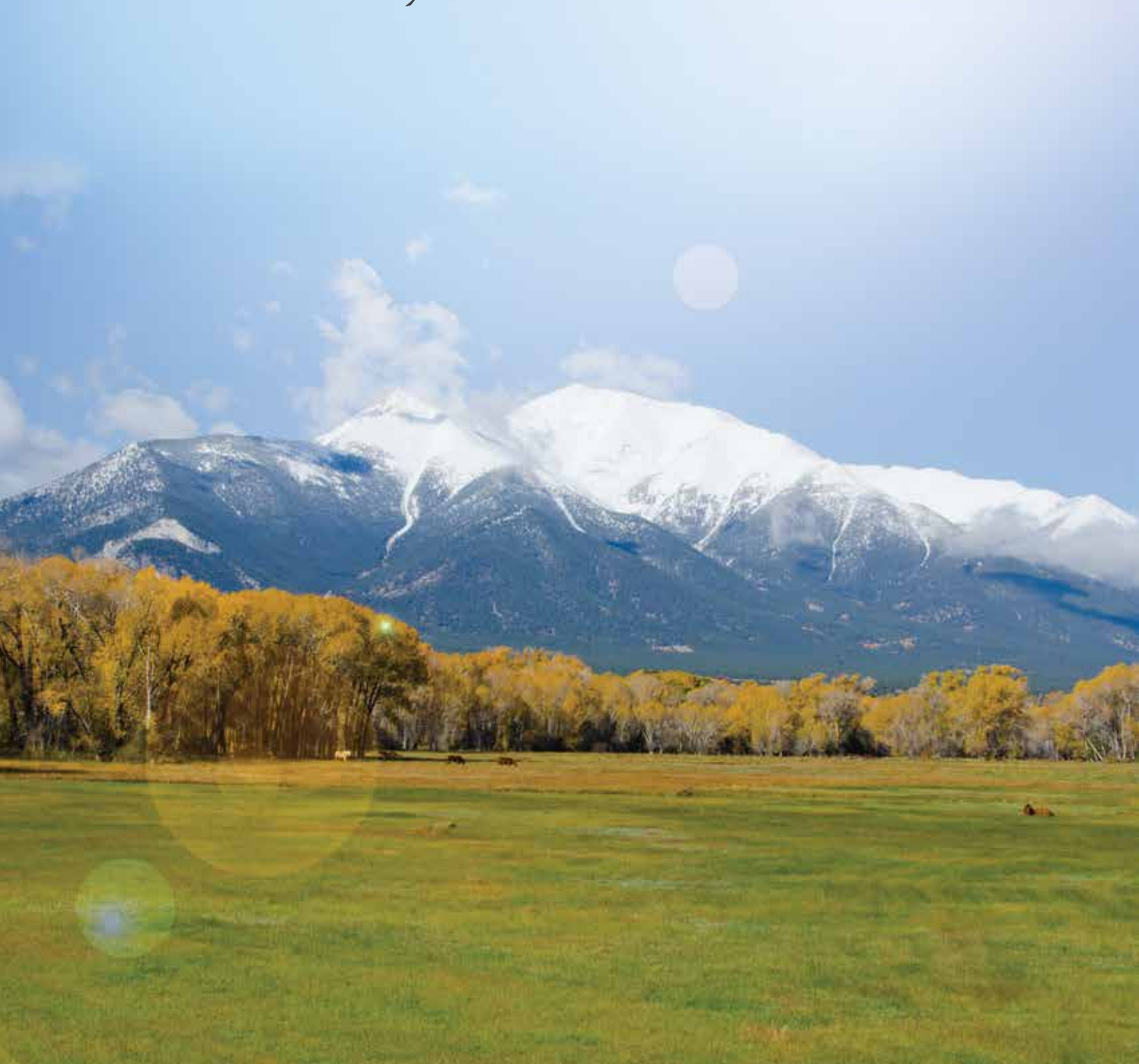


COMMON SENSE

Policy Roundtable

2015
ANNUAL
REPORT



www.CommonSensePolicyRoundtable.com

Common Sense Policy Roundtable, 4950 South Yosemite Street F2 #314, Greenwood Village, CO 80111

LETTER FROM BOARD CHAIR EARL WRIGHT

Dear CSPR Supporters and Stakeholders,

Common Sense Policy Roundtable (CSPR) has just completed its 5th year! The goal to be the go-to-fiscal policy think tank for Colorado's economic future is coming to fruition, and at the end of our 5th year our directors and staff all feel a strong sense of accomplishment. At the same time, we are all catching our breath from all the work we have done. Our mission of assessing public policy issues that would impact Colorado's jobs and the economy has had a laser focus and has been impactful.

