

STATE OF COLORADO

COLORADO ECONOMIC SECURITY & AI WORKFORCE TRANSITION ACT (CESA)

VERSION 12.0 MASTER BILL

January 2026

A BILL

FOR AN ACT CONCERNING COMPREHENSIVE ECONOMIC SECURITY FOR ALL COLORADO RESIDENTS THROUGH AN ENTERPRISE FUND MODEL, INCLUDING: UNIVERSAL HEALTHCARE (CARE WITHOUT FEAR), MENTAL HEALTH SERVICES WITH PARITY ENFORCEMENT, AI WORKFORCE PROTECTION, STATE-RUN LIFE INSURANCE (LIFE SECURITY PROGRAM), ECONOMIC INDEPENDENCE FROM FEDERAL FUNDING, ELIMINATION OF HOMELESSNESS (ZERO HOMELESS COLORADO), EDUCATION INDEPENDENCE, ENHANCED STATE DEFENSE CAPABILITIES (COLORADO SHIELD), HEALTHY FOOD ACCESS, INTERNATIONAL PARTNERSHIPS, INNOVATION DISTRICTS, DIGITAL LIKENESS PROTECTION, COMPREHENSIVE DISABILITY RIGHTS, CLIMATE RESILIENCE AND PERMANENT JOBS, DATA SOVEREIGNTY AND AI GOVERNANCE, WORKER CLASSIFICATION STANDARDS, UNIVERSAL CHILDCARE ACCESS, TECHNOLOGY ASSISTANCE SERVICES, RURAL IMPLEMENTATION STANDARDS, STATEWIDE SERVICE AND ECONOMIC HUB NETWORKS, COMPREHENSIVE NON-DISCRIMINATION PROTECTIONS, MEDICAL CANNABIS AS THERAPEUTIC SUPPORT, EXPANDED RESIDENCY AND VISA ELIGIBILITY, DECLARATION OF HUMAN DIGNITY RIGHTS, AGENCY CONSOLIDATION AUTHORITY, RAPID REHIRE AND STABILIZATION PROGRAMS, COLORADO STATE BANK, TABOR-COMPLIANT FUNDING MECHANISMS, ERISA COMPLIANCE FRAMEWORK, SMALL BUSINESS GRADUATED TRANSITIONS, POLITICAL INSULATION PROTECTIONS, INSURANCE WORKER TRANSITION PROMISE, PHASED ACTIVATION WITH ACTUARIAL CERTIFICATION, AND RELATED MATTERS.

Sponsored by: maveriq B Jackson

Candidate for Colorado State House District 23

Contact: contact@votemaveriq.com | (970) 725-6656

Website: votemaveriq.com/CESA

"It doesn't matter where you started, what matters is where you finish and the journey along the way."

— mav QBJ

VERSION 12.0 CHANGES

v12.0 — Legal Tightening, Governance, and Risk Reduction Pass

This version focuses on legal hardening and governance refinement. No new programs were added; existing provisions were tightened, consolidated, and clarified.

Section 1.8: Residency, Contribution, and Reciprocity Standard (NEW) -

Consolidated eligibility doctrine applying across all CESA programs - Clear categories: Established Resident, Working Resident, Establishing Resident, Emergency Presence - Contribution pathways defined (financial, employment, service, reimbursement) - Emergency care access preserved consistent with EMTALA - Cost recovery procedures for non-residents - Immigration status neutrality with administrative (not political) framing - Section-specific severability

Section 2.11: Healthcare Advertising Standards (REVISED) - Added

constitutional basis (Central Hudson commercial speech standards) - Explicit consumer protection and anti-fraud framing - Retained strong civil penalties but added proportionality - Criminal liability LIMITED to knowing, intentional, repeated, fraudulent conduct - Removed automatic CEO personal liability - Added explicit mens rea requirements - Expanded permitted communications (factual info, price transparency, public health) - Section-specific severability clause

Section 3.0.1: Funding Terminology Standardization (NEW) - Clear definitions distinguishing taxes, assessments, contributions, and fees - Explicit double taxation prevention - Gross vs. net impact disclosure requirements - Required annual plain-language taxpayer impact reports - Independent fiscal certification before module activation - 15% cost variance review trigger

Section 63: CESA Stewardship and Review Council (NEW) - Independent, permanent, non-partisan oversight body - 11 members with staggered 6-year terms - No single appointing authority controls majority - Annual legal/constitutional compliance reviews - Biennial fiscal sustainability audits - Civil liberties and due process assessments - Scope discipline monitoring (mission creep prevention) - Mandatory 5-year sunset reviews for each program - Automatic review triggers (cost overruns, complaint thresholds, legal challenges) - Public hearings, plain-language reports, dissenting opinions published - Recommendation tracking with public accountability

Legal Defensibility Improvements: - Reduced First Amendment risk in advertising restrictions - Standardized funding terminology to prevent “hidden tax” attacks - Consolidated eligibility language to prevent cherry-picking - Added oversight mechanisms for institutional restraint - Enhanced severability throughout

VERSION 11.3 CHANGES

New in v11.3:

Section 62: Colorado Office of Inclusion, Equity & Civil Rights (COIECR) -

State-level civil rights enforcement as federal government retreats from DEI - Investigate discrimination, enforce state laws, monitor diversity - 25 FTEs Year 1 → 75 FTEs Year 5 - \$5M Year 1 → \$15M annual budget at full operation - Annual Colorado Inclusion Summit - 15-member Advisory Council representing diverse communities - Public diversity dashboard for transparency

Section 7.10: Colorado Shield Equipment, Uniforms & Community Relations -

Complete uniform specifications (dress, duty, tactical, seasonal) - Personal equipment: body armor, communications, body cameras (MANDATORY) - Vehicles: patrol, command, transport, ATVs, snowmobiles, watercraft - Snow/winter equipment: snowmobiles, tracked vehicles, skis, snowshoes - Facilities: Denver HQ + 5 regional commands - Equipment budget: \$110M setup + \$50M annually -

Colorado Shield Days: Annual statewide event (first weekend of August) -

Community events: 3 per month per region + local event booths - 20 school visits per year per region - 4 veteran recognition events per year - Public trust metrics and annual surveys

Enhanced Section 14: Colorado Tribal Partnership (Strengthened) - Ute

Mountain Ute and Southern Ute Indian Tribes explicitly recognized - True government-to-government partnership - 60-day consultation requirement before actions affecting tribes - Tribal Liaison position (preferably enrolled member) - Healthcare coordination with IHS, respect for traditional medicine - 5% contracting goal for tribal/Native businesses - Colorado Shield protocols for tribal lands (invitation required) - **Annual Tribal Summit:** Governor meets with tribal leadership yearly - Budget: \$11.5M annually

Enhanced Section 50: Rural Implementation (50.12, 50.13) -

60-mile maximum travel standard for CESA services - Minimum 15 Service Hubs in rural counties - Mobile service units monthly to remote communities - Rural healthcare: no consolidation, telehealth at equal rates - Rural Advisory Committee established - Broadband as essential CESA infrastructure

Enhanced Section 18: CESA Administration Staffing Plan (18.15) -

Total FTEs: 500 (Year 1) → 5,000 (Year 10+) - Division breakdown: Healthcare 1,200, Service Hubs 800, Zero Homeless 400, etc. - Note: Colorado Shield 3,500 agents are SEPARATE (total workforce ~8,500) - Hiring priority: displaced insurance workers, veterans, Colorado residents

VERSION 11.2 CHANGES

New in v11.2: - Section 7.9: Colorado Shield Operational Authority REVISED - Added full law enforcement authority for serious crimes - Personnel structure: 3,500

sworn agents + civilian staff integrated with CESA - POST certification required for agents with arrest authority - Veteran recruitment priority - Coordination protocols with Colorado State Patrol - Clear triggering offenses (human trafficking, Amber Alert, kidnapping, etc.)

VERSION 11.1 CHANGES (Previous)

New in v11.1: - Section 1.6: CESA Structural Core and Modular Architecture - Section 1.7: Eligibility, Residency, and Contribution Guardrails - Section 7.9: Colorado Shield Operational Limitations - Section 22: Enhanced Severability and Containment

New in v11.0: - Section 2.14: ERISA Compliance Framework - Section 2.15: Mental Health Parity Enforcement - Section 3.4: Small Business Graduated Transitions - Section 10.12: Climate-Economic Jobs Integration - Section 35: Data Sovereignty & AI Governance - Sections 60-61: Political Insulation and Program Continuity

Preserved from v10.0: Federal funding independence, ethical settlement approach, tourism fees

Preserved from v9.0/9.1: Enterprise fund structure, phased activation, due process framework

What's New in Version 9.1 (Building on Version 9.0):

TABOR COMPLIANCE - GENUINE VOLUNTARY PARTICIPATION

- Resolved voluntary vs. mandatory language contradiction
- Employers may opt out of CESA with clear consequences
- Non-participants lose all CESA benefits and preferences
- Enterprise fund structure legally strengthened

AI DISPLACEMENT - SUSTAINABLE SLIDING SCALE MODEL

- Worker payments: 50% (Years 1-10) → 25% (Years 11-20) → 10% (Forever)
- Fund-based payment system guarantees worker protection
- Employer contributions: 50% if no human rehired, 25% if human rehired
- Enhanced support services: business startup, education, job training

MANDATORY HUMAN REHIRE TRIGGER (YEAR 10)

- Companies MUST rehire a human by Year 10 after AI displacement
- Original worker has Right of Return - first offer must go to them
- If original worker declines, they KEEP Fund payments
- New hire becomes "AI Collaborator" with meaningful human-AI work

AI COLLABORATOR EMPLOYMENT MODEL

- New hires get 2 years at full Colorado Good Wage
- If actively collaborating with AI: salary stays full permanently
- If company barely uses human: sliding scale kicks in after 2 years

- Tasks decrease proportionally with any pay decrease

COLORADO GOOD WAGE STANDARD (NEW)

- New wage floor for all CESA positions
- Highest of: 150% minimum wage, original salary adjusted for inflation, or median industry wage
- Separate from and higher than minimum wage

POSITION PRESERVATION ENHANCED

- Jobs never disappear - always human getting paid or Fund contribution
- Family members get priority for positions after worker death
- Perpetual employer obligations - no escape through bankruptcy or sale

ERISA COMPLIANCE - HEALTHCARE PAYROLL ASSESSMENT

- Employer contributions restructured as payroll assessment
- Complies with federal ERISA preemption rules
- No federal waiver required for implementation

FEDERAL INDEPENDENCE STRENGTHENED

- All programs designed to operate without federal funding
- Federal money supplemental only (max 15% after Year 5)
- No program contingent on federal waivers or approval

PRIVATE INSURANCE TRANSITION COMPLETED

- No credits or alternatives for maintaining private insurance
- Care Without Fear is THE system
- Private insurance supplemental only

CHILDCARE - REALISTIC SLIDING SCALE

- Income-based subsidies: 95% (lowest income) to 15% (higher income)
- Phased implementation over 10+ years
- Realistic cost projections: \$400M (Year 1) to \$1.6B (Year 11+)

PART I: FOUNDATION AND HEALTHCARE

Section 1: Title, Legislative Findings, and Definitions

Section 1.5: Colorado Community Living Standard

Section 2: Care Without Fear - Universal Healthcare

Section 2.10: Private Insurance Transition

Section 2.12: Comprehensive Mental Health Services

PART II: FUNDING AND TABOR COMPLIANCE

Section 3: Funding Sources and Enterprise Fund Structure

Section 3.7-3.9: Food Policy and Transparency

PART III-X: [Full sections as listed in document]

PART XI: VERSION 9.0 ADDITIONS

Section 58: Phased Activation Framework (NEW - 25+ pages)

Section 59: Due Process and Safe Harbor Framework (NEW - 25+ pages)

Section 60: Implementation Oversight Board (NEW - 25+ pages)

APPENDICES A-D

SECTION 1: TITLE, LEGISLATIVE FINDINGS, AND DEFINITIONS

1.1 Short Title

This Act shall be known and may be cited as the “Colorado Economic Security and AI Workforce

Transition Act” or “CESA” or “CESA - Colorado CESA.”

1.2 Legislative Findings

The General Assembly of the State of Colorado hereby finds and declares that:

(1) The rapid advancement of artificial intelligence and automation

technologies poses an

unprecedented threat to employment stability, with projections indicating that 30-40% of current jobs may be displaced within the next decade;

(2) The current healthcare system in the United States places an

unsustainable financial

burden on working families and businesses, with Colorado residents paying among the

highest healthcare costs in the nation;

(3) Federal government dysfunction, political polarization, and

uncertainty regarding the

future of programs such as Social Security and Medicare necessitate state-level solutions

to ensure the economic security of Colorado residents;

(4) The sudden death of a family breadwinner can devastate families

financially, and

private life insurance is often unaffordable, inaccessible to those with pre-existing conditions, or inadequate;

- (5) Rising rates of obesity, diabetes, and cardiovascular disease driven by unhealthy food consumption create substantial healthcare costs that could be reduced through prevention-focused food policy;
- (6) Homelessness represents both a humanitarian crisis and an economic inefficiency that can be eliminated through coordinated housing, employment, and support services;
- (7) Colorado possesses abundant renewable energy resources that can provide energy independence, reduce costs, and protect the environment;
- (8) The federal education system is increasingly subject to political agendas that may not serve the best interests of Colorado students, families, and communities;
- (9) Human trafficking is a grave crime against humanity that demands severe penalties and comprehensive enforcement;
- (10) Colorado's sovereign tribal nations are valued partners whose members deserve access to all state programs while maintaining their sovereignty;
- (11) Economic security requires protection from multiple risks including job loss, illness, death, and systemic economic disruption;
- (12) An integrated approach addressing healthcare, worker protection, family security, housing, education, and economic independence will create a more resilient and prosperous Colorado;
- (13) Direct-to-consumer advertising of prescription drugs, over-the-counter medications, and medical devices undermines the doctor-patient relationship and drives up healthcare costs that are now borne by Colorado taxpayers;

- (14) Intergenerational care systems strengthen communities and ensure that those who help others in their youth are guaranteed help when they themselves need it;
- (15) Access to high-quality, natural foods should not be limited by income or geography, and Colorado can lead the nation in making healthy food the affordable and accessible choice;
- (16) International partnerships through sister city and sister state relationships can enhance cultural exchange, economic development, and global cooperation;
- (17) AI and high-automation companies must contribute to the communities and energy infrastructure they rely upon;
- (18) Whistleblowers who report wrongdoing in good faith deserve protection from retaliation;
- (19) Colorado's legislation should be designed to evolve with changing circumstances while protecting core principles through democratic processes;
- (20) Strategic development of innovation districts can attract industries and create economic hubs that benefit all Coloradans;
- (21) Colorado has both the resources and the responsibility to lead the nation—and the world—in creating a comprehensive economic security system that serves as a model for other states and countries.

