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Colorado Municipal League disappointed by unfunded mandate in midst of COVID-19 fiscal impacts

April 1, 2020, Denver, Colo. – In the midst of devastating economic conditions because of COVID-19, Gov. Polis signed HB 20-1044 today – a mandate on municipal employers to divert millions of dollars, primarily for new and expanded benefits, to the historically fully-funded pension plan for many of Colorado’s local public safety employees.

“We are very disappointed in this unfunded mandate on municipalities. It could not come at a worse time for municipalities that are experiencing dramatic impacts on revenue,” said Kevin Bommer, CML executive director. “Municipalities fully support their first responders on the front lines. Their pensions are fully secure without this legislation, and the first priority is to ensure they have everything they need now. This legislation makes that more difficult.”

“One hundred municipal fire and police departments will be forced to direct money to the Fire and Police Pension Association (FPPA), instead of maximizing resources to respond to impacts of COVID-19 and rebuilding local economies that have been severely impacted,” added Bommer. “We at least appreciate Gov. Polis acknowledging the fiscal impact the bill will create.”

The Colorado Municipal League (CML) opposed mandated increases in employer contributions when they were first proposed by the FPPA Board nearly two years ago. With HB 20-1044, reasonable compromise for elections by members and employers, consistent with previous plan amendments voted on by members and employers, were rejected by proponents.

The legislation marks the only time in the 40-year history of FPPA that the FPPA Board and proponents asked the legislature to bypass a plan election and ask the legislature to mandate a contribution increase. Total contributions to the pension plan will be a minimum of 24% once fully implemented, making them among the highest in the state.

A list of the 100 municipal fire and police departments affected by HB 20-1044 is attached.

CML is a nonprofit, nonpartisan organization established in 1923 and represents the interests of 270 cities and towns. For more information on the Colorado Municipal League, please visit www.cml.org or call 303-831-6411.