requirements for state and local governments; and

WHEREAS, in Colorado in FY 93, \$793.9 million or 11.9 percent of the total state budget and \$715.8 million or 23.2 percent of General Fund spending was to comply with federal mandates or conditions of aid; and

WHEREAS, Congress is currently considering at least 60 bills which contain some form of mandates or requirements for state or local governments; and

WHEREAS, Several mechanisms were created in the 1980s to help limit the growth in federal regulation of state governments including the fiscal notes requirement in the Congress, the Paperwork Reduction Act, and the Regulatory Flexibility Act; and

WHEREAS, While these mechanisms offer potential for limiting and mitigating the burdens of federal regulation of state governments, the mechanisms are not perfect, and growth of mandates has continued at a rapid pace; now, therefore,

Be It Resolved by the House of Representatives of the Fifty-eighth General Assembly of the State of Colorado, the Senate concurring herein:

That state departments identify those bills pending in the Congress and regulations to be prepared within the executive branch of the federal government that may have significant effects on state governments.

Be It Further Resolved, that state departments press committees and subcommittees of Congress responsible for the identified bills to consider the effect on state and local governments.

Be It Further Resolved, that state departments call for the preparation of fiscal notes by

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the Congressional Budget Office on significant provisions of those bills before final subcommittee and committee action.

Be It Further Resolved, that state governments educate the public about the impact of federal regulation on state and local governments and their respective budgets.

Be It Further Resolved, that federal, state, and local governments should continue to evaluate ways to improve regulatory relief mechanisms and give high priority to the development of a more effective, efficient, and equitable intergovernmental partnership to achieve shared objectives with minimal unilateral and costly regulation.

MEMORANDUM

November 4, 1993

TO: Members of the Federal Budget Task Force

FROM: Legislative Council Staff

SUBJECT: Status of Recommendations by Committee in Previous Years

This memorandum summarizes the recommendations of the Task Force on Federal Civilian and Defense Expenditures (the predecessor to the Federal Budget Task Force) made in a July 1990 Report to the Governor and the General Assembly, and the recommendations of the Federal Budget Task Force (FBTF) made in a January 1991 Report to the Governor and the General Assembly. Where known, the status of those recommendations is indicated.

JULY 1990 REPORT RECOMMENDATIONS

- Develop a greater understanding of the defense industry by initiating a semiannual report on its impact from the Office of State Planning and Budgeting.

ACTION: The Office of State Planning and Budgeting (OSPB) issued the report, "Impact of the Defense Industry on the Colorado Economy," in February 1991. The report is being updated and a revised edition should be available within weeks.

- Establish a defense expenditures advisory council composed of private and public sector leaders for the purpose of advising the Governor, legislative leaders, and the Federal Budget Task Force.

ACTION: The General Assembly has not established this advisory council. However, several groups such as the Governor's Defense Conversion and Retention Council, the Lowry Economic Recovery Project, and the Future of Fitzsimons Initiative review defense expenditures as part of their operations and duties.

- Initiate a continuous and close working relationship with Colorado's congressional delegation to keep the state apprised of changes in the federal defense budget.

ACTION: Because of the nature of the FBTF (it only meets during the interim between legislative sessions and is staffed by a different person each year), the task force has not maintained a "continuous and close working relationship" with the congressional delegation. However, it appears that the congressional delegation has been in contact with the task force each interim, including the current interim, when letters were sent by the task force to the congressional delegation and when Senator Brown addressed the task force. In addition, the Governor's Defense Conversion and Retention Council has invited members of the Congressional delegation and their staff to participate in the work of the council's four committees.

- Designate the Federal Budget Task Force as a liaison to the federal Department of Defense (DoD), other federal agencies, and private defense related industries so that the state has an established and well identified group of officials to refer inquiries regarding the military's presence and potential in Colorado.

ACTION: The FBTF, on July 13, 1990, received a Legislative Council memorandum which outlined the procedures for designation as Office of Protocol to the US DoD. Two options were outlined: 1) ask the Governor to designate the FBTF as Office of Protocol by executive order; and 2) ask the Executive Committee of the Legislative Council to designate the FBTF as Office of Protocol. The FBTF chose to approach the Executive Committee of the Legislative Council for the designation, and a letter was written from the task force to the chairman of the Executive Committee. After searching through Executive Committee minutes, staff was not able to find any record that the issue was ever addressed by the Executive Committee. While it appears that no action was taken by the General Assembly towards this goal, it should be noted that Michelle Harper, who manages the defense conversion and retention initiatives located in the Governor's Office of Business Development, serves as a liaison between the state, the DoD, and the Department of Energy on defense conversion and retention matters.