1.3 Purpose

The purposes of this Act are to:

- (1) Establish universal healthcare coverage for all Colorado residents through the Care

Without Fear system;

(2) Protect workers displaced by artificial intelligence and automation with income security and retraining;

(3) Create a state-run life insurance program that is affordable, accessible, and portable;

(4) Reduce economic dependence on federal programs and prepare Colorado for potential federal dysfunction;

(5) Eliminate homelessness in Colorado within five years through the Zero Homeless Colorado program;

(6) Establish a comprehensive business support system to help Colorado businesses thrive;

(7) Achieve energy independence through expansion of renewable energy infrastructure;

(8) Protect immigrants from federal overreach while maintaining public safety;

(9) Ensure voting access for all eligible Colorado residents;

(10) Impose severe penalties on human traffickers and protect victims;

(11) Honor tribal sovereignty while ensuring tribal members have access to all state programs;

(12) Transition Colorado's education system away from federal control toward state-managed, eventually free education;

(13) Generate revenue fairly through progressive taxation that asks more of those who have benefited most;

- (14) Protect all funds established under this Act from misuse, corruption, or diversion;
- (15) Establish a unified state agency (CESA Administration) to coordinate all economic security programs;
- (16) Create a Colorado Benefits Card that simplifies access to all state programs;
- (17) Eliminate pharmaceutical and medical device advertising to restore the integrity of the doctor-patient relationship;
- (18) Create an intergenerational Elder Care Credit System where young people earn guaranteed future care by helping elders today;
- (19) Make high-quality, natural foods more accessible and affordable than processed alternatives;
- (20) Establish international partnerships through the Colorado Global Partnership Program;
- (21) Protect whistleblowers who report wrongdoing related to CESA programs;
- (22) Ensure AI companies contribute energy and resources back to Colorado;
- (23) Create innovation districts to attract industries and create economic hubs;
- (24) Establish a constitutional core of protected principles that can only be changed by public vote;
- (25) Make Colorado the most attractive state for both workers and businesses by creating comprehensive economic security;

(26) Position Colorado as a model for the world—a place of abundance, prosperity, peace, zero hunger, and zero homelessness.

1.4 Definitions

As used in this Act, unless the context otherwise requires:

“Artificial Intelligence” or “AI” means any machine-based system that can, for a given set of

human-defined objectives, make predictions, recommendations, or decisions influencing real or

virtual environments, including machine learning, deep learning, neural networks, natural

language processing, computer vision, and robotic process automation.

“AI Displacement” means the elimination, substantial reduction, or fundamental transformation of a job position due to the implementation of artificial intelligence, automation, or related technologies where the work previously performed by a human

employee is now performed primarily by AI systems.

“AI Collaborator” means a human worker hired under Section 4.6 to work alongside artificial intelligence systems, performing tasks including but not limited to: oversight, quality control, customer service, ethics review, exception handling, AI training and improvement, creative work, and other functions benefiting from human judgment.

“Colorado Good Wage Standard” means the minimum compensation required for any position created, restored, or funded under this Act, calculated as the GREATEST of: (1) 150% of the Colorado state minimum wage; (2) The original displaced worker’s salary at time of displacement, adjusted annually for inflation based on the Colorado Consumer Price Index; or (3) The median wage for comparable positions in the relevant industry and geographic region as determined by CESA Administration. The Colorado Good Wage Standard is separate from and in addition to minimum wage requirements.

“Human Rehire Trigger” means the mandatory requirement under Section 4.6 that employers who have displaced workers through AI must hire a human worker into a restored position within 10 years of the displacement.

“Right of Return” means the original AI-displaced worker’s priority right to be offered any human position restored by the displacing employer under Section 4.6, which right may be accepted or declined without affecting the worker’s Fund payments.

“Automation Intensity Ratio” means the ratio of a company’s annual revenue to its number

of employees, used to determine AI Industry Requirements under Section 25.

“Care Without Fear” means the universal healthcare system established under Section 2 of

this Act.

“CESA Administration” means the Colorado Economic Security Administration established

under Section 18 of this Act.

“CESA Constitutional Core” means the protected principles established under Section 31 that

require a 68% supermajority public vote to amend.

“Colorado Benefits Card” means the chip-enabled identification and benefits card established

under Section 19 of this Act.

“Colorado Community Business” means a business certified under Section 26 as meeting

community-focused criteria.

“Colorado Cost of Living Standard” or “CCLS” means the state-specific measure of income

required for a household to meet basic needs in Colorado, as established under Section 1.5 of

this Act, replacing the federal poverty level for CESA programs.

“Colorado Innovation District” means a designated economic zone established under Section

33 for targeted industry development.

“Colorado Qualified Business” means a business entity that meets the requirements established under Section 4.8 of this Act, including compliance with AI displacement requirements, participation in state programs, and good standing with state regulations.

“Colorado Quality Food” means food products certified under Section 3.8 as meeting high

standards for natural ingredients, minimal processing, and nutritional value.

“Colorado Resident” means any individual who has established domicile in Colorado,

regardless of immigration status, including individuals who have lived in Colorado for 90 or

more consecutive days with intent to remain.

“Colorado Shield” means the enhanced State Defense Force capabilities established under

Section 7 of this Act, including weather monitoring, highway surveillance, search and rescue,

and border defense readiness.

“Colorado Veteran” means a member of the State Defense Force who has received an

honorable discharge after completing required service, as defined in Section 7.9.

“Colorado WIC” means the Colorado Women, Infants, and Children Program established under

Section 3.7.4 of this Act, a state-funded nutrition assistance program replacing participation in

the federal WIC program.

“Colorado Community Asset Program” means the program established under Section 13.3(d)

for allocating seized assets from human trafficking convictions to Colorado families in need.

“Contribution Level” means the percentage of income (1-20%) that a participant in the Life

Security Program elects to contribute.

“CRSP” means the Colorado Retirement Security Program established under Section 6 of this

Act.

“Death Benefit” means the lump sum payment made to designated beneficiaries upon the

death of a Life Security Program participant.

“Department” means the Colorado Department of Labor and Employment unless otherwise

specified.

“Elder Care Credit” means the unit of credit earned under Section 2.12 by providing assistance

to elderly Colorado residents, redeemable for equivalent assistance when the credit holder

reaches elder status.

“Global Partner” means a city, state, territory, or region with which Colorado has established a

formal partnership under Section 23.

“Health-Impact Tax” means the taxes imposed under Section 3.7 on sugary beverages, high-

sugar high-fat foods, ultra-processed foods, and chain restaurant prepared foods.

“Healthcare Advertising” means any advertisement for prescription medications, over-the-

counter medications, or medical devices, as regulated under Section 2.11.

“Human Trafficking” means the recruitment, harboring, transportation, provision, obtaining,

patronizing, or soliciting of a person for the purpose of a commercial sex act or labor or services

through the use of force, fraud, or coercion, as further defined in Section 13.

“Life Security Program” means the state-run life insurance program established under

Section 5 of this Act.

“Position Restoration” means the requirement under Section 4.6 that when an AI-displaced

worker dies, the employer must hire a replacement at the same salary level.

“Prosperity Partnership” means the revenue and benefits program established under Section

16 for high-income earners, luxury property owners, and corporations.

“Sister City” means a city with which a Colorado city has established a formal partnership

under Section 23.

“Sister State” means a state, territory, or region with which Colorado has established a formal

statewide partnership under Section 23.

“Small Business” means a business entity with fewer than 500 employees and less than \$50

million in annual revenue.

“Sponsor” means a trained individual who provides guidance, support, and accountability to a

participant in the Zero Homeless Colorado program.

“State Defense Force” or “SDF” means the Colorado State Defense Force established under

Section 7 of this Act, a state military force under the command of the Governor that cannot be

federalized.

“Strategic Foresight Office” means the office established under Section 32 to monitor emerging trends and provide early warnings.

“Tribal Nation” means the Ute Mountain Ute Tribe or the Southern Ute Indian Tribe, recognized as sovereign nations.

“Whistleblower” means an individual who reports violations of this Act in good faith as

defined in Section 24.

“Young Innovator” means a Colorado resident between the ages of 16 and 30 eligible for

entrepreneurship support under Section 20.9 of this Act.

“Zero Homeless Colorado” means the comprehensive homelessness elimination program

established under Section 8 of this Act.

SECTION 1.5: COLORADO COST OF LIVING STANDARD

(a) Establishment

There is hereby established the Colorado Cost of Living Standard (CCLS), a state-specific

measure of the income required for a household to meet basic needs in Colorado, replacing the

use of the federal poverty level for all CESA programs.

(b) Purpose

The CCLS:

- Reflects the actual cost of living in Colorado, which is higher than the national average

- Ensures that eligibility for CESA programs is based on Colorado reality, not national averages

- Is calculated and updated by CESA Administration annually
- Accounts for regional variations within Colorado

(c) Calculation Method

The CCLS shall be calculated based on the actual Colorado costs of:

- Housing (rent or mortgage for modest housing)
- Food (nutritious diet based on USDA guidelines)
- Healthcare (any costs not covered by Care Without Fear)
- Transportation (public transit or modest vehicle costs)
- Childcare (for families with children)
- Utilities (electric, gas, water, basic internet)
- Clothing and personal care
- Emergency savings (5% buffer)

(d) Initial Standards

Until CESA Administration completes its first annual calculation, the CCLS shall be:

Household Size Annual CCLS Monthly CCLS Comparison to Federal Poverty Level

1 person \$28,000 \$2,333 185% of FPL

2 persons \$38,000 \$3,167 190% of FPL

3 persons \$48,000 \$4,000 195% of FPL

4 persons \$58,000 \$4,833 195% of FPL

Each additional +\$8,000 +\$667 ~175% of FPL increment

(e) Regional Adjustments

CESA Administration may establish regional adjustment factors for:

- Denver Metro Area: Up to 120% of base CCLS
- Mountain Resort Communities: Up to 130% of base CCLS
- Rural Eastern Plains: 90-100% of base CCLS
- Western Slope: 100-110% of base CCLS

(f) Annual Update

- CESA Administration shall update the CCLS annually by March 1
- Updates based on Colorado-specific cost data from the prior year
- Public comment period before finalization
- Automatic adjustment for inflation if update delayed

(g) Application

All CESA programs using income-based eligibility shall use the CCLS, including:

- Care Without Fear contribution levels
- Colorado WIC Program
- Healthy Food Access programs
- Zero Homeless Colorado
- Life Security Program considerations
- Any other income-tested benefit

(h) Transition

- Year 1: Programs may use either CCLS or federal poverty level, whichever is more generous to the applicant
- Year 2+: CCLS is the sole standard for CESA programs

SECTION 1.6: CESA STRUCTURAL CORE AND MODULAR PROGRAM ARCHITECTURE (NEW v11.1)

1.6.1 Legislative Declaration on Structure

The General Assembly finds and declares that:

- (a) CESA is **economic security infrastructure** for the State of Colorado—not a single program, but a comprehensive framework of independent, modular programs designed to work together while remaining operationally separable.
- (b) This modular architecture ensures that:
 - (1) Each program can be implemented, funded, and administered independently;
 - (2) The success or failure of one program does not determine the fate of others;
 - (3) Legal challenges to one component do not invalidate the entire Act;
 - (4) Programs can be phased in as resources and administrative capacity allow;
 - (5) Future legislatures retain flexibility to modify individual programs without dismantling the framework.

1.6.2 Definition of Modular Programs

CESA consists of the following independent program modules, each of which may be activated, funded, and administered separately:

(a) Healthcare Module: - Care Without Fear (Section 2) - Mental Health Services (Section 2.12) - Mental Health Parity Enforcement (Section 2.15)

(b) Worker Protection Module: - AI Workforce Protection (Section 4) - Life Security Program (Section 5) - Worker Classification Protection (Section 39)

(c) Family Security Module: - Childcare For All (Section 40) - Zero Homeless Colorado (Section 8) - Education Independence (Section 15)

(d) Economic Development Module: - Colorado State Bank (Section 43) - Business Success Team (Section 9) - Innovation Districts (Section 33) - Climate-Economic Jobs (Section 10.12)

(e) Infrastructure Module: - Colorado Shield (Section 7) - Clean Energy Independence (Section 10) - Statewide Service Hub Network (Section 50)

(f) Governance Module: - CESA Administration (Section 18) - Implementation Oversight Board (Section 60) - Program Continuity Protection (Section 61)

1.6.3 No Automatic Activation

No program or benefit activates automatically.

Each module requires:

- (1) **Actuarial Certification:** Independent actuarial analysis confirming financial sustainability (cross-reference: Section 48);
- (2) **Fiscal Sustainability Confirmation:** Verification that funding sources are operational and adequate (cross-reference: Section 3);
- (3) **Administrative Readiness:** Confirmation that staff, systems, and procedures are in place;
- (4) **Formal Activation:** Positive certification by the Implementation Oversight Board (cross-reference: Section 58).

1.6.4 Module Independence and Severability

(a) The repeal, delay, invalidation, or modification of any single module does NOT:

- (1) Invalidate this Act as a whole;
- (2) Impair the funding mechanisms for other modules;
- (3) Affect the enterprise fund structure;
- (4) Prevent activation of other modules that meet certification requirements.

(b) Each module is designed to be legally, financially, and operationally independent.

(c) Cross-module benefits (such as Care Without Fear coverage for AI-displaced workers) shall be provided through explicit inter-program agreements, not automatic entitlements.

1.6.5 Cross-References

This section shall be read in conjunction with:

Section 48: Independent Actuarial Analysis Requirements

Section 58: Phased Activation Framework

Section 59: Due Process and Safe Harbor Framework

Section 60: Implementation Oversight Board

Section 61: Program Continuity and Transition Protection

Section 22: Severability and Legal Provisions

SECTION 1.7: ELIGIBILITY, RESIDENCY, AND CONTRIBUTION GUARDRAILS — LEGISLATIVE SUMMARY (NEW v11.1)

1.7.1 Purpose

This section provides a consolidated summary of eligibility guardrails across all CESA programs. **CESA benefits are not automatic, universal, or unconditional.** All programs require demonstrated residency, participation, and/or contribution.

1.7.2 Core Eligibility Principles

(a) Residency Requirements:

Program
Minimum Residency
Verification Method
Care Without Fear
6 months OR Colorado employment
Colorado ID, tax records, employment verification
Life Security
12 months + employment
Colorado ID + employer verification
AI Workforce Protection
24 months Colorado employment
Employment records, tax filings
Zero Homeless Colorado
Colorado resident at time of application
Case management verification
Childcare For All
6 months + employment/education
Colorado ID + employment/enrollment

(b) Contribution Requirements:

Most CESA programs require participant contributions based on income:

Individual healthcare contribution: 2.2% of income (sliding scale)
Life Security contribution: 0.5-1.0% of income
Childcare contribution: Sliding scale based on income
Employer contributions: Based on payroll thresholds (Section 3.4)

(c) Participation Requirements:

Certain programs require active participation:

AI Workforce Protection: Must have been employed by qualifying employer
Retraining benefits: Must actively participate in retraining programs
Zero Homeless: Must engage with case management services

1.7.3 Emergency Care Distinction

Emergency care does NOT equal full program eligibility.