In 2015, we were asked to weigh-in and suggest a reasonable common ground for educational outcome measures, which did not over burden our educators, but still kept the system accountable for those outcomes. Quite simply, increasing graduation rates and student proficiency must occur if we are to meet the growing sophistication of the Colorado job market. Having an overabundance of tests is not the answer. Coordination of these tests is.

On another issue, PERA's huge actuarial deficit continues to confront our states fiscal future. Conflict of interest dominates the PERA Board of Directors. It is self-serving to the detriment of the Colorado citizens. In 2015, we were asked to comment on a suggestion to burden PERA with a bond offering, whose proceeds would be invested to help close some of its actuarial gap. The math worked in a certain financial world, but that is not reality and again this suggestion avoided the real answer – the system needs revamping to reflect the real marketplace.

CSPR also received a request that has really challenged us, and we are still formatting an approach to this “must answer question.” CSPR was asked, “Considering the growth of Colorado and its budgetary needs what is the most effective tax structure to support the growth of our jobs and economy?”

Another issue that fits the REMI econometric model of Colorado is the Colorado Minimum Wage Increase study, which CSPR began working on in 4th quarter of 2015. Initial indications are interesting, which we look forward to sharing in 2016.

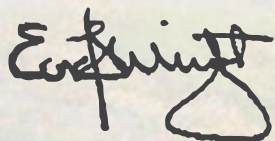
CSPR continued our charge to present reliable economic research on one of the most important current economic issues facing the state, which are the fracking regulation challenges facing Colorado's energy industry. To help understand the significance of lower oil prices on the state budget we did an assessment of this on the state budget. Our REMI modeling suggested the state would lose as much as \$200MM in severance tax revenues over a three year period. In addition, local school districts and communities would lose tax dollars. The continuation of low oil prices will present a problem for our state budget.

Probably the most relevant REMI study we conducted in 2015 was our updated fracking setback study, which was a sensitivity analysis of various proposed setbacks. This is a must read report that can be found on our website: www.CommonSensePolicyRoundtable.com. If 2,000 foot setbacks were enacted, the energy industry would likely be decimated. Thousands of jobs, hundreds of companies and over time billions in local and state revenues would be lost. Our mission is to not judge the consequences but present the impact as best we can.

I am also proud to welcome the addition of Charlie McNeil and Heidi Ganahl to our Board. Both are exceptional in their own right and terrific in their insight on the issues our state faces. As we begin 2016, we look forward to continuing to provide unbiased insights on the relevant issues facing Colorado. During our five year evolution we have become that go-to source which is evident in the expanding list of requests from many of our public officials, industry groups and Colorado voters.

Thank you for your continual support and interest in Common Sense Policy Roundtable.

Sincerely,



Earl L. Wright
Chairman of Board

BOARD OF DIRECTORS



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STAFF

PUBLIC OUTREACH & EDUCATION



WHAT IS REMI?

REMI gives agencies across the country the ability to forecast and simulate policy scenarios. The model is customized for Colorado, based on the number of industrial sectors and regions being analyzed. Unlike traditional Input-Output models or employment multipliers, our model features a dynamic component for modeling economic impacts over time out to 2060.

These components of the model create a robust and accurate forecasting tool that responds to changes in the economy. The model also has a transparent, peer-reviewed structure. We are the only organization in the state using the REMI model, and its value is measured by the significant exposure and citation our studies have received across the country. Using REMI puts a spotlight on the state's big issues, such as energy development, budgeting, Medicaid, and PERA.