- Enhance support for existing space-related facilities and increase efforts to attract similar businesses (such as space system division activities from Los Angeles to Colorado Springs) as Colorado seeks to achieve a preeminent position in space science and industry.

ACTION: No specific program has been implemented to attract space-related facilities and businesses to the state, but the Governor's Office of Business Development is involved in efforts to retain operations in existing defense industry facilities and attract new projects as part of its normal operations.

- Strengthen the state's major research universities in space science.

ACTION: The Colorado Commission on Higher Education (CCHE) has established the Colorado Space Grant Consortium. CCHE distributes funds among consortium member campuses to establish computer networks, to extend communications and video facilities, to enable interactive teaching, to support graduate and undergraduate students at member campuses, and to support the pre-collegiate outreach effort. CCHE funds effectively double the number of students actively involved in small rocket and shuttle research. CCHE funds also enable the upgrading and teaching of aerospace science and engineering throughout Colorado and are used to support special outreach activities such as NASA workshops for teachers.

- Nurture an effort by the newly created Math-Science-Technology Commission to develop a statewide math-science-technology initiative.

ACTION: Two bills were adopted during the 1991 legislative session concerning math, science, and technology. S.B. 172 (Schaffer/Irwin) created the "Colorado Magnet School for Mathematics, Science, and Technology," which is to be a residential educational institution. H.B. 1121 (T. Hernandez/Meiklejohn) created the Colorado Mathematics-Science-Technology Commission which is charged with creating a program of systemic change in pre-K through 12 and postsecondary mathematics, science, and technology education.

- Forge a legislative-executive program to assist the competitiveness of Colorado business in the national marketplace.

ACTION: Staff was not able to find evidence of any efforts to establish legislative-executive branch programs to make Colorado more competitive in the national marketplace.

JANUARY 1991 REPORT RECOMMENDATIONS

- Increase communication between the DoD and the Colorado General Assembly by asking an oversight group such as the FBTF to monitor DoD activities and by reestablishing communication between this group and the congressional delegation.

ACTION: While no formal long-term plan has been adopted to address this goal, the FBTF has recently reestablished communication with the congressional delegation and the executive branch. Again, the nature and structure of the FBTF (meeting only during the legislative interim and no permanent year-round staff) inhibits continuous communication.

- The executive and legislative branches must be more proactive in communicating Colorado's needs as Congress considers issues that impact Colorado by hiring a permanent liaison located in Washington, D.C. to report pertinent data to designated parties in Colorado and to communicate Colorado's position on fiscal policy to members of the congressional delegation.

ACTION: Staff is unaware of any efforts to accomplish this goal.

- Better prepare Colorado institutions of higher education to address economic development needs in the state, including the possible move of the Space Systems Division to Colorado, by studying the role of higher education in economic development, including the level of programs needed and further use and feasibility of cooperative programs through telecommunications.

ACTION: CCHE has initiated several efforts to study the need of higher education to address economic development needs. The Denver Metro Area Needs Draft Final Report notes the goal to conceive a strategy to meet the education needs of the Denver area for the next ten years. The CCHE Master Plan Background Paper, "As a State, What Level of Participation in Postsecondary Education is Necessary to

Assure a Just and Economically Successful Society?", outlines the need to raise the educational/skill level of the population in order to improve productivity and remain economically competitive. In addition, one of the goals in the CCHE's Master Plan is to maintain the quality of graduate and research programs and to enable their continuing contribution to the economic future of the state. Objectives to achieve the goal included creation of research partnerships among higher education, the federal government, industry, and small business, and strong investment in high-quality graduate education and research.

- **Pursue efforts to diversify the state's economy by asking the Office of State Planning and Budget to study economic conversion efforts and the success of those efforts in Colorado and in other states.**

ACTION: As part of its report, "Impact of the Defense Industry on the Colorado Economy," the OSPB has addressed the issue of defense conversion. As reported above, a revised edition of the report will be available within weeks.

For further information, please contact
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