- (a) **Emergency medical care** is provided to any person present in Colorado regardless of residency status, consistent with federal EMTALA requirements.
 - (b) Emergency care recipients who do not meet residency requirements:
 - Receive stabilization and emergency treatment;
 - Do NOT automatically qualify for ongoing Care Without Fear coverage;
 - May be required to reimburse costs if they are not Colorado residents;
 - May apply for full coverage upon establishing residency.
- This distinction ensures humanitarian emergency response while protecting program sustainability.

1.7.4 Reimbursement Provisions

- (a) Non-residents who receive CESA benefits and then leave Colorado may be required to reimburse:
 - Healthcare costs if departure occurs within 6 months of enrollment;
 - Training costs if departure occurs before program completion;
 - Housing assistance if departure occurs within 12 months of placement.
- (b) Reimbursement is NOT required for:
 - Colorado residents who relocate for employment, family, or other legitimate reasons;
 - Persons facing deportation, family emergency, or documented hardship;
 - Emergency medical care provided under EMTALA.

1.7.5 Statement of Principle

CESA benefits are not automatic, universal, or unconditional.

CESA is designed to protect working Coloradans who contribute to Colorado's economy and community. Benefits require:

- Demonstrated Colorado residency;
- Participation in contribution systems;
- Compliance with program requirements;
- Good faith engagement with program purposes.

1.7.6 Cross-References

For complete eligibility details, see:
Section 2.3: Care Without Fear Eligibility
Section 4.2: AI Workforce Protection Eligibility
Section 5.2: Life Security Program Eligibility
Section 8.3: Zero Homeless Colorado Eligibility
Section 40: Childcare For All Eligibility
Section 54: Expanded Eligibility — Residency and Visa Status

SECTION 1.8: RESIDENCY, CONTRIBUTION, AND RECIPROCITY STANDARD (NEW v12.0)

1.8.1 Purpose and Application

(a) Consolidated Standard:

This section establishes the unified statutory standard for eligibility, residency, contribution, and reciprocity that applies to ALL CESA programs unless a specific program section explicitly provides otherwise.

(b) Superseding Authority:

Where other CESA sections contain eligibility language that conflicts with this section, this section controls unless the other section explicitly states it provides a program-specific exception.

(c) Administrative Language:

This standard is written in neutral, administrative terms designed for consistent application across all programs.

1.8.2 Core Eligibility Doctrine

(a) Fundamental Principle:

CESA is designed for
individuals who:

Live in Colorado and have established residency;
Work in Colorado and contribute to Colorado's economy; OR
Are in the process of establishing permanent residency in Colorado.

(b) Eligibility Categories:

Category

Definition

Eligible For

Established Resident

6+ months Colorado residency with documentation

All CESA programs

Working Resident

Colorado employment regardless of residency duration

Healthcare, childcare (immediate); other programs per specific requirements

Establishing Resident

Documented intent to establish Colorado residency (lease, employment offer, enrollment)

Provisional enrollment with pathway to full benefits

Emergency Presence

Any person physically present requiring emergency care
Emergency stabilization only

Non-Resident

No residency, employment, or establishment pathway
Emergency care only; reimbursement required

1.8.3 Contribution-Based Access

(a) Principle of Reciprocity:

CESA benefits are reciprocal—participants contribute according to their means and receive benefits according to their needs. This is not welfare; it is a social insurance system built on mutual contribution.

(b) Contribution Pathways:

Ongoing CESA benefits require at least ONE of the following:

- (1) **Financial Contribution:** Payment of program assessments (individual healthcare contribution, life security contribution, childcare contribution);
- (2) **Employment-Based Contribution:** Employer pays assessments on behalf of employee;
- (3) **Service Contribution:** Participation in approved community service, caregiving, education, or training programs that benefit Colorado;
- (4) **Reimbursement Agreement:** Documented agreement to reimburse costs if residency is not maintained.

(c) Hardship Exceptions:

Individuals unable to contribute due to disability, unemployment, or documented hardship remain eligible through:

State-funded coverage pools;
Sliding scale reductions to zero;
Service-based contribution alternatives.

1.8.4 Emergency Care Access

(a) Universal Emergency Stabilization:

Consistent with federal Emergency Medical Treatment and Labor Act (EMTALA) requirements, ANY person physically present in Colorado shall receive:

Emergency medical stabilization;
Treatment necessary to prevent loss of life or permanent injury;
Transfer to appropriate care facility if needed.

(b) Emergency Care Does Not Establish Eligibility:

Receipt of emergency care does NOT:

Establish residency;
Create entitlement to ongoing CESA benefits;
Waive contribution requirements;
Prevent cost recovery from non-residents.

(c) Humanitarian Care:

Beyond emergency stabilization, Colorado may provide humanitarian care to individuals regardless of status when:

Public health requires it (communicable disease, epidemic response);
Vulnerable populations require protection (children, pregnant women, victims of trafficking);
Denial would violate fundamental human dignity.
Such humanitarian care is provided at state discretion and does not create ongoing benefit entitlement.

1.8.5 Cost Recovery and Reimbursement

(a) Non-Resident Cost Recovery:

CESA Administration shall establish procedures to recover costs from:

Non-residents who receive non-emergency care;
Individuals who receive benefits and depart Colorado within program-specified timeframes;
Insurance carriers, other states, or federal programs that bear primary responsibility.

(b) Interstate Reciprocity:

Colorado may enter reciprocal agreements with other states providing:

Emergency care for Colorado residents traveling in other states;
Emergency care for other states' residents traveling in Colorado;
Cost-sharing or reimbursement mechanisms.

(c) Reimbursement Limitations:

Cost recovery shall NOT be pursued when:

Individual faces documented financial hardship;
Departure was due to deportation, emergency, or circumstances beyond individual's control;
Cost of recovery would exceed amount recovered;
Federal law prohibits such recovery.

1.8.6 Residency Verification

(a) Acceptable Documentation:

Residency may be established through any TWO of the following:

Colorado driver's license or state ID;
Colorado voter registration;
Colorado tax returns (filed or filed with extension);
Colorado employment records (W-2, pay stubs, employer verification);
Colorado lease agreement or property ownership;
Colorado utility bills in applicant's name;
Enrollment in Colorado educational institution;
Colorado vehicle registration;
Other documentation as approved by CESA Administration.

(b) Simplified Verification for Vulnerable Populations:

For individuals experiencing homelessness, domestic violence, or other circumstances preventing standard documentation:

Case worker attestation may substitute for standard documentation;
Alternative verification methods shall be established by CESA Administration;
Lack of documentation shall not prevent access to emergency services.

1.8.7 Immigration Status Neutrality

(a) Administrative Approach:

CESA eligibility is determined by residency, employment, and contribution—not by federal immigration status. This is not a policy statement on immigration; it is an administrative recognition that:

Colorado cannot verify federal immigration status;
Many individuals live, work, and pay taxes in Colorado regardless of federal status;
Contribution-based access is the appropriate standard.

(b) No Immigration Enforcement:

CESA Administration shall NOT:

Inquire about federal immigration status as a condition of eligibility;
Share applicant information with federal immigration authorities except as required by law;
Deny benefits solely on the basis of immigration status if other eligibility criteria are met.

(c) Federal Law Compliance:

Nothing in this section requires Colorado to violate federal law. Where federal law clearly requires specific actions, Colorado shall comply while protecting individual rights to the maximum extent permitted.

1.8.8 Program-Specific Variations

(a) The following programs have specific eligibility variations documented in their respective sections:

AI Workforce Protection (Section 4): Requires 24-month Colorado employment history;

Life Security Program (Section 5): Requires 12-month residency plus employment;

Tribal Partnership (Section 14): Automatic eligibility for enrolled tribal members;

Visitor Emergency Care: Tourism fee-funded emergency coverage.

(b) These variations do not conflict with this section; they represent program-specific applications of the core standard.

1.8.9 Severability

If any provision of this section is held invalid, the remaining provisions shall continue in full force. The emergency care provisions of Section 1.8.4 are independently operative regardless of the validity of other provisions.

SECTION 2: CARE WITHOUT FEAR - UNIVERSAL HEALTHCARE SYSTEM

2.1 Establishment

There is hereby established the “Care Without Fear” universal healthcare system, which shall

provide comprehensive healthcare coverage to all Colorado residents regardless of employment

status, income level, pre-existing conditions, or immigration status.

2.2 Coverage

(a) Care Without Fear shall provide coverage for:

- Primary and preventive care, including annual physicals, immunizations, screenings, and wellness visits
- Specialist care and consultations
- Hospital services, including inpatient, outpatient, and emergency care
- Surgical procedures
- Prescription medications, including brand-name and generic drugs
- Mental health services, including therapy, counseling, psychiatric care, and substance abuse treatment
- Dental care, including preventive, restorative, and emergency dental services
- Vision care, including eye exams, glasses, and contact lenses
- Maternity and newborn care
- Pediatric services
- Laboratory and diagnostic services
- Rehabilitation services, including physical therapy, occupational therapy, and speech therapy
- Home health services
- Hospice and palliative care
- Medical equipment and supplies
- Ambulance and emergency medical transport
- Telehealth services

(b) Care Without Fear coverage shall have no copays, deductibles, coinsurance, or out-of-pocket maximums for covered services.

(c) Coverage shall continue regardless of employment status. Losing a job does not affect healthcare coverage.

2.3 Eligibility

(a) All Colorado residents are eligible for Care Without Fear coverage, including:

- Individuals employed full-time, part-time, or seasonally
- Self-employed individuals and independent contractors
- Unemployed individuals
- Retired individuals
- Students
- Children and dependents
- Individuals regardless of immigration status
- AI-displaced workers receiving payments under Section 4
- Life Security Program participants
- Individuals experiencing homelessness
- Tribal members residing in Colorado

(b) Residency Requirement: Individuals must have established domicile in Colorado, defined

as living in Colorado for 90 or more consecutive days with intent to remain, OR having

established a permanent address in Colorado.

(c) Visitors and Emergency Care: Non-residents visiting Colorado shall receive emergency

care. See Section 2.9(g) for visitor billing and cost recovery.

(d) Coverage Tiers Clarification:

Status Coverage Level

Residents (90+ days, intent Full coverage
to stay)

Contributing residents Full coverage

(working, paying in,

volunteering)

Immigrants (regardless of Full coverage status, if contributing)

Visitors from other states Emergency care only

2.4 Funding

(a) Care Without Fear shall be funded primarily through an increase in the Colorado state

income tax rate, implemented in phases as specified in Section 3.

(b) Phased Income Tax Implementation:

Period Tax Increase Rate

Years 1-2 2.2% 4.4% → 6.6%

Years 3-5 2.0% 4.4% → 6.4%

Year 6+ Evaluated annually Target: further reduction

(c) Cost comparison for typical family (Years 1-2):

Annual Income Tax Increase Typical Insurance Cost Net Annual Savings

\$50,000 \$1,100 \$9,000 - \$12,000 \$7,900 - \$10,900

\$70,000 \$1,540 \$12,000 - \$15,000 \$10,460 - \$13,460

Annual Income Tax Increase Typical Insurance Cost Net Annual Savings

\$100,000 \$2,200 \$15,000 - \$20,000 \$12,800 - \$17,800

\$150,000 \$3,300 \$18,000 - \$25,000 \$14,700 - \$21,700

(d) Additional funding from Health-Impact Food Taxes (Section 3.7),

Enhanced Liquor Taxes

(Section 3), tourism fees (Section 6), AI Industry Requirements (Section 25), and business

contributions.

2.5 Administration

(a) The CESA Administration shall administer Care Without Fear in coordination with the

Colorado Department of Health Care Policy and Financing.

(b) A Care Without Fear Board shall be established, consisting of:

- Three members appointed by the Governor

- Two members appointed by the State Senate
- Two members appointed by the State House of Representatives
- Two healthcare professionals elected by healthcare provider associations
- Two patient advocates elected by patient advocacy organizations

(c) The Board shall set reimbursement rates, establish quality standards, review appeals, and ensure adequate provider networks throughout Colorado.

2.6 Provider Participation

(a) All licensed healthcare providers in Colorado shall participate in Care Without Fear as specified in Section 2.10.

(b) Reimbursement rates shall be set at levels sufficient to ensure provider participation and quality care, benchmarked to Medicare rates plus adjustments for Colorado cost of living.

(c) Administrative simplification: Providers shall submit claims through a single, unified system, reducing administrative costs currently spent on multiple insurance billing systems.

2.7 Business Benefits

Businesses operating in Colorado shall realize the following benefits from Care Without Fear:

- Elimination of employer-sponsored health insurance costs (average savings: \$14,000-\$20,000 per employee annually)
- Elimination of workers' compensation medical costs (integrated into Care Without Fear)
- Elimination of benefits administration costs
- No COBRA administration requirements

- Healthier workforce due to preventive care access
- Competitive advantage in recruiting workers from other states

2.8 Transition

(a) Implementation shall occur over a 24-month period following passage of this Act.

(b) Individuals with existing insurance may maintain it during the transition period.

(c) Employers currently providing health insurance shall redirect those funds to employee compensation, business investment, or other purposes at their discretion.

2.9 Federal Funding Independence and Phase-Out

(a) Core Principle:

Colorado shall fund Care Without Fear and all CESA programs entirely through state revenue

sources. No federal funding shall be sought, accepted, or relied upon for the operation of CESA

programs, ensuring that the federal government has no leverage to deny, modify, or attach

conditions to Colorado's economic security system.

(b) Federal Funding Phase-Out Timeline:

Year Federal Role Colorado Role

Year 1 Secondary payer for existing Primary payer for all services
Medicare/Medicaid enrollees

Year 2 Continue secondary for transition Expand primary coverage
cases only

Year 3-4 Wind down remaining cases Full primary responsibility

Year 5-6 Coordination only (no funding) Sole payer for residents

Year 7+ No federal funding accepted Complete independence

(c) No Federal Strings:

- Colorado shall not accept federal grants, waivers, or funding arrangements that include

conditions affecting CESA program design, eligibility, or benefits

- Existing federal programs (Medicare, Medicaid, VA) continue for those who prefer

them, but Care Without Fear operates independently

- Colorado will not seek Medicaid expansion or ACA waivers that would create federal dependencies

(d) Self-Sufficiency Funding:

The revenue sources in Section 3 are designed to fully fund Care Without Fear without federal

participation, including:

- Income tax increase (phased)
- Enhanced liquor taxes
- Health-impact food taxes
- Business contributions
- Tourism fees
- AI Industry Requirements
- Prosperity Partnership revenue

(e) Federal Coordination:

Colorado may coordinate with federal agencies for:

- Data sharing (with appropriate privacy protections)
- Emergency response (disasters, pandemics)
- Interstate coverage recognition
- Veterans' services (VA remains an option for veterans)

(f) Medicare/Medicaid Enrollee Protection:

- Current Medicare/Medicaid enrollees may continue those programs if desired

- Care Without Fear covers anything federal programs do not
- No Colorado resident loses coverage during transition
- Those who prefer federal programs keep them; those who prefer Care Without Fear

have it

(g) Visitor Cost Recovery:

(i) Billing Process:

- Healthcare providers bill CESA directly for visitor emergency care (not the visitor)
- CESA bills the visitor's home state or insurance
- Visitors do not deal with individual provider billing
- Clean, simple process for providers

Collection Approach:

- Focus on those who CAN pay but WON'T pay
- Hardship exemptions for those who genuinely cannot afford payment
- Payment plan forgiveness available for good-faith efforts
- Interstate DMV cooperation for collection (license suspension for non-payment after multiple attempts)
- Legal collection only after multiple attempts and clear ability to pay
- Appeals process for disputes

Good Faith Standard:

- Making any payment, however small, constitutes good faith
- Documented financial hardship exempts from collection
- No aggressive collection against those in genuine financial distress

SECTION 2.10: PRIVATE INSURANCE TRANSITION

2.10.1 Purpose

This section establishes a phased transition from private health insurance to Care Without Fear

that protects consumers, supports insurance industry workers, and ensures continuous

coverage throughout the transition period.

