



**Kelly Brough,  
President and CEO**

**HB16 – 1420,  
*establishing an enterprise for the hospital provider fee***

**Senate Finance Committee  
May 10, 2016**

Thank you Mr. Chair and members of the committee. My name is Kelly Brough and I am the president and CEO of the Denver Metro Chamber of Commerce, an organization representing over 3,000 businesses and their 300,000 employees.

In addition to the Chamber I am also representing the Metro Denver Economic Development Corporation and the South Metro Denver Chamber of Commerce. We strongly support HB 1420.

HB 1420 is the right move for Colorado. We firmly believe that by including the state's Hospital Provider Fee as general revenue, revenue that wasn't included when voters established the current TABOR limits in 2005, we aren't accurately reflecting our state's true economic growth.

The Hospital Provider Fee has in no way boosted spending under TABOR. However, the more than \$600 million a year it generates is included in the TABOR cap on revenue growth. These funds don't actually reflect economic growth; instead, they represent a new revenue source, one that was endorsed by those who pay it and that is set aside for a very specific purpose – expanding health care access in Colorado. That's why, as supporters of TABOR, we've advocated for more than a year that the provider fee be established as an enterprise fund.

Further, now is the perfect time to address this problem because we are not eliminating a tax payer's refund this year. If we fail to correct the current situation, we run the risk of losing hundreds of millions of much-needed dollars for roads, bridges and education in coming years.

If Colorado continues to realize modest economic growth, this will deliver about \$700 million more to transportation by 2020. The shortfall faced by the state during that same period of time would be reduced by an estimated half a billion. By 2024 that \$500 million would add up to \$2 billion cumulatively. Meaning education, both K-12 and higher education, face less cuts.

And, when our economy truly grows past the TABOR limits that were established in 2005, we will support refunds when the formula dictates. Reauthorizing the Hospital Provider Fee as an enterprise fund is not a TABOR run around because it doesn't involve taxpayer funding. Instead, it simply follows TABOR's intention: it would no longer commingle the revenue generated by the fee with General Fund dollars. This action would make both the Fee and General Fund expenditures clearer and more accountable than ever. Taking this action fixes the unintended consequence of the Hospital Provider Fee which is now causing cuts in funding to our roads and our schools.

Look around this room today and you'll see that this isn't a unique view but it is shared by many: education leaders, health care leaders, business leaders, civic leaders – most of whom have no direct benefit to this action. As a matter of fact, our sole interest is to ensure the State is able to do its part (provide these critical government services) as we grow our economy.

Over 100 regional and statewide business, transportation, and civic groups broadly support this fix. We're part of a coalition called Fix the Glitch, which came together to support this common-sense solution. When you look at our group, you see there is support for this in every corner of Colorado, in every county of Colorado, from a range of industries and company sizes and from the private, public and non-profit sectors. You should have received a list of Fix the Glitch supporters earlier this morning.

Editorial support for a solution like this has come from the Denver Post, the Grand Junction Sentinel, The Pueblo Chieftain and the Durango Herald, just to name a few. Many of whom are strong TABOR supporters and the Colorado Springs Gazette recognized that the fee "is not money out of any state taxpayer's pocket."

We are strong supporters of TABOR and support refunds when the formula dictates, but that means we have to ensure the formula is right—that is what we are asking you to do today. Make this change to fix the formula and do what is best for Colorado's economy--pass HB 1420.

Please support HB 1420.