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COLORADO ELECTION OUTCOMES AND A PREVIEW OF THE 2023 LEGISLATIVE SESSION

The dynamics in Colorado this election cycle surprised political observers and are sure to lead to an interesting legislative session at the General Assembly, which begins January 9, 2023.

ELECTION OUTCOMES

On November 8, 2022, Colorado voters casted votes in federal, statewide, and legislative general election races. Similar to the pattern we observed across the country, the anticipated "red wave" did not materialize. In fact, Colorado saw a "blue wave" as voters elected Democrats at all levels of government.

FEDERAL RACES

Democratic U.S. Senator Michael Bennet won his re-election bid and will serve a third term. Most surprisingly among the congressional races, Congresswoman Lauren Boebert (R) holds a narrow lead over her Democratic challenger, Adam Frisch, in Colorado's 3rd congressional district (Western Slope & Southern Colorado), but that race remains too close to call and may be subject to a recount.

STATEWIDE RACES

Voters re-elected Democratic Governor Jared Polis to serve a second term. In addition, all incumbent Democratic officials in statewide constitutional seats won re-election, including Secretary of State Jena Griswold, Treasurer Dave Young, and Attorney General Phil Weiser.

STATE LEGISLATIVE RACES

Democrats running in state legislative races widened the margins in both chambers of the Colorado General Assembly. Over the summer, there was speculation that Republicans had a chance to regain control of the State Senate. That possibility faded in recent weeks, but the party still hoped to narrow the margins. Instead, Democrats widened the margins by two and will go from a current 21-14 majority to a 23-12 majority for the upcoming legislative session.

Leadership elections for both parties in both Chambers took place at the end of election week. In the Senate, members elected the expected leaders to fill key positions, with Democratic leadership mostly returning to their previously held roles, and Republican leadership playing out as expected. The full results of the Senate Leadership races are as follows:

Senate Democrats:

- President: Steve Fenberg
- President Pro Tempore: James Coleman
- Majority Leader: Dominick Moreno
- Assistant Majority Leader: Robert Rodriguez
- Majority Whip: Julie Gonzales
- Majority Caucus Chair: Janet Buckner
- Joint Budget Committee members: Rachel Zenzinger and Jeff Bridges

Senate Republicans:

- Minority Leader: Paul Lundeen
- Assistant Minority Leader: Bob Gardner
- Minority Caucus Chair: Jim Smallwood
- Minority Whip: Barb Kirkmeyer
- Joint Budget Committee member: Bob Rankin

On the House side, Republicans never expected to gain control of the chamber, but the party had hoped to significantly narrow the margins from last session. However, Democrats

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instead gained five seats, bringing their totals up from 41-24 last session to 46-19 for the upcoming session.

Elections to top leadership posts were contested in the House. The Democrats held a three-way race for Speaker between Adrienne Benavidez, Chris Kennedy, and Julie McCluskie, and because three Representatives-elect were still considered provisional, there was no clear winner among the three Speaker candidates during the first round of votes. By the next day, those three provisional races had been called for the Democrats, and ultimately, Julie McCluskie prevailed to serve as the next Speaker of the House.

House Democrats:

- Speaker: Julie McCluskie
- Majority Leader: Monica Duran
- Asst. Majority Leader: Jennifer Bacon
- Majority Co-Whips: Iman Jodeh and Andrew Boesenecker
- Majority Caucus Co-Chairs: Brianna Titone and Mandy Lindsay
- JBC members: Shannon Bird and Emily Sirota
- Speaker Pro Tempore: TBD

On the Republican side, the role of Minority Leader was a contest between Stephanie Luck and Mike Lynch. This dynamic emerged after the tragic and sudden death of Minority Leader Hugh McKean on October 30th. Mike Lynch prevailed in the election and will serve as the next Minority Leader.

House Republicans:

- Minority Leader: Mike Lynch
- Assistant Minority Leader: Rose Pugliese
- Minority Caucus Chair: Mary Bradfield
- Minority Whip: Richard Holtorf
- Joint Budget Committee member: Rod Bockenfeld

Committee assignments will be determined sometime in late November or early December.

In related news, outgoing Speaker of the House, Alec Garnett, will serve as Governor Polis's incoming Chief of Staff beginning in January, as his longtime advisor Lisa Kaufman moves on to a new role.

LEGISLATIVE PREVIEW

While the Democrats will be entering the 2023 Legislative Session with an unprecedented majority in both chambers, they will also face a tight budget at a time of continued high inflation and cost of living across the state.

Colorado voters passed two propositions that will severely impact the state budget. Proposition 121 decreases the state income tax from 4.55% to 4.4%, amounting to a cut of about \$400 million annually. Proposition 123 earmarks about 2% of income tax revenues for affordable housing initiatives, amounting to about \$300 million annually. In addition, the Colorado Constitution (Amendment 23) requires school funding to increase by the rate of inflation, which has been historically high. Combined, these cuts and restrictions will lead to a tighter fiscal environment, and legislators will have limited spending flexibility at a time when pandemic-era federal funding is also running out.

The Joint Budget Committee (JBC) always plays an important role but will be especially powerful considering the tightened state budget. Of the six members who will serve on the JBC, only two are returning members: Senators Rachel Zenzinger and Bob Rankin. Four members are new to these roles: Senator Jeff Bridges and Representatives Shannon Bird, Emily Sirota, and Rod Bockenfeld. While it is yet to be seen what initiatives they will and will not prioritize, we can expect minimal funding for new programs, and prioritization going to issues that Democrats campaigned on, including funding for childcare, education, health care, crime, and air quality.

If you have questions about this update, please contact Daniel Furman at <u>furmand@hallevans.com</u> or Erin Snow at <u>snowe@</u> <u>hallevans.com</u>.