2.10.2 Transition Timeline

Phase 1: Parallel Systems (Years 1-3)

(a) Care Without Fear enrollment opens for: - Uninsured Coloradans
Underinsured

Coloradans (high deductible plans) - Small businesses choosing to transition -
Individuals

choosing to transition

(b) Private insurance remains available and legal during this phase.

(c) Employers may choose to: - Maintain current insurance and pay

CESA contribution

(credited against insurance costs) - Transition to Care Without Fear and pay only
CESA

contribution - Offer employees choice between systems

Phase 2: Accelerated Transition (Years 4-7)

(a) Care Without Fear becomes the default for: - All new employees

entering workforce - All

small businesses (under 50 employees) - All state and local government employees

(b) Private insurance may continue for: - Employers who

affirmatively choose to maintain it -

Supplemental coverage (cosmetic, luxury amenities, etc.) - Out-of-state coverage
coordination

(c) Insurance companies must offer Care Without Fear enrollment
assistance to policyholders.

Phase 3: Full Implementation (Years 8-13)

(a) Care Without Fear becomes universal default coverage for all
Colorado residents.

(b) Private insurance transition to supplemental-only: - Coverage
for services not included in

Care Without Fear - Luxury amenities (private rooms, etc.) - Out-of-state and
international

coverage - Coordination with employer plans for multi-state companies

(c) No Coloradan shall be required to purchase private insurance for
services covered by Care

Without Fear.

2.10.3 Insurance Industry Worker Protection

(a) CESA shall establish the Insurance Workforce Transition Program

providing:

(1) Hiring Priority: Insurance industry workers receive priority hiring for CESA

administrative positions, with skills recognized as directly transferable.

(2) Retraining Programs: Free retraining for insurance workers transitioning to:

- Healthcare administration
- CESA claims processing
- Healthcare navigation services
- Other growing industries

(3) Severance Supplement: Workers laid off due to the transition receive supplemental

unemployment benefits equal to 50% of the difference between their prior salary and unemployment benefits for up to 24 months.

(4) Early Retirement Bridge: Workers over 55 with 20+ years in insurance industry may

access early retirement bridge benefits until eligible for Social Security/Medicare.

(b) Insurance companies with over 500 Colorado employees must submit workforce transition

plans to CESA detailing how they will support affected workers.

2.10.4 Consumer Protection During Transition

(a) No Coverage Gaps: No Coloradan shall experience a gap in coverage during the transition period.

(b) Rate Freeze: During Phase 1, insurance companies may not increase premiums by more than the medical inflation rate.

(c) No Penalties: Individuals who maintain private insurance shall not be penalized; they

simply pay both their insurance premium and their CESA contribution (which builds Care

Without Fear for when they choose to transition).

(d) Portability: Coverage earned under private insurance (pre-authorizations, treatment plans, etc.) shall be honored by Care Without Fear upon transition.

2.10.5 Insurance Company Requirements During Transition

(a) Insurance companies operating in Colorado must:

- (1) Provide clear disclosure to policyholders about Care Without Fear availability
- (2) Offer seamless transition assistance to policyholders choosing to switch
- (3) Transfer relevant medical records to Care Without Fear upon policyholder request

(4) Continue honoring existing policies through their terms

(b) Insurance companies may not:

- (1) Impose penalties on policyholders who switch to Care Without Fear
- (2) Discriminate against healthcare providers who participate in Care Without Fear
- (3) Spread misinformation about Care Without Fear coverage or quality

2.10.6 Supplemental Insurance Market

(a) Following full Care Without Fear implementation, private insurers may offer supplemental coverage for:

- (1) Private room upgrades during hospital stays
- (2) Cosmetic procedures not medically necessary
- (3) Experimental treatments not yet covered by Care Without Fear
- (4) International and out-of-state travel coverage
- (5) Concierge medicine services
- (6) Alternative therapies not included in Care Without Fear

(b) Supplemental insurance may NOT:

(1) Duplicate Care Without Fear covered services

(2) Create “two-tier” healthcare where basic services are better for supplemental policyholders

(3) Allow providers to prioritize supplemental patients over Care Without Fear patients for covered services

2.11 Healthcare Advertising Standards (REVISED v12.0)

2.11.1 Legislative Purpose and Constitutional Basis

(a) Consumer Protection Purpose:

This section regulates healthcare advertising as a consumer protection measure to:

Prevent deceptive and misleading healthcare marketing;
Contain healthcare costs by reducing advertising-driven demand;
Protect the doctor-patient relationship from commercial interference;
Ensure healthcare decisions are based on medical judgment, not marketing.

(b) Constitutional Basis:

This section is enacted pursuant to Colorado’s police powers to protect public health and consumer welfare, and regulates commercial speech consistent with Central Hudson standards:

The State has a substantial interest in healthcare cost containment and consumer protection;

These regulations directly advance those interests;

These regulations are no more extensive than necessary to achieve those purposes.

(c) Framing:

This section regulates commercial advertising practices; it does not regulate medical information, scientific communication, or protected speech.

2.11.2 Prohibited Advertising Practices

(a) The following commercial advertising practices are prohibited in Colorado:

Direct-to-consumer broadcast advertising of prescription medications;

Direct-to-consumer broadcast advertising of medical devices requiring prescription;

Advertising that makes unsubstantiated therapeutic claims;

Advertising that implies a patient should request a specific medication by name from their provider.

(b) “Broadcast advertising” includes television, radio, streaming services, and digital video platforms targeting Colorado consumers.

2.11.3 Permitted Communications

(a) The following are explicitly NOT prohibited:

Factual Information: Truthful, non-promotional information about medication existence, availability, and approved uses;

Price Transparency: Disclosure of medication prices, costs, and patient assistance programs;

Public Health Notices: Required FDA warnings, black box notices, and public health campaigns;

Professional Communications: Advertising in medical journals, communications to healthcare providers, and pharmaceutical detailing;

Point-of-Care Materials: Informational materials provided at pharmacies, clinics, or hospitals;

Patient Education: Educational materials about conditions, treatments, and healthcare options that do not promote specific branded products;

OTC Availability: Basic product availability information for over-the-counter products without therapeutic claims;

Disease Awareness: Non-branded campaigns about health conditions and the importance of seeking medical care.

(b) When in doubt, the CESA Administration shall construe this section in favor of permitting communication.

2.11.4 Civil Penalties

(a) Penalty Schedule:

Violation

Civil Penalty

First violation

Up to \$50,000 per advertisement

Second violation (within 24 months)

Up to \$100,000 per advertisement

Third violation (within 24 months)

Up to \$250,000 per advertisement

Fourth+ violation (within 24 months)

Up to \$500,000 per advertisement

(b) Penalty Considerations:

In determining penalty amounts, CESA Administration shall consider:

Severity and scope of the violation;

Whether the violation was knowing or negligent;

Good faith efforts to comply;

History of prior violations;

Size and resources of the violating entity;

Whether the violation caused actual consumer harm.

(c) Proportionality:

Penalties shall be proportionate to the violation. Minor, technical, or inadvertent violations shall receive warnings or reduced penalties.

2.11.5 Criminal Liability — Limited Application

(a) Criminal Liability Requirements:

Criminal penalties apply ONLY when ALL of the following are established:

The violation was **knowing and intentional** (mens rea required);

The violation was **repeated** (three or more violations within 24 months);

The violation involved **fraudulent or materially deceptive** conduct;

The violation caused or was likely to cause **substantial consumer harm**.

(b) No Automatic Personal Liability:

Corporate officers, directors, and executives are NOT automatically personally liable for corporate violations. Personal criminal liability requires proof that the individual:

Personally directed or approved the violating conduct;

Had actual knowledge the conduct was unlawful;

Had authority to prevent the conduct and failed to act.

(c) Criminal Penalties:

Where criminal liability is established:

Class 2 misdemeanor for first criminal offense;

Class 1 misdemeanor for subsequent offenses;

Maximum imprisonment of 12 months.

(d) Prosecutorial Discretion:

Criminal prosecution is at the discretion of the Attorney General and shall be reserved for egregious, willful violations. Civil remedies are the preferred enforcement mechanism.

2.11.6 Advertising Agency Liability

(a) Advertising agencies that create or place prohibited advertising may be held jointly liable for civil penalties if:

The agency knew or should have known the advertising was prohibited;

The agency was informed of Colorado's requirements and proceeded anyway;

The agency actively participated in crafting prohibited content.

(b) Agencies are NOT liable for simply placing advertising provided by clients if the agency had no reason to know the content was prohibited.

2.11.7 Formulary Independence

Enforcement actions under this section shall NOT affect formulary decisions.

Medications and devices are included in Care Without Fear coverage based solely on:

Clinical efficacy;

Safety profile;

Cost-effectiveness;

Medical necessity.

Advertising violations do not result in formulary removal if the product is medically necessary.

2.11.8 Enforcement Administration

(a) CESA Administration shall establish an enforcement division with authority to:

Monitor advertising across media platforms;

Issue warnings for minor violations;

Issue cease-and-desist orders;

Levy civil fines;

Refer cases to Attorney General for criminal prosecution when warranted;

Publish quarterly enforcement reports.

(b) Before imposing penalties, CESA Administration shall provide:

Written notice of alleged violation;

Opportunity to respond and present evidence;

Opportunity to cure violations before penalties accrue.

2.11.9 Section-Specific Severability

(a) If any provision of this section is held unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

(b) If the prohibition on broadcast advertising is held invalid, the consumer protection, disclosure, and civil penalty provisions shall continue to apply to deceptive advertising.

(c) The permitted communications provisions (Section 2.11.3) are independently operative and shall be construed to protect lawful speech regardless of other provisions.

2.12 Elder Care Credit System

2.12.1 Purpose

The Elder Care Credit System establishes an intergenerational compact: young Coloradans who

help their elders today are guaranteed equivalent help when they themselves become elders.

This creates a self-sustaining cycle of care that strengthens communities and ensures no elder

is alone or forgotten.

2.12.2 The Promise

One hour given = One hour guaranteed.

When you help an elder today, you earn credits that guarantee you will receive the same help

when you need it. This is not charity—it is an investment in your own future and a commitment from Colorado that your service will be honored.

2.12.3 Eligibility to Earn Credits

(a) Any Colorado resident age 16 or older may earn Elder Care Credits by providing approved assistance to registered elder recipients.

(b) There is no income test or other qualification—all Coloradans can participate.

(c) Those receiving Care Without Fear, Life Security, or other CESA benefits remain eligible to earn credits.

2.12.4 Eligible Activities

Credits may be earned for:

- Grocery shopping and errands
- Transportation to appointments
- Meal preparation
- Light housekeeping
- Yard work and minor home maintenance
- Companionship and social visits
- Reading or writing assistance
- Technology help (phones, computers, video calls)
- Pet care assistance
- Accompanying to community events
- Other activities approved by CESA Administration

2.12.5 Credit Rates

Activity Type Credits per Hour

Standard assistance (errands, 1.0
housekeeping, companionship)

Specialized assistance (skilled tasks, 1.25

Activity Type Credits per Hour

multiple elders)

Emergency assistance (unscheduled urgent 1.5

needs)

Holiday/weekend assistance 1.25

2.12.6 Earning and Tracking

(a) All credits are tracked through the Colorado Services Portal (Section 19.8) linked to the Colorado Benefits Card.

(b) Credits are verified by:

- Elder recipient confirmation (simple tap or voice confirmation)
- Automatic location verification (credit earner present at elder's registered location)
- Periodic random verification audits

(c) Credits appear in real-time on the earner's portal account.

2.12.7 Redemption

(a) Eligibility to Redeem:

- Age 65 or older, OR
- Any age with documented disability or chronic illness requiring assistance, OR
- Any age during recovery from surgery, injury, or acute illness (temporary redemption)

(b) Redemption Value:

One credit = One hour of equivalent assistance from another participant.

(c) No Expiration:

Credits never expire. Credits earned at age 16 are fully valid at age 85.

(d) Transferability:

- Credits may be transferred to a spouse, parent, or grandparent
- Credits may be donated to the general pool for elders without family
- Credits may NOT be sold for money

2.12.8 Elder Registration

(a) Colorado residents age 65+ may register as elder recipients.

(b) Registration includes:

- Needs assessment (what help is needed, how often)
 - Safety verification (background checks on credit earners who will assist)
 - Emergency contact information
 - Communication preferences
- (c) Registration is free and processed within 7 days.

2.12.9 Program Administration

(a) CESA Administration oversees the Elder Care Credit System through a dedicated Elder Care Division.

(b) Funding:

- Program administration funded through general CESA revenue
- No federal grants or funding sought or accepted
- Program operates entirely through volunteer credits, not paid staff for direct services
- Matching coordinators are state employees

(c) Functions include:

- Matching credit earners with elder recipients
- Training credit earners (online modules, safety protocols)
- Investigating complaints or concerns
- Maintaining the credit tracking system
- Community outreach and program promotion

2.12.10 Protections

(a) For Elders:

- All credit earners undergo background checks
- Training on elder care, boundaries, and emergency protocols
- Easy reporting mechanism for concerns
- Right to refuse specific credit earners
- Regular check-ins by program coordinators

(b) For Credit Earners:

- Clear scope of activities (not medical or personal care unless certified)
- Liability protection for good-faith assistance
- Right to refuse specific assignments
- Support and guidance from program coordinators

2.12.11 Integration with Other Programs

- Care Without Fear: Medical care is separate from Elder Care Credits; credits are for non-medical assistance
- Zero Homeless Colorado: Elders experiencing homelessness receive priority housing AND elder care assistance
- Colorado Benefits Card: Credits tracked and accessed through the unified card
- Life Security Program: Elder Care Credits do not affect Life Security benefits

2.12.12 Community Building

(a) The Elder Care Credit System is designed to build community, not replace it.

(b) CESA shall promote:

- Multi-generational community events
- Recognition of high-participation communities
- Stories of meaningful connections formed through the program
- School and youth group participation

(c) The goal is not just service delivery but the creation of an intergenerational community

where young and old know each other, care for each other, and enrich each other's lives.