REMI Media Interviews

Colorado Public Radio	Natural Resources
Denver Post	Defense Council
Denver Business Journal	Northern Colorado
Colorado Biz	Business Report
Coloradoan KUNC	Daniel Kavouras
Wyoming Business Report	

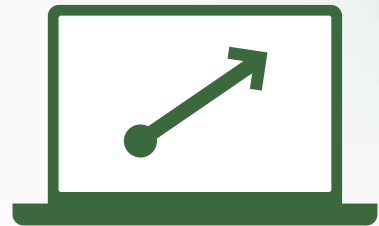
REMI Presentations

Annual REMI Conference	Energy Council of East Weld (Fort Lupton)
Coloradans for Responsible Energy Development (CRED)	Energy & Environment Symposium
Colorado Association of Commerce & Industry (CACI)	Governor Hickenlooper Littleton Rotary Club
Colorado Business Roundtable	MDEDC Board (multiple)
Conference of Western Attorneys General (CWAG) and the Energy Independence Coalition (EIC) Denver Rotary	MDEDC Colorado Energy Coalition MDEDC Tax Committee
Denver South EDP (multiple)	The Michael Brown Show 630KHOW and 850KOA
	University Club (First Tuesday Club) (multiple)

PUBLIC OUTREACH & EDUCATION

WEBSITE STATISTICS

In 2015, there were over **325,122 website** page views.
The Douglas County study alone was downloaded nearly **3,000 times**.



Unique Visitors

39,830



of Visits

63,045



Pages

325,122



Downloads

4,936

EXPANDED REACH



We also **re-designed our Facebook page** to better integrate with other media platforms.
CSPR reached **more than 270,101** people on Facebook in 2015.



Impressions

270,101+



Interaction

3,509



Content

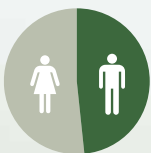
57



Likes

2,463

FACEBOOK DEMOGRAPHICS:



our fans are
54% female
and **46%** male



of our fans are
between 18-34
years of age



of our fans are
between 35-54
years of age



of our fans are
55 or older

REMI STUDY: UPDATED ECONOMIC ASSESSMENT OF COLORADO OIL AND GAS PRICES

In August, CSPR and its REMI partners released a study by researchers at the University of Colorado's Leeds Business Research Division that reevaluated the oil and gas industry's impact on Colorado's economy due to significant oil price declines.

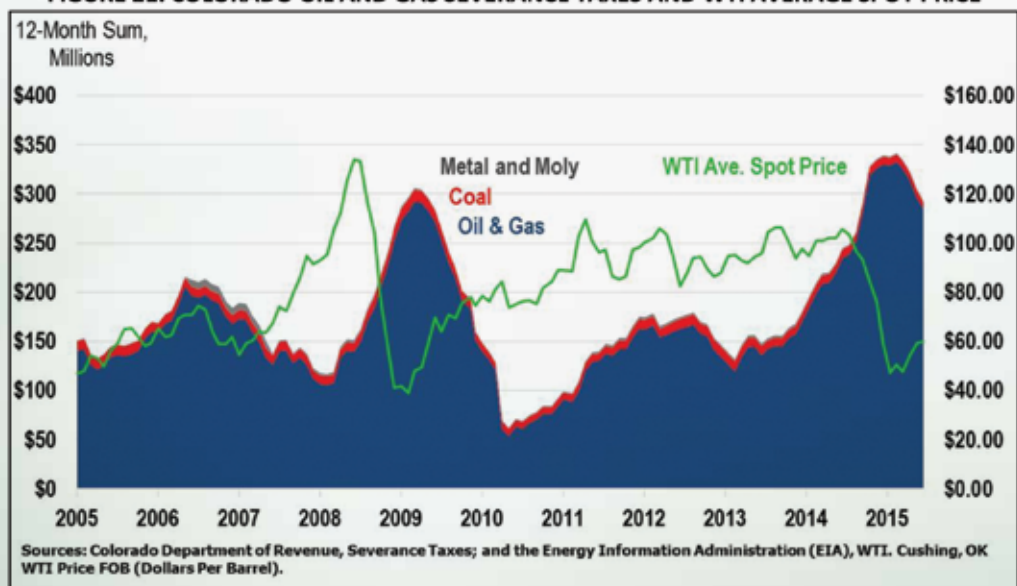
The researchers also worked with CSPR Board member Scott Martin's firm, EE3, LLC, to analyze data and develop their oil price projections.

Brian Lewandowski, lead author and associate director of the Business Research Division, predicted a decline in oil production in Colorado in the near future. "While production thus far has remained stable, we anticipate a fall," said Lewandowski.

One side effect of the decline could be property and severance taxes paid by the oil and gas industry. They translate to a public revenue stream for Colorado counties, cities, special districts and school districts.

