



Contact



Calendar



Facebook



Twitter



Staff



Partners



Publications



Videos



Awards

[Return to Headlines](#)

Legislative Alert: March 29, 2016

Legislative Alert
Act now on issues that matter to school boards

COLORADO ASSOCIATION OF SCHOOL BOARDS

Free up funds for K-12 by reclassifying Hospital Provider Fee

Politics often makes for strange bedfellows. However, the bed being shared is usually not a hospital bed. Such is the strange mix of partners who find themselves in the middle of the Hospital Provider Fee (HPF) debate. After multiple years of budget cuts, groups representing transportation, higher education and K-12 education find themselves facing additional deep cuts that will adversely impact the entire state.

Originally, the HPF was intended to help secure federal dollars to pay for medical care for the poor. Colorado hospitals collect the fee and then those funds are passed through the state General Fund and on to the federal government to leverage additional money from Medicaid.

The rub is that the Colorado legislature did not classify the HPF as an enterprise when the bill was originally approved. An enterprise fund can be thought of as a “government-owned” business. The “business” works apart from the normal state government operations. If the HPF had been set up as an enterprise fund from the beginning, these dollars would have been excluded from the Taxpayer’s Bill of Rights (TABOR) calculation and revenue limits.

Speaker of the House Dickey Lee Hullinghorst has introduced a bill to reclassify the HPF as an enterprise fund. [House Bill 16-1420](#) – the Colorado Healthcare Affordability and Sustainability Enterprise – would make approximately \$65 million available in the state General Fund for the 2016-17 fiscal year. These much-needed funds would benefit transportation, colleges and universities and K-12 education.

Colorado Attorney General Cynthia Coffman believes there is solid legal foundation for the change. Coffman’s opinion states:



"The term "government-owned business" has, for purposes of TABOR, been broadly interpreted by the courts, and the General Assembly has repeatedly relied on the enterprise exception to enact fiscal policy at the state level without seeking voter approval. ... Based on these considerations, this formal opinion concludes that organizing the HPF as a TABOR-exempt enterprise would not contravene current law."

Even with the affirmative opinion from the Attorney General's office, the move to change the HPF is far from a sure thing. Some legislators are opposed to HB 1420 and have vowed to fight it on grounds that it violates the spirit of TABOR.

CASB is calling on all members to speak up in support of reclassifying the HPF. CASB members have clearly spoken in support of the change with a resolution passed at the Delegate Assembly:

CASB Resolution 3.25 Hospital Provider Fee

CASB urges the General Assembly to free up critical state dollars for K-12 education by designating the hospital provider fee as an "enterprise."

Rationale: The hospital provider fee is charged to hospitals that participate in Medicaid and is based on patient revenues. Revenue from the fees counts towards the TABOR limit, even though most of the money goes straight back to the hospitals and is not revenue for the state. While not a permanent solution, designating the hospital provider fee as an enterprise would eliminate the state's obligation to issue taxpayer refunds in the short term.

– Matt Cook and Jane Urschel

Call to action

CASB is encouraging all member school boards to clearly express their support of HB 1420 by taking the following steps.

1. Pass a resolution from your board officially stating support for changing the Hospital Provider Fee to an enterprise fund.

1. A [sample resolution](#) is available on the CASB website.
2. When your board adopts a resolution of support, please let CASB know.

2. Contact your representatives and senators. Let them know your board supports HB 1420.

1. Schedule meetings, email and call to state your case.
 1. [Contact information for the Colorado House](#).
 2. [Contact information for the Colorado Senate](#).
3. Not sure who your representatives and senators are? [Locate them here](#).

3. Attend a CASB Day at the Capitol.

1. CASB members from any region are welcome; [here is the remaining schedule](#)
2. Use the time to meet face-to-face with your legislators. Let them know how eight years of budget cuts are impacting students in your district.

While excluding Hospital Provider Fee funds from TABOR revenue limits is an important step toward resolving short-term budget pain, it is not the ultimate solution. The Negative Factor remains at approximately \$830 million. This is a debt owed to Colorado schoolchildren, and it must be repaid. CASB remains committed to developing a fair and sustainable funding model for Colorado public education.

If you have additional questions please contact CASB at 303-832-1000 or 800-530-8430.

Address Colorado Association of School Boards
2253 S. Oneida St., Ste. 300
Denver, CO 80224

Phone
303-832-1000 or 800-530-8430

Fax
303-832-1086

Advancing excellence in public education through effective leadership by locally elected boards of education.

[Site Map](#)

[Terms of Use](#) [Questions or Feedback?](#) [Blackboard Web Community Manager Privacy Policy \(Updated\)](#)

Copyright © 2002-2019 Blackboard, Inc. All rights reserved.