SECTION 2.12: COMPREHENSIVE MENTAL HEALTH SERVICES

2.12.1 Legislative Finding and Purpose

(a) The General Assembly finds that:

- (1) Mental health is inseparable from physical health, and untreated mental illness costs Colorado billions annually in lost productivity, healthcare costs, criminal justice expenses, and human suffering;
 - (2) Approximately one in five Colorado adults experiences mental illness in any given year, and one in twenty experiences serious mental illness;
 - (3) Colorado consistently ranks among the worst states in the nation for youth mental health outcomes, with suicide being the leading cause of death for Coloradans ages 10-24;
 - (4) Access to mental health services remains inadequate, with many Coloradans unable to find providers, afford treatment, or receive timely care;
 - (5) The integration of mental health services into a comprehensive healthcare system is essential to achieving the goals of Care Without Fear;
 - (6) First responders, veterans, and other populations face elevated mental health risks requiring specialized attention;
 - (7) Prevention, early intervention, and comprehensive crisis response can significantly reduce the burden of mental illness on individuals, families, and communities.
- (b) The purpose of this section is to establish comprehensive mental health services as an integral part of Care Without Fear, ensuring that every Colorado resident has access to high-quality mental health care without financial barriers.

2.12.2 Covered Mental Health Services

Care Without Fear shall provide comprehensive mental health coverage including, but not

limited to:

(a) Outpatient Services:

(1) Individual Therapy and Counseling: Unlimited visits to licensed mental health

professionals including psychologists, licensed clinical social workers, licensed professional counselors, and licensed marriage and family therapists;

(2) Group Therapy: Therapeutic groups for various conditions including depression,

anxiety, trauma, substance use, grief, and specialized populations;

(3) Family Therapy: Therapy involving family members to address family dynamics,

communication, and support for members with mental illness;

(4) Couples Counseling: Therapy for couples addressing relationship issues,

communication, and mental health impacts on relationships;

(5) Psychiatric Evaluation: Comprehensive psychiatric assessments for diagnosis and

treatment planning;

(6) Medication Management: Ongoing psychiatric care for medication prescribing,

monitoring, and adjustment;

(7) Psychological Testing: Neuropsychological and psychological testing for diagnosis and

treatment planning;

(8) Telehealth Mental Health Services: Remote delivery of mental health services via

video, phone, or other technology, with the same coverage as in-person services;

(9) Peer Support Services: Support from certified peer support specialists with lived

experience of mental illness or substance use recovery;

(10) Case Management: Coordination of care, resource connection, and ongoing support for

individuals with complex needs;

(11) Assertive Community Treatment (ACT): Intensive, team-based treatment for

individuals with serious mental illness.

(b) Inpatient and Residential Services:

(1) Acute Psychiatric Hospitalization: Inpatient treatment for mental health crises

requiring 24-hour supervision;

(2) Residential Treatment Programs: Longer-term treatment in residential settings for

individuals needing intensive care;

(3) Partial Hospitalization Programs (PHP): Day treatment programs providing

intensive services while allowing evening return home;

(4) Intensive Outpatient Programs (IOP): Structured treatment several hours per day,

several days per week;

(5) Crisis Stabilization Units: Short-term stabilization for individuals in crisis as an

alternative to hospitalization;

(6) Therapeutic Foster Care: Specialized foster care for children and youth with mental

health needs.

(c) Substance Use Disorder Treatment:

(1) Detoxification Services: Medical supervision during withdrawal from substances;

(2) Medication-Assisted Treatment (MAT): Use of FDA-approved

medications

(methadone, buprenorphine, naltrexone) in combination with counseling;

(3) Residential Rehabilitation: Inpatient treatment for substance use disorders;

(4) Outpatient Treatment Programs: Counseling and therapy for substance use;

(5) Recovery Support Services: Peer support, recovery housing support, and recovery coaching;

(6) Harm Reduction Programs: Services designed to reduce the negative consequences of substance use, including naloxone distribution, syringe services, and drug checking services.

(d) Crisis Services:

(1) 24/7 Crisis Hotline: Statewide mental health crisis line available around the clock, integrated with 988 Suicide and Crisis Lifeline;

(2) Mobile Crisis Response Teams: Teams that respond to mental health crises in the community;

(3) Crisis Stabilization Units: Facilities providing short-term crisis stabilization as an alternative to emergency departments or jails;

(4) Walk-In Crisis Centers: Facilities where individuals can access immediate crisis services without appointment;

(5) Crisis Text Line: Text-based crisis support services;

(6) Warm Lines: Non-emergency support lines for individuals needing to talk but not in crisis.

(e) Specialized Services:

(1) Trauma-Informed Care: Treatment approaches that recognize and respond to the

impact of trauma;

(2) PTSD Treatment: Evidence-based treatments for post-traumatic stress disorder

including:

- Eye Movement Desensitization and Reprocessing (EMDR)
- Prolonged Exposure Therapy
- Cognitive Processing Therapy
- Trauma-focused Cognitive Behavioral Therapy;

(3) Eating Disorder Treatment: Comprehensive eating disorder treatment including

residential, partial hospitalization, intensive outpatient, and outpatient levels of care;

(4) Child and Adolescent Mental Health Services: Developmentally appropriate mental

health services for children and youth including:

- School-based services
- Family-based treatment
- Play therapy
- Trauma-focused treatment for children
- Early childhood mental health consultation;

(5) Geriatric Mental Health Services: Specialized services for older adults including:

- Geriatric psychiatry
- Treatment for depression and anxiety in older adults
- Memory care and dementia support
- Support for caregivers;

(6) Perinatal Mental Health: Services for pregnant individuals and new parents

including:

- Screening for perinatal mood disorders
- Treatment for postpartum depression and anxiety
- Support groups
- Mother-baby units for severe cases;

(7) LGBTQ+ Affirming Care: Mental health services specifically affirming and supportive

of LGBTQ+ individuals including:

- Gender-affirming mental health care
- Support for coming out process
- Family support services
- Treatment by providers trained in LGBTQ+ competency;

(8) Culturally Responsive Services: Mental health services adapted to the cultural

backgrounds and needs of diverse populations.

2.12.3 Mental Health Parity

(a) Parity Requirement: Mental health and substance use disorder services shall be provided

on par with physical health services, with:

- (1) No separate deductibles for mental health services;
- (2) No visit limits beyond those applied to physical health services;
- (3) No prior authorization requirements more restrictive than those for physical health services;
- (4) Equal coverage for inpatient and outpatient mental health services as for medical/surgical services;
- (5) Network adequacy standards ensuring adequate access to mental health providers;

(6) Reimbursement rates for mental health services comparable to those for similar medical services.

(b) Enforcement: CESA shall actively monitor and enforce parity requirements, with penalties for parity violations.

(c) Annual Parity Report: CESA shall publish an annual report on mental health parity compliance including utilization data, denial rates, and access metrics.

2.12.4 Mental Health Workforce Development

(a) Loan Forgiveness Program:

(1) Mental health professionals who practice in Colorado for five or more years shall be eligible for student loan forgiveness up to \$100,000;

(2) Enhanced forgiveness of up to \$150,000 for professionals practicing in underserved areas including rural communities, frontier areas, and communities with documented provider shortages;

(3) Eligible professionals include psychiatrists, psychologists, licensed clinical social workers, licensed professional counselors, licensed marriage and family therapists, psychiatric nurse practitioners, and certified addiction counselors;

(4) Priority consideration for professionals serving Medicaid populations, children and youth, or specialized populations.

(b) Training Programs:

(1) CESA shall fund expansion of mental health professional training programs at Colorado colleges and universities;

(2) Funding for psychiatry residency positions at Colorado

hospitals;

(3) Support for psychology internships and postdoctoral fellowships;

(4) Scholarships for students pursuing mental health careers;

(5) Pipeline programs to recruit students from underrepresented communities into mental health careers.

(c) Peer Support Certification:

(1) CESA shall establish a comprehensive certified peer support specialist program for

individuals with lived experience of mental illness or substance use recovery;

(2) Training curriculum covering peer support principles, ethics, crisis intervention, recovery orientation, and specialized topics;

(3) Certification examination and ongoing continuing education requirements;

(4) Career ladder allowing advancement from peer support to other roles;

(5) Reimbursement for peer support services through Care Without Fear.

(d) Provider Rate Equity:

(1) Mental health provider reimbursement rates shall be sufficient to attract and retain an adequate workforce;

(2) Rates reviewed annually and adjusted as needed;

(3) Rates for mental health services shall not be lower than rates for comparable medical services.

2.12.5 School-Based Mental Health

(a) Access to Services:

(1) Every public school in Colorado shall have access to mental

health services either

through on-site providers or through partnerships with community providers;

(2) Services shall include screening, assessment, individual and

group counseling, crisis

intervention, and referral to community services.

(b) Counselor Ratios:

(1) School counselor-to-student ratios shall meet or exceed 1:250 by

Year 3 of CESA

implementation;

(2) Schools serving high-need populations shall receive additional

resources to achieve

lower ratios;

(3) Counselors shall spend at least 80% of their time on direct

student services rather than

administrative duties.

(c) Staff Training:

(1) All school staff (teachers, administrators, bus drivers,

cafeteria workers, etc.) shall

receive mental health first aid training;

(2) Training shall include recognition of warning signs, how to

approach students, and how

to make referrals;

(3) Annual refresher training required;

(4) Specialized training for staff working with high-risk

populations.

(d) Student Education:

(1) Age-appropriate mental health education integrated into health

curriculum at all grade

levels;

(2) Suicide prevention education for middle and high school

students;

(3) Stigma reduction programming;

(4) Information about available resources and how to access help.

(e) Crisis Response:

(1) Every school shall have a crisis response plan that addresses mental health emergencies;

(2) Coordination with Section 30.8 mental health crisis response teams;

(3) Postvention protocols following student suicide or other traumatic events.

2.12.6 First Responder Mental Health

(a) Mandatory Coverage:

(1) PTSD and other mental health conditions shall be covered for all first responders

including:

- Law enforcement officers
- Firefighters
- Emergency medical services personnel
- Corrections officers
- 911 dispatchers and telecommunicators
- Emergency management personnel
- Wildland firefighters;

(2) Coverage shall include all evidence-based treatments without limitation;

(3) No exclusions for conditions arising from work-related trauma.

(b) Presumption of Work-Relatedness:

(1) Mental health conditions in first responders, including PTSD, depression, and anxiety,

shall be presumed to be work-related and therefore covered under workers' compensation and Care Without Fear;

(2) The presumption may only be rebutted by clear and convincing evidence that the

condition was not caused by work-related exposures;

(3) This presumption extends to retired first responders for conditions arising from their service.

(c) Confidential Access:

(1) First responders may access mental health services without employer notification;

(2) Confidentiality protections prevent disclosure of mental health treatment to employers

unless the first responder consents;

(3) Mental health records protected from discovery in administrative proceedings except

where directly relevant to fitness for duty;

(4) No adverse employment action based solely on seeking mental health treatment.

(d) Peer Support Programs:

(1) CESA shall fund first responder peer support programs in every region of the state;

(2) Peer support team members trained in critical incident stress management,

psychological first aid, and referral processes;

(3) Peer support conversations protected by privilege and confidentiality;

(4) Integration with Section 30 Community Policing Standards.

(e) Proactive Programs:

(1) Annual mental health wellness checks for all first responders;

(2) Pre-employment screening to establish baseline;

(3) Regular check-ins following critical incidents;

(4) Resilience training and stress management programs.

2.12.7 Veteran Mental Health

(a) Coordination with VA:

(1) Care Without Fear shall coordinate with Veterans Affairs services but also provide direct mental health care to veterans who prefer state services or cannot access VA;

(2) Information sharing agreements (with veteran consent) to ensure continuity of care;

(3) No requirement to exhaust VA benefits before accessing Care Without Fear;

(4) Assistance navigating VA system for those who prefer federal services.

(b) Specialized Treatment:

(1) Specialized trauma treatment for combat-related PTSD and moral injury;

(2) Providers trained in military culture and veteran-specific issues;

(3) Treatment approaches including Prolonged Exposure, EMDR, and Cognitive Processing Therapy;

(4) Treatment for traumatic brain injury co-occurring with mental health conditions.

(c) Peer Support:

(1) Veteran peer support programs staffed by veterans with lived experience;

(2) Connection with veteran service organizations;

(3) Mentorship programs pairing newer veterans with those further along in recovery.

(d) Transition Support:

(1) Mental health support for recently separated service members;

- (2) Outreach to transitioning veterans;
- (3) Integration with employment and housing services;
- (4) Family support services.

(e) Coordination with Colorado Shield:

Mental health services shall be available to Colorado Shield members with the same protections

and benefits as other first responders (Section 7).

2.12.8 Suicide Prevention

(a) Colorado Suicide Prevention Office:

(1) There is hereby established within CESA the Colorado Suicide Prevention Office;

(2) The Office shall coordinate statewide suicide prevention efforts;

(3) Director appointed by CESA Director with expertise in suicide prevention;

(4) Staff sufficient to carry out responsibilities.

(b) Statewide Suicide Prevention Plan:

(1) The Office shall develop and maintain a comprehensive statewide suicide prevention plan;

(2) Plan updated every three years;

(3) Plan shall address:

- Prevention strategies
- Intervention protocols
- Postvention support
- Data collection and surveillance
- Coordination among agencies
- Specific strategies for high-risk populations.

(c) Crisis Line Integration:

(1) Colorado's crisis line shall be fully integrated with the 988 Suicide and Crisis Lifeline;

- (2) Follow-up care coordination after crisis contacts;
- (3) Warm handoff to ongoing services;
- (4) Data tracking and quality improvement.
- (d) Lethal Means Safety:
 - (1) Training for healthcare providers on lethal means counseling;
 - (2) Voluntary safe storage programs for firearms and medications;
 - (3) Public education on lethal means safety;
 - (4) Partnerships with firearm retailers and gun ranges on suicide prevention.
- (e) Zero Suicide Framework:
 - (1) All healthcare settings participating in Care Without Fear shall implement the Zero Suicide framework;
 - (2) Components include:
 - Leadership commitment
 - Workforce training
 - Patient identification and assessment
 - Engagement and safety planning
 - Treatment and care transitions
 - Data-driven quality improvement.
- (f) Postvention Services:
 - (1) Support services for individuals bereaved by suicide (suicide loss survivors);
 - (2) Support groups throughout the state;
 - (3) Individual counseling specialized in grief after suicide;
 - (4) School and community response following suicide deaths.
- (g) Annual Reporting:
 - (1) Annual public report on suicide rates and prevention efforts;
 - (2) Data on deaths by suicide, attempts, and crisis contacts;
 - (3) Program outcomes and effectiveness;

(4) Recommendations for improvement.

2.12.9 Mental Health Court Diversion

(a) Diversion Programs:

(1) Individuals with mental health conditions who commit certain offenses may be diverted

from the criminal justice system to treatment;

(2) Diversion available for non-violent offenses where mental illness was a contributing

factor;

(3) Participation voluntary but encouraged through prosecutorial discretion;

(4) Successful completion results in charges dismissed or reduced.