"What happens when the prices are cut in half? That revenue stream is essentially cut in half," said Lewandowski.

FIGURE 21: COLORADO OIL AND GAS SEVERANCE TAXES AND WTI AVERAGE SPOT PRICE



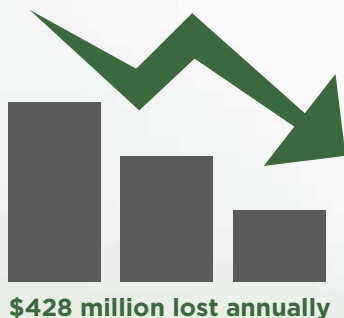
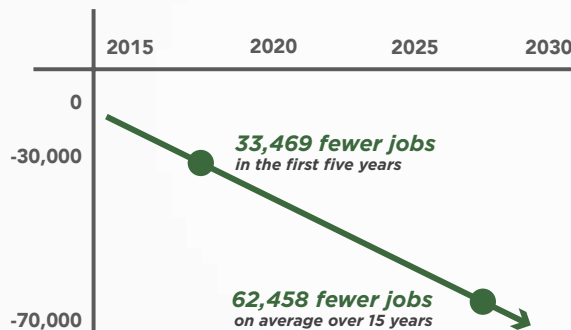
REMI STUDY: SETBACK UPDATE

Once again in 2015, multiple ballot initiatives were filed by various environmental groups that, if enacted, would negatively impact Colorado's energy industries. Several of those initiatives involved mandatory setbacks of oil and gas wells from structures that ranged from 2,000-4,000 feet.

CSPR and its REMI partners first looked at the economic impacts of mandatory setbacks in 2014, but with a significant decline in oil prices since that study was released, an update with current commodity pricing information was prepared to ensure that our data was consistent with real world conditions.

Despite the price downturn, the updated study found significant negative economic impacts on jobs, GDP, personal income, and tax revenues, as detailed in the chart below.

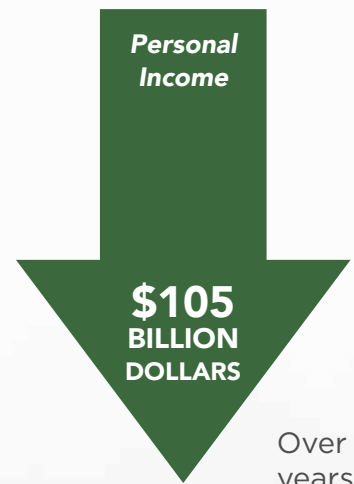
FEWER
JOBS
1 IN 41
WORKERS
AFFECTED



TAX
REVENUE
LOST

That's **\$428 million less** to spend on schools, roads, public safety, and other budget priorities.

Current Colorado tax revenue from the oil and gas industry totals \$1.2 billion



PERSONAL
INCOME LOST

\$7 billion in personal income lost, on average, every year between 2015-2030, for a total of **\$105 billion in lost income.**

DOUGLAS COUNTY'S DRAMATIC SHIFT- TREATING TEACHERS LIKE PROFESSIONALS

BY: HON. PETER C. GROFF MCG2 CONSULTING



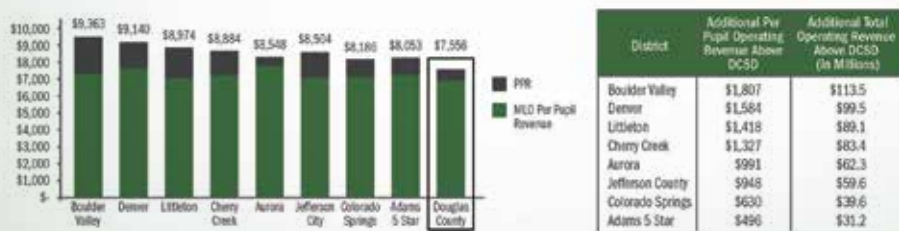
The critical importance and impact of great teachers is undebatable. “The national research is clear: good teachers dramatically increase student’s achievement” while ineffective teachers stunt student growth.

In 2015, CSPR and the Honorable Peter Groff took a hard look at the results of education reform implementation and its results in the Douglas County school district. A portion of that report is excerpted below.

