

# State and Federal Policy Updates

March 2018



## UNDER THE COLORADO STATE DOME

With less than 40 days left of the legislative session, CBSA continues working towards advancement of legislation that improves the

business, workforce and industry growth strategies in the State. At the same time we are addressing bills that threaten a negative impact on the industry.

Of the bills introduced to date this session:

### CBSA SUPPORTS

- HB18-1135: Extend Advanced Industry Export Acceleration Program
- HB18-1185: Market Sourcing for Business Income Tax Apportionment
- SB18-022: Clinical Practice For Opioid Prescribing
- SB18-042: Concerning the creation of the agricultural workforce development program

### CBSA OPPOSES

- HB18 – 1009: Diabetes Drug Pricing Transparency Act 2018
- HB18-1260: Prescription Drug Price Transparency
- SB18-023: Promote Off-label Use Pharmaceutical Products
- SB18 – 080: Wholesale Canadian Drug Importation Program

### CBSA NEUTRAL

- HB18-1128: Protections for Consumer Data Privacy
- SB18-152: Prohibit Price Gouging on Prescription Drugs
- HB18-1179: Prohibit Price Gouging on Prescription Drugs

CBSA continues to promote dollars within the Governor's budget to reauthorize the [Innovative Industries Internship Grant Program](#). This is an important program assists with internship costs and is a great support to our industry and members.

### LOOKING CLOSER AT TRUE TRANSPARENCY

This month CBSA testified in opposition to [House Bill 1260, Prescription Drug Price Transparency](#) and [House Bill 1009, Diabetes Drug Pricing Transparency Act 2018](#). As an industry we advocate for true transparency to support patients and ensure people live longer, healthier lives.

Read our [recap](#) of the HB18-1260 hearing and CBSA's testimony. And to learn more about CBSA's position to oppose HB18-1009 please review our [fact sheet](#) and [testimony](#).

## Jennifer Jones CBSA Vice President



Please use [this form](#) to contact your legislator and ask for a NO vote.

To learn more, visit the Colorado BioScience Association's [True Transparency advocacy campaign](#). Be sure follow CBSA on social media to view, like, and share our true transparency posts on [Facebook](#), [Twitter](#) and [LinkedIn](#).



### TRANSPARENCY IN WASHINGTON, D.C.

Across the U.S. state policy conversations on pricing and transparency are being held, while those same conversations are taking place in Washington, D.C. Read the FDA Commissioner Scott Gottlieb, MD speech to the America's Health Insurance Plans' (AHIP) at their National Health Policy Conference. The speech titled, "[Capturing the Benefits of Competition for Patients](#)." In line with CBSA's support of [true transparency](#), the FDA Commissioner addressed that "every member of the drug supply chain needs to take responsibility for addressing it (pricing)." He continued "...bringing more drug competition to the market, and addressing the high cost of medicines, is a top priority of the Administration and of the Secretary of Health and Human Services. The FDA is working closely with Secretary Alex Azar on crafting policy options that can improve competition, access, and the chance for patients to benefit from safe, effective, and lower cost biosimilar alternatives."

CBSA will monitor the FDA's work on crafting policies closely and communicate with the CO delegation on how they may impact our industry positively or negatively. We are encouraged to be a part of these conversations as we ensure patients have access to life saving drugs and innovations.

# Budget Updates

## March 2018

### OMNIBUS SPENDING BILL

This month in Washington, D.C. the Senate and House voted and the President signed the \$1.3 trillion omnibus spending bill. Its passage will keep the federal government open for the rest of the fiscal year. We were pleased to see the bill included a \$3 billion increase to NIH funding. The additional details related to our industry are listed below. To learn more about bill and what it does [click here](#) and read our blog post [here](#).

### CO STATE BUDGET AND MARCH FORECAST

Every December and March, the state issues an updated budget forecast based on policy changes and actual performance since the last forecast.

Strong consumer spending, the stock market, and changes in federal tax policy have projected to grow Colorado's state general fund by as much as \$1.29 billion next fiscal year. Approximately \$250 million is attributable to the change in federal tax policy, which will result in the state collecting more income tax revenue.

The March quarterly revenue forecasts released this month by the Office of State Planning and Budgeting (OSBP) and Colorado Legislative Council both project a boost in tax collections this fiscal year and the following, projecting \$500 million more to spend than expected in the previous forecast. This is important to note, as the Colorado General Assembly is using these projections to draft the 2018-2019 state budget.

We also know from the recent quarterly forecast, in FY2017-18, the state expects to have \$11.3 billion to spend in its discretionary general fund. Gross General Fund revenue is expected to increase an additional 7.2 percent in FY 2018-19 to total \$12.2 billion. Revenue expectations are consistent with an economic forecast of continued employment growth and moderate to strong increases in income and consumer spending. According to the forecast, the State anticipates a TABOR refund in tax year 2019 in the amount of \$30.3 million.

Whenever there is a surplus of money—or, conversely, when money is scarce—lawmakers and interest groups all pursue funding for their priorities. A little more about the fund and proposed funding:

Below reflects a sample of the Joint Budget Committee's funding discussions and outcomes for the 2018-19 CO State Budget:

**Transportation:** The Joint Budget Committee agreed to set aside \$495 million in one-time money for transportation projects.

**K-12:** K-12 spending would rise nearly 6% per pupil. The proposal calls for an extra \$150 million in annual K-12 education funding— an additional \$50 million beyond what the governor had requested.

**PERA (Public Employees' Retirement Association):** The budget package sets aside \$225 million to pay down PERA's \$32 billion unfunded liability, but it's not clear how much of that would actually be spent next year.

**State Employees:** State employees would get a 3% pay raise.

**Higher Education:** The spending plan includes \$82 million more in discretionary spending for higher education, a 9 percent increase that is designed to help limit tuition hikes next school year.

**Opioid Addiction:** The spending bill takes \$4 million from marijuana taxes and puts it toward programs outlined in House Bill 1003, including money for short-term intervention and screening for those at risk of substance abuse.

The Colorado House of Representatives passed a \$28.9 billion state budget package which maintained the basic outcomes of the Joint Budget Committee reflected above. The budget will now go to the CO State Senate where it will be debated over the following week.

There remains a lot of negotiations, discussions, and action to take place on the final outcomes of the 2018-19 CO State budget. We will keep you updated in the weekly policy blog post. Review [Focus Colorado: Economic and Revenue Forecast](#) for more information information on the forecast.

### WHAT IF COLORADO SCHOOLS WERE #1?

The Colorado BioScience Association is partnering with Colorado Succeeds and other Colorado business leaders on a business guide for Colorado's next governor. The business guide looks at "What if Colorado's Schools were #1?"

**INFORM OUR EFFORTS:** You are invited to partake in a brief survey regarding the skills gap that your company may face in Colorado. This anonymous survey should take less than seven minutes. Results will be shared with all 2018 gubernatorial candidates explaining how employers view the skills gap and what strategies are needed to improve Colorado's schools.

Please [click here](#) to take this brief survey.