(b) Mental Health Courts:

(1) Mental health courts shall be established in every judicial district by Year 3;

(2) Specialized docket with judge trained in mental health issues;

(3) Treatment-focused approach with regular court supervision;

(4) Team includes judge, prosecutor, defense attorney, treatment provider, and case manager.

(c) Coordination with Law Enforcement:

(1) Integration with Section 30.8 mental health crisis response;

(2) Pre-arrest diversion programs allowing law enforcement to divert to treatment rather than arrest;

(3) Post-arrest diversion at booking or initial appearance;

(4) Training for law enforcement on diversion options.

(d) Treatment Requirements:

(1) Participants connected to Care Without Fear mental health services;

- (2) Individualized treatment plans;
- (3) Regular court appearances to monitor progress;
- (4) Graduated sanctions and incentives.

2.12.10 Mental Health Data and Quality

(a) Data Collection:

- (1) CESA shall collect data on mental health service utilization, outcomes, and access;
- (2) Data used for quality improvement and workforce planning;
- (3) Data reported in aggregate to protect individual privacy.

(b) Quality Standards:

- (1) Mental health providers shall meet quality standards established by CESA;
- (2) Outcome measurement required for all providers;
- (3) Use of evidence-based practices encouraged through quality incentives.

(c) Public Reporting:

- (1) Annual report on mental health service access and outcomes;
- (2) Regional analysis to identify disparities;
- (3) Recommendations for improvement.

2.12.11 Budget

(a) Mental health services estimated at \$400-600 million annually, included within the overall Care Without Fear budget.

(b) Breakdown: - Outpatient services: \$150-200 million - Inpatient and residential: \$100-150

million - Substance use disorder: \$50-75 million - Crisis services: \$40-60 million - Workforce

development: \$30-50 million - School-based services: \$20-35 million - First responder

programs: \$10-20 million - Suicide prevention: \$10-15 million

SECTION 2.14: ERISA COMPLIANCE FRAMEWORK (NEW)

2.14.1 Legislative Declaration

The General Assembly finds and declares that:

- (a) The employer healthcare payroll assessment established under Care Without Fear is a state revenue measure imposed under Colorado's sovereign taxation authority;
- (b) This assessment does NOT regulate, reference, connect with, or relate to any employee benefit plan as defined by the Employee Retirement Income Security Act of 1974 (ERISA);
- (c) The assessment is a generally applicable state law that applies uniformly to all employers regardless of whether they maintain employee benefit plans;
- (d) Colorado's authority to impose payroll assessments for state healthcare financing is a core sovereign power that predates and exists independently of federal regulation of employee benefit plans.

2.14.2 ERISA Preemption Defense

(a) Nature of Assessment:

The Care Without Fear employer payroll assessment is hereby classified as:

- (1) A state revenue measure imposed under Colorado's general taxation and revenue authority;
- (2) A fee for participation in the Care Without Fear enterprise fund system;
- (3) A generally applicable employer obligation NOT targeting employee benefit plans;
- (4) An assessment that does NOT require employers to establish, maintain, modify, or administer any employee benefit plan.

(b) Legal Basis:

This assessment:

- (1) Does NOT reference any ERISA-defined employee benefit plan;
- (2) Does NOT require any employer action with respect to any benefit plan;
- (3) Applies uniformly based on payroll size, NOT based on benefit plan status;
- (4) Functions identically whether an employer maintains zero benefit plans or comprehensive plans;
- (5) Is collected through standard state tax collection mechanisms, NOT through any plan administrator function.

(c) Precedent:

This structure is consistent with state healthcare financing measures upheld under:

- (1) New York State Conference of Blue Cross & Blue Shield Plans v. Travelers Ins. Co., 514 U.S. 645 (1995) - state laws of general applicability NOT preempted;
- (2) De Buono v. NYSA-ILA Medical and Clinical Services Fund, 520 U.S. 806 (1997) - state may impose taxes on healthcare providers;
- (3) California Division of Labor Standards Enforcement v. Dillingham Construction, 519 U.S. 316 (1997) - state labor standards NOT preempted.

2.14.3 No Employer Benefit Plan Administration

(a) Employers subject to the Care Without Fear payroll assessment have NO obligation to:

- (1) Establish any employee benefit plan;
- (2) Modify any existing employee benefit plan;
- (3) Administer any benefits under Care Without Fear;
- (4) Make any fiduciary decisions regarding employee healthcare;
- (5) Report on employee benefit plan status.

(b) All Care Without Fear benefits administration is performed by:

- (1) The Care Without Fear Enterprise Fund;
- (2) CESA Administration;
- (3) State-contracted healthcare providers and administrators.

(c) Employers' ONLY obligations are:

- (1) Calculate payroll assessment based on total Colorado payroll;
- (2) Remit assessment to Colorado Department of Revenue;
- (3) Provide basic employment information (number of employees, payroll amounts).

2.14.4 Legal Defense Reserve

(a) There is hereby established the CESA Legal Defense Reserve Fund.

(b) Initial funding: \$10,000,000 from general CESA administration budget.

(c) Purpose: Defense of CESA programs against federal preemption challenges, constitutional challenges, or other legal attacks.

(d) The Attorney General shall vigorously defend CESA employer assessment provisions against any ERISA preemption claims.

2.14.5 Alternative Implementation

(a) If any court of competent jurisdiction rules that the employer payroll assessment is preempted by ERISA, the following alternative implementation shall automatically take effect:

- (1) The employer assessment shall be restructured as a broad-based business license fee applicable to all employers regardless of size;
- (2) The rate structure shall be adjusted to generate equivalent revenue;
- (3) Individual resident assessments may be adjusted to compensate for any revenue shortfall.

(b) This alternative implementation provision does NOT constitute an admission that ERISA preemption applies.

SECTION 2.15: MENTAL HEALTH PARITY ENFORCEMENT (NEW)

2.15.1 Legislative Declaration

The General Assembly finds and declares that:

- (a) "Here in Colorado, we take care of every part of every body."
- (b) Mental health is health. Mental health conditions deserve the same access, treatment quality, and coverage parity as physical health conditions.

- (c) Despite federal and state parity laws, mental health services often face longer wait times, higher denial rates, and fewer available providers than physical health services.
- (d) Enforcement of mental health parity requires dedicated oversight, measurable metrics, and accountability mechanisms.
- (e) Coloradans experiencing mental health conditions deserve timely access to care without bureaucratic barriers.

2.15.2 Mental Health Parity Officer

(a) Establishment:

There is hereby established within CESA Administration the position of Mental Health Parity Officer.

(b) Qualifications:

The Mental Health Parity Officer shall:

- (1) Hold advanced credentials in mental health (psychiatry, psychology, clinical social work, or equivalent);
- (2) Have at least 10 years of experience in mental health service delivery or policy;
- (3) Demonstrate commitment to mental health parity and access.

(c) Independence:

The Mental Health Parity Officer:

- (1) Reports directly to the CESA Administrator;
- (2) Cannot be removed without cause;
- (3) Has independent authority to investigate and report on parity compliance;
- (4) Has direct access to all Care Without Fear mental health data.

(d) Duties:

The Mental Health Parity Officer shall:

- (1) Monitor mental health parity metrics quarterly;
- (2) Investigate complaints of parity violations;
- (3) Recommend corrective actions;
- (4) Report to Implementation Oversight Board annually;
- (5) Publish public parity dashboard;
- (6) Coordinate with mental health providers and advocates.

2.15.3 Parity Metrics Requirements

(a) Access Metrics:

Care Without Fear
shall achieve parity on
the following access

metrics:

Metric
Mental Health Target
Comparison
New patient wait time
≤14 days
Equal to primary care
Follow-up wait time
≤7 days
Equal to primary care
Crisis response (urban)
≤60 minutes
Immediate response
Crisis response (rural)
≤90 minutes
Immediate response

**(b) Network
Adequacy:**

Provider Type
Minimum Ratio
Geographic Coverage
Therapists/Counselors
1:2,000 residents
All 64 counties
Psychiatrists
1:10,000 residents
Regional coverage
Crisis specialists
1:25,000 residents
All regions
Substance abuse counselors
1:5,000 residents
All 64 counties

(c) Quality Metrics:

Metric
Target
Comparison
Denial rate
≤2%
Equal to physical health
Prior authorization rate
0%
None required
Appeal success rate
N/A
No denials to appeal
Patient satisfaction
≥85%
Equal to physical health

2.15.4 Enforcement Mechanisms

- (a)** If any parity metric falls below target for two consecutive quarters:
- (1) Mental Health Parity Officer issues public notice;
 - (2) CESA Administration submits corrective action plan within 30 days;
 - (3) Implementation Oversight Board reviews progress quarterly.
- (b)** Corrective actions may include:
- (1) Provider recruitment initiatives in underserved areas;
 - (2) Rate adjustments to attract mental health providers;
 - (3) Telehealth expansion for access gaps;
 - (4) Partnership with training programs for workforce development.

2.15.5 Patient Advocate Program

- (a)** Care Without Fear shall establish a Mental Health Patient Advocate Program.
- (b)** Advocates shall:
- (1) Assist patients navigating mental health services;
 - (2) Help patients understand their rights;
 - (3) Investigate patient complaints;
 - (4) Report systemic issues to Mental Health Parity Officer.
- (c)** Advocates shall be available:
- (1) At all CESA Service Hubs;
 - (2) Via telehealth throughout Colorado;
 - (3) Through 24/7 crisis support line.

2.1
5.6
Bu
dge
t

Year
Parity Officer
Patient Advocates
Provider Recruitment
Telehealth Expansion
Total
Year 1
\$0.5M
\$2.0M
\$3.0M
\$1.0M
\$6.5M
Year 3
\$0.6M
\$3.0M
\$4.0M
\$1.5M
\$9.1M
Year 7
\$0.8M
\$4.0M
\$5.0M
\$2.0M
\$11.8M
Year 13
\$1.0M
\$6.0M
\$8.0M
\$3.7M
\$18.7M

SECTION 3: FUNDING SOURCES AND ENTERPRISE FUND STRUCTURE

3.1 Purpose and TABOR Compliance

(a) This section establishes funding mechanisms for CESA programs

3.0.1 FUNDING TERMINOLOGY STANDARDIZATION (NEW v12.0)

3.0.1.1 Purpose

This section establishes standardized definitions for all CESA funding mechanisms to ensure clarity, prevent mischaracterization, and distinguish between different types of revenue.

3.0.1.2 Definitions and Classifications

(a) CESA Funding Categories:

Term

Definition

Legal Classification

Enterprise Assessment

Payments to enterprise funds in exchange for services

TABOR-exempt enterprise revenue

Program Contribution

Individual payments for program participation

Enterprise fund fee

Employer Payroll Assessment

Employer payments based on payroll

State revenue measure / healthcare financing fee

User Fee

Payments for specific services received

Fee for service

Impact Fee

Fees on activities that create costs (tourism, health-impact products)

Regulatory fee

Tax

General revenue measures requiring voter approval

Subject to TABOR

(b) What IS and IS NOT a Tax:

For clarity:

- (1) **Enterprise assessments and program contributions are NOT taxes.** They are payments in exchange for services through enterprise funds, exempt from TABOR.
- (2) **Employer payroll assessments are NOT taxes on employees.** They are employer obligations similar to unemployment insurance contributions.
- (3) **Tourism fees are NOT taxes on Colorado residents.** They are visitor fees that fund visitor-related services.
- (4) **Health-impact fees are regulatory fees,** not general taxes, imposed on products that create healthcare costs.
- (5) **Income tax adjustments** (if any) ARE taxes and comply with all TABOR requirements.

3.0.1.3 Double Taxation Prevention

(a) Prohibition:

No individual or employer shall be subject to double assessment for the same benefit or service. Specifically:

- (1) Employers who pay the employer payroll assessment shall NOT be required to pay separate per-employee healthcare fees;
- (2) Individuals who pay individual healthcare contributions shall NOT be separately assessed for the same coverage;
- (3) Where an employer and employee both contribute to a program, their combined payment represents the full cost—no additional assessments shall apply.

(b) Overlap Resolution:

Where CESA programs overlap, CESA Administration shall ensure:

Clear allocation of costs between programs;

No duplicate billing for the same service;

Coordination of benefits without double payment.

3.0.1.4 Gross vs. Net Impact Disclosure

(a) Requirement:

All CESA funding impact statements shall clearly distinguish:

Gross cost: Total payments to CESA programs;

Offset savings: Eliminated costs (private insurance premiums, out-of-pocket expenses);

Net impact: Gross cost minus offset savings.

(b) For Individuals:

Individual impact statements shall show:

CESA healthcare contribution (gross cost);

Eliminated private premium (savings);

Eliminated deductibles and copays (savings);
Net household impact (may be positive or negative).

(c) For Employers:

Employer impact statements shall show:

CESA employer payroll assessment (gross cost);
Eliminated employer health insurance costs (savings);
Administrative savings;
Net business impact (may be positive or negative).

3.0.1.5 Required Fiscal Transparency

(a) Annual Taxpayer Impact Report:

CESA Administration shall publish an annual plain-language report showing:

Total CESA revenue by source;
Total CESA expenditures by program;
Average household impact (gross and net);
Average employer impact by size category;
Comparison to prior year projections;
Explanation of any variances.

(b) Independent Fiscal Certification:

Before activation of any CESA module, independent actuarial certification shall verify:

Projected costs are adequately funded;
Revenue mechanisms are legally sound;
Implementation timeline is realistic.

(c) Cost Variance Review Trigger:

If actual costs exceed projected costs by more than 15% for two consecutive years:

CESA Stewardship Council shall conduct review;
Findings reported to legislature;
Corrective action required before continued operation.

that comply with Article X,
Section 20 of the Colorado Constitution (TABOR) through the use of enterprise funds
and fee-

for-service structures.

(b) The General Assembly finds that:

(1) Coloradans currently pay over \$30 billion annually for

healthcare through premiums,

deductibles, copays, and out-of-pocket costs;

(2) A significant portion of these payments—estimated at \$3-5

billion annually—goes to

administrative overhead, insurance company profits, billing disputes, and inefficiencies

rather than actual healthcare;

(3) By restructuring how Coloradans pay for healthcare and economic security services,

CESA can provide better coverage at lower total cost;

(4) Enterprise funds, which provide services in exchange for fees, are exempt from TABOR's

voter approval requirements for tax increases;

(5) This structure ensures CESA can be fully implemented without requiring new tax

increases, while saving money for Colorado families and businesses.

3.2 CESA Enterprise Fund System

3.2.1 Establishment of Enterprise Funds

There are hereby established the following enterprise funds within CESA:

(a) Care Without Fear Enterprise Fund - For universal healthcare services

(b) Life Security Enterprise Fund - For life insurance and death benefits

(c) AI Workforce Protection Enterprise Fund - For worker displacement services

(d) Childcare For All Enterprise Fund - For universal childcare services

(e) Colorado Economic Security General Fund - For programs not covered by specific enterprise funds

3.2.2 Enterprise Fund Legal Structure

Each enterprise fund established under this section is a government-owned business authorized to issue revenue bonds and receive fees, charges, and contributions in exchange for providing specific services to participants.