In fact, Douglas County School Superintendent Elizabeth Fagen says “two poor teachers in a row and a student doesn’t recover.” That frightening statement is backed up by Kati Haycock, the CEO of The Education Trust and co-author of “Teaching Inequality: How Poor and Minority Students are Shortchanged on Teacher Quality” who says “The research shows that kids who have two, three, four strong teachers in a row will eventually excel, no matter what their background, while kids who have even two weak teachers in a row will never recover.”

Academic studies clearly show the transformative impact a great teacher can have on students in the classroom and even outside the classroom. “Elementary- and middle-school teachers who help raise their students’ standardized-test scores seem to have a wide-ranging, lasting positive effect on those students’ lives beyond academics, including lower teenage-pregnancy rates and greater college matriculation and adult earnings” according to a new study that tracked 2.5 million students over 20 years. “Replacing a poor teacher with an average

Combined School Finance ACT PPR and MLO Funding



FY2015-2016 Projected Per Pupil Revenue per CDE as of 7/1/2015. FY2014-2015 Mill Levy Override revenue received per CDE.
Per pupil calculations based on FY2015-2016 Projected Funded Pupil per CDE as of 7/1/2015.

one would raise a single classroom's lifetime earnings by about \$266,000," the authors of the study estimate. "Multiply that by a career's worth of classrooms. 'If you leave a low value-added teacher in your school for 10 years, rather than replacing him with an average teacher, you are hypothetically talking about \$2.5 million in lost income,' said Professor Friedman, one of the coauthors." The study, *The Long-Term Impacts of Teachers: Teacher Value-Added and Student Outcomes in Adulthood*, was released in 2011. Over time, it becomes more evident that the teacher makes a difference in a student's life outcomes. Once a student crosses the threshold to enter the classroom, the teacher begins to pave the way for the student's future. The difference between a student with a well-constructed path and one with a non-existent or poorly constructed one will be distinguishable later in a student's life.

Despite this research-based knowledge, very few major school districts in America differentiate teacher pay based upon performance or pay new hires based on the supply of teachers for a certain discipline against the demand in the sector for those teachers. However, three years ago the Douglas County School District (DCSD) broke the mold when it implemented both a pay for performance system and a market based pay guide for hiring its teachers. Both programs reflect the understanding DCSD has about the rapid transition education is undergoing across America.

Read the full report at <http://commonsensepolicyroundtable.com/douglas-countys-dramatic-shift/>



CSPR IN THE NEWS



November 2, 2015

"Groff: Treating teachers like professionals"

THE DENVER POST

August 21, 2015

"CU study: Colorado's oil production to fall in 2015"



**Ross Kaminsky Show, 850 KOA
at 8:25am on Saturday, October 31**



**Mandy Connell Show, 630 KHOW at 8:20am
on Thursday, October 30**

**DENVER
BUSINESS JOURNAL**

August 21, 2015

**"Colorado oil & gas prices down
sharply -- and that means
'domino-like' drop in production"**

COLORADO NEWS

August 22, 2015

**"Colorado oil prolongation on trail to
depletion, CU investigation warns"**

FORT MORGAN TIMES August 21, 2015
**"CU study: State oil production on path
to depletion"**

**DENVER
BUSINESS JOURNAL**

January 27, 2016

**"Bigger setback for oil and gas rigs could
cost Colorado 62,000 jobs, says study"**

710 KNUS
NEWS/TALK

Dan Caplis Show, 710 KNUS interview
at 9:25am on Friday, October 30

9NEWS 

January 27, 2016

"Study: Setback for oil, gas rigs could
cost CO 62,000 jobs"

TheTribune

March 6, 2015

"Energy Pipeline: Leeds School of
Business attempts to answer 'what ifs'
in oil-gas industry"


Examiner

April 27, 2015

"Freaking out over fracking"

THECHERRYCREEKNEWS.COM

May 18, 2015

"Charlie McNeil joins CSPR board of directors"

BizWest

August 21, 2015

"Despite stability, CU study predicts drop in Colorado oil,
gas production for 2015"

THE DENVER POST

August 21, 2015

"Colorado oil production on path to depletion,
CU study warns"

Daily Camera

August 22, 2015

"Colorado oil production on path to depletion, CU study warns"



**COMMON
SENSE**
Policy Roundtable

Common Sense Policy Roundtable is a non-profit, free-enterprise think tank dedicated to the protection and promotion of Colorado's economy. CSPR actively follows tax and budget related legislation and initiatives.

Common Sense Policy Roundtable

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