Enterprise funds shall:

Operate as self-sustaining entities;

Receive less than 10% of annual revenue from state or local government grants (TABOR enterprise qualification);

Maintain separate accounting from the state General Fund;

Be exempt from TABOR revenue and spending limitations pursuant to Article X, Section 20(2)(d);

Not receive transfers from the state General Fund except as startup loans to be repaid with interest.

Voluntary Participation with Participation Benefits.

Participation in CESA enterprise fund programs is voluntary for all individuals and employers.

Participating employers and individuals receive all benefits established under this Act, including but not limited to:

Care Without Fear healthcare coverage for employees and dependents;

Colorado Qualified Business status and associated preferences;

State contract bid preferences (5-10%);

CESA legal safe harbors and liability protections;

AI Displacement Insurance Fund coverage;

Access to Colorado State Bank business programs;

Expedited permitting and regulatory approvals.

Non-participating employers who opt out of CESA enterprise funds:

Shall not receive any benefits listed in subsection (c)(2);

Shall not be eligible for Colorado Qualified Business status;

Shall not receive state contract preferences;

Shall not be covered by CESA safe harbor provisions;

Must disclose non-participating status to employees and in state contract bids;

Remain subject to all other Colorado employment laws.

Opt-out process. Employers wishing to opt out of CESA participation shall:

File written notice with CESA Administration by December 1 for the following calendar year;

Provide written notice to all employees of non-participating status;

Maintain non-participating status for minimum of two calendar years before re-enrollment eligibility.

Default participation. Employers who do not file opt-out notice are deemed participating employers and subject to all contribution requirements.

The General Assembly declares that contributions to CESA enterprise funds are fees for services rendered, not taxes, because:

Participation is voluntary with genuine opt-out available;

Participants receive specific, quantifiable benefits in exchange for their contributions;

Contributions are proportional to benefits received or ability to pay for services;

Non-participants may be excluded from benefits;

The enterprise funds operate as businesses providing services to voluntary participants.

3.3 Care Without Fear Enterprise Fund

3.3.1 Revenue Sources

The Care Without Fear Enterprise Fund shall be funded by:

(a) Individual Healthcare Contributions:

Example Annual

Annual Income Contribution Rate Payment

Below 138% CCLS 0% \$0

138-200% CCLS 2% \$700

200-300% CCLS 4% \$1,600

300-400% CCLS 5% \$2,500

400-500% CCLS 6% \$3,600

Above 500% CCLS 7% (capped at \$15,000) \$4,200-15,000

Employer Healthcare Payroll Assessment:

Assessment Imposed. There is hereby imposed a healthcare payroll assessment on all wages paid to employees performing services in Colorado by participating employers.

Nature of Assessment. This assessment is a generally applicable revenue measure imposed on the privilege of employing workers in Colorado who benefit from the Care Without Fear healthcare system. This assessment:

Is not a regulation of employee benefit plans;

Does not reference, connect with, or relate to any employee benefit plan as defined by the Employee Retirement Income Security Act of 1974 (ERISA);

Is a fee for participation in the Care Without Fear enterprise fund system;

Applies uniformly to all participating employers based on payroll size.

Assessment Rates. The assessment rate for participating employers shall be:

Annual Payroll Assessment Rate Compared to Current Insurance

Under \$500,000 0% (exempt) Savings: 100% of premiums

\$500,000 - \$2,000,000 6% of payroll Savings: ~40% vs. premiums

\$2,000,000 - \$10,000,000 8% of payroll Savings: ~35% vs. premiums

Over \$10,000,000 9% of payroll Savings: ~30% vs. premiums

Deposit of Proceeds. All proceeds from this assessment shall be deposited in the Care Without Fear Enterprise Fund.

No Private Insurance Alternative. This assessment is the sole employer contribution mechanism for Care Without Fear. There is no credit, offset, or reduction for employers who maintain private health insurance coverage. Care Without Fear is the universal healthcare system for Colorado; private insurance may offer only supplemental coverage for services not covered by Care Without Fear as specified in Section 2.10.6.

Collection. The assessment shall be collected by the Colorado Department of Revenue through the existing wage withholding and employer reporting system, remitted quarterly.

(c) Healthcare Provider Assessments:

(1) Hospital assessment: 2% of net patient revenue

(2) Insurance company transition assessment: 1% of Colorado premiums collected (Years 1-5 only)

(3) Pharmaceutical assessment: 1% of Colorado sales revenue

(d) Administrative Savings Capture (See Section 44)

(e) Federal funding when available and accepted without conditions that conflict with CESA principles (See Section 45)

3.3.2 Contribution Comparison to Current System

For Individuals:

Income Current System (Premiums + Out-of- CESA Annual Level Pocket) Contribution Savings

\$35,000 \$4,500 average \$700 (2%) \$3,800

Income Current System (Premiums + Out-of- CESA Annual
Level Pocket) Contribution Savings

\$50,000 \$6,200 average \$2,000 (4%) \$4,200
\$75,000 \$10,900 average \$3,750 (5%) \$7,150
\$100,000 \$12,500 average \$6,000 (6%) \$6,500
\$150,000 \$14,000 average \$10,500 (7%) \$3,500
\$250,000 \$15,000 average \$15,000 (capped) \$0 (same cost,
better
coverage)

For Employers:

Company Size Current Insurance Cost CESA Contribution Annual Savings

10 employees, \$70,000 \$0 (exempt) \$70,000
\$500K payroll
25 employees, \$175,000 \$90,000 (6%) \$85,000
\$1.5M payroll
50 employees, \$350,000 \$240,000 (8%) \$110,000
\$3M payroll
100 employees, \$700,000 \$560,000 (8%) \$140,000
\$7M payroll
500 employees, \$3,500,000 \$3,600,000 (9%) -\$100,000*
\$40M payroll

*Large employers pay slightly more but gain: no HR benefits administration, no
insurance

negotiations, healthier workforce, no coverage gaps, competitive advantage for
recruitment.

3.3.3 Total Care Without Fear Revenue

Estimated Annual Revenue (at full implementation):

Source Amount

Individual contributions \$2.5-3.5 billion

Employer contributions \$4.0-5.0 billion

Provider assessments \$500 million - \$1.0 billion

Administrative savings capture \$1.5-2.0 billion

Federal funding (Medicaid match, \$2.0-3.0 billion
etc.)

Total \$10.5-14.5 billion

Estimated Annual Expenditures:

Category Amount

Direct healthcare services \$9.0-11.0 billion

Category Amount

Mental health services \$400-600 million

Administration (capped at 5%) \$500-600 million

Reserves and contingencies \$500-750 million

Total \$10.4-13.0 billion

Net Position: Balanced to surplus of \$100 million - \$1.5 billion annually

3.3.4 ERISA Compliance and Federal Independence

Structure for Federal Law Compliance. The employer healthcare payroll assessment under Section 3.3.1(b) is structured as a generally applicable revenue measure to ensure compliance with federal law, including the Employee Retirement Income Security Act of 1974 (ERISA).

No Federal Waiver Required. Implementation of Care Without Fear and the employer healthcare assessment shall not be contingent upon obtaining any federal waiver, approval, or permission. Colorado asserts its sovereign authority to fund healthcare for its residents through enterprise fund mechanisms.

Federal Funding Independence. Care Without Fear shall be designed to operate without reliance on federal funding. Any federal funds that may become available shall be:

Accepted only if offered without conditions that conflict with CESA principles;

Treated as supplemental revenue, not essential operating funds;

Tracked separately to ensure the program remains viable if federal funding is reduced or eliminated;

Shall not constitute more than 15% of any CESA program's operating budget after Year 5.

Legal Defense. The Attorney General shall vigorously defend the healthcare payroll assessment structure against any legal challenge, including challenges under ERISA

preemption doctrine. CESA shall maintain a Legal Defense Reserve of not less than \$10 million for this purpose.

3.4 Life Security Enterprise Fund

3.4.1 Revenue Sources

(a) Employee Contributions:

Contribution Level Rate Death Benefit

Minimum (default) 1% of income \$50,000 +
\$10,000/dependent

Standard 2% of income \$100,000 +
\$25,000/dependent

Enhanced 3% of income \$200,000 +
\$50,000/dependent

Maximum 5% of income \$500,000 +
\$100,000/dependent

(b) Employer Matching: Employers with 50+ employees contribute 0.5%
of payroll to Life
Security Fund.

(c) Investment Returns: Life Security Fund assets invested
conservatively with returns
supporting benefit payments.

3.4.2 Life Security Comparison

Coverage Level Private Insurance Annual Cost CESA Annual Cost Savings

\$50,000 policy \$600-1,200 \$500 (1% of \$50K \$100-700
income)

\$100,000 policy \$1,000-2,000 \$1,000 (2% of \$50K \$0-1,000
income)

\$200,000 policy \$1,800-3,500 \$1,500 (3% of \$50K \$300-
income) 2,000

Key Advantage: CESA Life Security has NO health questions, NO denials for pre-
existing

conditions, and coverage follows you between jobs.

3.4.3 Total Life Security Revenue

Estimated Annual Revenue: \$500-750 million Estimated Annual Benefits Paid: \$300-500

million Reserve Building: \$200-250 million annually until reserve reaches \$2 billion

3.5 AI Workforce Protection Enterprise Fund

3.5.1 Revenue Sources

(a) Employer Automation Contributions:

Employers pay based on automation intensity (AI/automation spending as percentage of

payroll):

Automation Intensity Contribution Rate

Less than 5% 0.1% of payroll

5-15% 0.2% of payroll

15-30% 0.4% of payroll

30-50% 0.6% of payroll

Over 50% 1.0% of payroll

(b) AI Industry Requirements (Section 25): Large AI companies

contribute 35% of energy

costs back to Colorado grid plus community benefit funds.

3.5.2 Total AI Workforce Protection Revenue

Estimated Annual Revenue: \$300-500 million Uses: Retraining, income support during

transition, job placement, entrepreneurship support

3.6 Childcare For All Enterprise Fund

3.6.1 Purpose

This section establishes Childcare For All Colorado, a sliding-scale childcare subsidy program ensuring that all Colorado families can access quality childcare regardless of income, with greatest support for those with greatest need.

3.6.2 Eligibility and Subsidy Levels

Income-Based Sliding Scale. Childcare subsidies shall be provided based on household income relative to the Colorado Cost of Living Standard (CCLS):

Household Income Subsidy Level Family Pays

Below 150% CCLS 95% of cost 5% of cost

150% - 200% CCLS 85% of cost 15% of cost

200% - 250% CCLS 70% of cost 30% of cost

250% - 300% CCLS 50% of cost 50% of cost

300% - 400% CCLS 30% of cost 70% of cost

400% - 500% CCLS 15% of cost 85% of cost

Above 500% CCLS 0% subsidy Provider quality programs only

Maximum Subsidy Amounts. Subsidies shall be capped at the 75th percentile of market rates in the family's region for:

Infant care (0-18 months);

Toddler care (18-36 months);

Preschool care (3-5 years);

School-age before/after care (5-12 years).

Work Requirement Exemptions. Subsidies shall be available regardless of employment status for:

Parents enrolled in education or job training programs;

Parents with disabilities;

Parents caring for a family member with disabilities;

Parents experiencing domestic violence situations;

Other circumstances determined by CESA Administration.

3.6.3 Phased Implementation

Phase 1 (Years 1-3): Subsidies available to families below 200% CCLS

Estimated enrollment: 50,000 children

Estimated annual cost: \$400-600 million

Phase 2 (Years 4-6): Expand to families below 300% CCLS

Estimated enrollment: 80,000 children

Estimated annual cost: \$700-900 million

Phase 3 (Years 7-10): Expand to families below 400% CCLS

Estimated enrollment: 110,000 children

Estimated annual cost: \$1.0-1.3 billion

Phase 4 (Years 11+): Full implementation to 500% CCLS

Estimated enrollment: 130,000 children

Estimated annual cost: \$1.3-1.6 billion

Activation Contingent on Funding. Each phase shall activate only upon certification by the Implementation Oversight Board that:

Adequate funding is available;

Provider network capacity exists;

Administrative systems are operational.

3.6.4 Provider Requirements

Participating childcare providers shall meet quality standards including:

Staff qualifications and training requirements;

Child-to-staff ratios meeting or exceeding state licensing requirements;

Health and safety standards;

Developmentally appropriate curriculum;

Colorado Quality Rating and Improvement System participation.

Provider Payment Rates. CESA shall pay providers at rates sufficient to:

Support living wages for childcare workers (minimum 150% of state minimum wage);

Cover actual costs of quality care;

Encourage provider participation across all regions including rural areas.

3.6.5 Revenue Sources

The Childcare For All Enterprise Fund shall be funded by:

Employer childcare payroll assessment (participating employers with 50+ employees): 0.5% of payroll

Parent contributions per sliding scale above

Reallocation of existing state childcare funding

Dedicated revenue from CESA general fund as available

3.6.6 Total Childcare Enterprise Fund Revenue

Estimated Annual Revenue by Phase:

Phase 1 (Years 1-3): \$400-600 million

Phase 2 (Years 4-6): \$700-900 million

Phase 3 (Years 7-10): \$1.0-1.3 billion

Phase 4 (Years 11+): \$1.3-1.6 billion

3.7 Non-Enterprise Revenue Sources

The following revenue sources fund CESA programs that do not operate as enterprise funds:

3.7.1 Tourism Impact Fees

Fee Type	Amount	Annual Revenue
Lodging fee	\$5/night	\$180 million
Ski lift fee	\$15/visit	\$210 million
State park fee	\$10/visit	\$200 million
Short-term rental fee	\$10/night	\$100 million
Convention facility fee	\$2/attendee	\$30 million
Total		\$720 million

3.7.2 Cannabis Revenue Dedication

Existing cannabis tax revenue (\$425 million annually) shall be dedicated to CESA programs as

follows:

- 40% to Care Without Fear (\$170 million)
- 30% to Mental Health Services (\$127.5 million)
- 20% to Zero Homeless Colorado (\$85 million)
- 10% to Youth Programs (\$42.5 million)

Note: This requires voter approval to reallocate existing revenue, not approval of new taxes.

3.7.3 Settlement and Recovery Dedication (See Section 46)

All lawsuit settlements and recoveries received by the State of Colorado shall be dedicated to

CESA:

- Opioid settlements: \$40-60 million annually (over 15+ years)
- Tobacco Master Settlement: \$100 million annually
- Future technology/AI settlements: Variable
- Healthcare fraud recoveries: \$10-20 million annually

Estimated Annual Total: \$150-200 million

3.7.4 Colorado State Bank Returns (See Section 43)

Once operational (Year 4+), Colorado State Bank returns:

Estimated Annual Revenue: \$100-300 million (growing over time)

3.7.5 Federal Funding Maximization (See Section 45)

Aggressive pursuit of federal funding without accepting conditions that conflict with CESA:

- Medicaid matching (included in Care Without Fear)
- Transportation and infrastructure grants
- Climate and energy grants
- Workforce development grants
- Housing grants

Estimated Additional Federal Capture: \$200-500 million annually

3.7.6 Investment Returns

CESA Economic Resilience Fund and enterprise fund reserves invested to generate returns:

Estimated Annual Returns: \$100-250 million (once reserves established)

3.8 Revenue Summary (Enterprise Model)

3.8.1 Enterprise Fund Revenue

Fund Annual Revenue

Care Without Fear \$10.5-14.5 billion

Life Security \$500-750 million

AI Workforce Protection \$300-500 million

Childcare For All \$750 million - \$1.2 billion

Enterprise Total \$12.0-17.0 billion

3.8.2 Non-Enterprise Revenue

Source Annual Revenue

Tourism Impact Fees \$720 million

Cannabis Dedication \$425 million

Settlements/Recoveries \$150-200 million

State Bank Returns \$100-300 million

Additional Federal Funding \$200-500 million

Investment Returns \$100-250 million

Enforcement/Penalties \$10-20 million

Non-Enterprise Total \$1.7-2.4 billion

3.8.3 Total CESA Revenue

Total Annual Revenue (at full implementation): \$13.7-19.4 billion

3.8.4 What This Replaces

CESA revenue is NOT new money extracted from Coloradans. It REPLACES:

Current Spending Amount

Private health insurance premiums \$15-20 billion

Out-of-pocket healthcare costs \$3-5 billion

Private life insurance premiums \$1-2 billion

Childcare costs \$2-3 billion

Economic costs of homelessness \$500 million+

Current Total Spending \$21.5-30.5 billion

Net Effect: Coloradans pay LESS total while receiving MORE and BETTER services.

SECTION 3.4: SMALL BUSINESS GRADUATED TRANSITION (NEW)

3.4.1 Legislative Findings

The General Assembly finds that:

- (a) Small businesses are the backbone of Colorado's economy;
- (b) Sudden cost increases at payroll thresholds ("cliff effects") can discourage business growth;
- (c) A graduated transition system creates predictability and supports business expansion;
- (d) CESA is designed to be "all user friendly" - friendly to businesses, workers, families, and government.

3.4.2 Elimination of Cliff Effects

(a) Problem Addressed:

Under standard threshold systems, a business crossing from \$499,999 to \$500,001 in payroll would suddenly face the full 6% assessment—a \$30,000+ new cost overnight. This discourages growth and job creation.

(b) Solution:

Graduated phase-in zones create smooth transitions at each threshold.

3.4.3 Graduated Assessment Schedule

(a) Small Business Exemption Zone: Under \$500,000 Payroll

Assessment Rate: 0% (fully exempt)

Rationale: Protect smallest businesses during startup and early growth phases

(b) Transition Zone 1: \$500,000 - \$600,000 Payroll

Payroll Amount

Effective Rate

Annual Assessment

\$500,000

1.0%

\$5,000

\$520,000

2.0%

\$10,400

\$540,000

3.0%

\$16,200

\$560,000

4.0%

\$22,400

\$580,000

5.0%

\$29,000

\$600,000

6.0%

\$36,000

**(c) Standard Small
Business Zone:
\$600,000 - \$2,000,000
Payroll**

Assessment Rate: 6%

Example: \$1,000,000 payroll = \$60,000 annual assessment

(d) Transition Zone 2: \$2,000,000 - \$2,400,000 Payroll

Payroll Amount

Effective Rate

Annual Assessment

\$2,000,000

6.0%

\$120,000

\$2,100,000

6.5%

\$136,500

\$2,200,000

7.0%

\$154,000

\$2,300,000

7.5%

\$172,500

\$2,400,000

8.0%

\$192,000

**(e) Medium Business
Zone: \$2,400,000 -
\$10,000,000 Payroll**

Assessment Rate: 8%

(f) Transition Zone 3: \$10,000,000 - \$12,000,000 Payroll

Payroll Amount

Effective Rate

Annual Assessment

\$10,000,000

8.0%

\$800,000

\$10,500,000

8.25%

\$866,250

\$11,000,000

8.5%

\$935,000

\$11,500,000

8.75%

\$1,006,250

\$12,000,000

9.0%

\$1,080,000

(g) Large Business Zone: Over \$12,000,000 Payroll

Assessment Rate: 9%

3.4.4 Seasonal Business Adjustments

(a) Businesses with significant seasonal employment (>30% payroll variation) may elect to:

- (1) Use annualized average payroll for threshold determination;
- (2) Make quarterly assessments based on actual quarterly payroll;
- (3) Reconcile annually with true-up payment or credit.

(b) Seasonal adjustment election must be made by January 31 each year.

3.4.5 New Business Growth Protection

(a) Businesses in their first three years of operation receive additional protection:

Business Age

Assessment Percentage of Standard Rate

Year 1

50% of applicable rate

Year 2

75% of applicable rate

Year 3+

100% of applicable rate

(b) Example: A Year 1 business with \$800,000 payroll would pay 3% instead of 6% (\$24,000 vs. \$48,000).

3.4.6 Economic Downturn Protection

(a) During declared economic emergencies:

- (1) Small businesses may defer up to 50% of assessments for 6 months;
- (2) Deferred amounts repaid over 24 months with no interest;
- (3) No penalties for businesses maintaining employment levels.

SECTION 3.7: HEALTHY COLORADO FOOD POLICY

3.7.1 Legislative Findings

The General Assembly finds that:

- (1) Colorado faces significant public health challenges including rising rates of obesity, diabetes, and cardiovascular disease;
- (2) Healthcare costs are driven significantly by preventable diet-related diseases;
- (3) Healthy food is often more expensive than unhealthy food, creating barriers for families facing financial hardship;
- (4) A health-based food pricing system can simultaneously generate revenue for healthcare while improving public health outcomes;
- (5) Evidence from other jurisdictions demonstrates that health-based food pricing reduces consumption of unhealthy items and improves dietary choices;
- (6) Making healthy food affordable and accessible to all Colorado residents is essential to the success of the Care Without Fear system;
- (7) Prevention is more cost-effective than treatment, and dietary intervention is one of the most impactful prevention strategies available.

3.7.2 Health-Impact Food Taxes

(a) Sugary Beverage Tax UPDATED

Rate: 5 cents per fluid ounce (increased from 2 cents)

Applicable Products:

- Carbonated soft drinks with added sugar
- Energy drinks with added sugar

- Sweetened tea and coffee beverages
- Sports drinks with added sugar
- Fruit drinks with less than 70% real fruit juice
- Any beverage with added caloric sweeteners

Exemptions:

- 100% fruit or vegetable juice
- Milk and milk-based beverages
- Beverages with no caloric sweeteners (diet drinks)
- Infant formula
- Medical nutritional supplements
- Alcoholic beverages (separately taxed under Section 3(b))

Collection: Tax collected at wholesale/distributor level, passed through to retail price

Estimated Revenue: \$375-500 million annually

(b) High-Sugar High-Fat Food Tax

Rate: 8% additional sales tax (added to existing state/local sales tax)

Applicable Products - Foods meeting ANY of the following criteria:

- More than 20% of calories from added sugars
- More than 35% of calories from saturated fat
- Minimal nutritional value (less than 5% daily value of essential nutrients per serving)

Categories typically included:

- Candy and confections
- Potato chips and cheese puffs
- Cookies, pastries, and sweet baked goods
- Ice cream and frozen desserts
- Sugar-sweetened cereals

Exemptions:

- Foods with significant nutritional content (nuts, nut butters, cheese, dark chocolate 70%+)

- Baked goods made fresh in-store bakeries (local small businesses)
- Products specifically designed for medical or dietary needs

Estimated Revenue: \$100-150 million annually

(c) Ultra-Processed Food Tax

Rate: 5% additional sales tax

Applicable Products (NOVA classification system):

- Instant noodles and soups
- Frozen prepared meals with minimal whole food content
- Reconstituted meat products (nuggets, processed patties)
- Mass-produced packaged snacks with industrial ingredients
- Shelf-stable meals with extensive preservatives and additives

Exemptions:

- Canned/frozen vegetables and fruits (minimally processed)
- Whole grain pasta and rice products
- Plain frozen proteins
- Minimally processed convenience items (pre-cut vegetables, bagged salads)
- Products from small-scale local food producers (fewer than 3 locations)

Estimated Revenue: \$75-100 million annually

(d) Chain Restaurant Prepared Food Tax

Rate: 3% additional sales tax on prepared food

Applicable Establishments:

- Restaurant chains with 10 or more locations nationally
- Fast food and quick-service restaurants
- Large-scale food court vendors

Exemptions:

- Locally-owned restaurants (fewer than 10 locations)
- Sit-down table-service restaurants (see Section 28 for additional benefits)

- Salad bars and made-to-order healthy options within taxed establishments
- Grocery store delis and prepared food sections
- Non-profit food service (hospitals, schools)

Estimated Revenue: \$80-120 million annually

3.7.3 Healthy Food Access and Affordability Program

(a) Complete Sales Tax Exemption

The following foods shall be exempt from ALL state and local sales taxes:

Fresh Produce: - All fresh fruits and vegetables - Pre-cut and packaged fresh produce - Frozen

fruits and vegetables without added sugar or sauce - Dried fruits without added sugar

Whole Grains: - Brown rice, quinoa, oats, barley, millet - Whole wheat bread, pasta, and

tortillas - Whole grain cereals with minimal added sugar

Lean Proteins: - Fresh or frozen chicken breast, turkey, fish - Dried beans, lentils, and legumes

- Tofu and tempeh - Eggs

Healthy Dairy: - Low-fat milk (1% or skim) - Plain yogurt - Low-fat cheese

Nutritious Staples: - Unsalted nuts and seeds - Olive oil and other healthy cooking oils -

Herbs, spices, and seasonings without added sugar/salt - Whole grain flours

(b) Point-of-Sale Healthy Food Subsidy

Eligibility: Recipients of: - SNAP/EBT benefits - Colorado WIC benefits - Care Without Fear

services at reduced/community-service contribution level - Household income below 200% of

Colorado Cost of Living Standard

Benefit: 50% discount on all tax-exempt healthy foods

Implementation: - Automatic discount at checkout when Colorado Benefits Card used -

Integrated with existing SNAP/EBT infrastructure - No additional paperwork or stigma -

Applies at all participating grocery stores and farmers markets

Estimated Cost: \$100-125 million annually

(c) Fresh Food Access Program

(i) Monthly Produce Box:

Eligible Recipients: - Care Without Fear participants with household income below 150%

CCLS - Families with children under 18 - Seniors age 65+ - Individuals with chronic diet-related

conditions (diabetes, heart disease, hypertension)

Contents: - 15-20 pounds of fresh seasonal produce - Mix of fruits and vegetables - 75%

minimum sourced from Colorado farms UPDATED - Nutritional information and recipe

cards included

Distribution: - Pick-up at community centers, libraries, food banks - Home delivery for seniors

and disabled individuals - No cost to recipients - Dignified distribution (presented as healthcare

benefit, not charity)

Basic Staples Program:

Monthly Allotment: - Whole grains (rice, oats, pasta) - 5 pounds (60% minimum Colorado-sourced) - Dried beans and lentils - 3 pounds - Eggs - 1 dozen (Colorado farms prioritized) -

Cooking oil - 1 bottle - Basic seasonings

Estimated Cost: \$50-75 million annually

(d) Farmers Market Matching Program

- SNAP/EBT benefits used at Colorado farmers markets receive dollar-for-dollar match

up to \$20 per market visit

- Encourages purchase of fresh local produce
- Supports Colorado farmers and agricultural economy

Estimated Cost: \$10-15 million annually

(e) School Healthy Lunch Enhancement

All school breakfast and lunch programs receive supplemental funding to: - Eliminate “a la

carte” junk food options - Increase fresh fruit and vegetable offerings - Provide free meals to all

students (universal school meals) - Source from Colorado farms when possible

Estimated Cost: \$40-50 million annually

3.7.4 Colorado WIC Program NEW

(a) Establishment

There is hereby established the Colorado Women, Infants, and Children Program (Colorado WIC), a state-funded nutrition assistance program replacing Colorado’s participation in the federal WIC program.

(b) Purpose

Colorado WIC provides enhanced nutritional support to pregnant women, new mothers,

infants, and young children, with benefits that exceed the federal program and are tailored to

Colorado families.

(c) Eligibility

- Pregnant women
- Postpartum women (up to 12 months after delivery, extended from federal 6 months)
- Breastfeeding women (up to 24 months, extended from federal 12 months)
- Infants (birth to 12 months)
- Children ages 1-5
- Income at or below 200% of CCLS (approximately 370% of federal poverty level)

(d) Benefits

Enhanced over Federal WIC:

Benefit Federal WIC Colorado WIC

Income eligibility 185% FPL 200% CCLS (~370% FPL)

Postpartum coverage 6 months 12 months

Breastfeeding coverage 12 months 24 months

Organic options Limited Full coverage

Farmers market vouchers Limited \$40/month

Colorado-sourced products Not required Prioritized

Colorado WIC Package includes:

- Milk and dairy products (organic options included)
- Eggs (Colorado farm eggs prioritized)
- Fruits and vegetables (fresh, frozen, canned—organic included)
- Whole grains (bread, cereal, rice, pasta)
- Legumes (beans, lentils, peanut butter)
- Infant formula (when needed)
- Baby food (organic options included)
- \$40/month farmers market vouchers

(e) Integration

- Benefits accessed through Colorado Benefits Card
- Coordinated with Care Without Fear (nutrition counseling covered as healthcare)
- Integrated with Healthy Food Access programs
- Linked to Elder Care Credits (grandparents can earn credits at WIC events)

(f) Administration

- CESA Administration oversees Colorado WIC
- Existing WIC clinics transitioned to state system
- Additional outreach in underserved communities
- No federal funding sought or accepted

(g) Funding

Estimated Cost: \$120-150 million annually (fully state-funded)

SECTION 3.8: HEALTHY FOOD QUALITY & ACCESS INITIATIVE

3.8.1 Purpose

This Section establishes programs to ensure that high-quality, nutritious foods are available

and accessible to all Colorado residents, with particular focus on underserved communities and food deserts.

3.8.2 Grocery Store Incentives

(a) Quality Shelf Placement

Grocery stores may receive incentives for:

- Placing fresh produce and healthy foods at eye level and store entrances
- Reducing prominent placement of high-sugar, ultra-processed items
- Creating designated “Colorado Quality Food” sections
- Training staff in nutrition basics

Incentive: Tax credit up to \$10,000 per store annually for certified compliance

(b) Food Desert Grocery Grants

- Grants up to \$500,000 for opening quality grocery stores in designated food deserts
- Low-interest loans up to \$2 million for grocery store expansion in underserved areas
- Operating subsidies for first 3 years if profitability targets not met
- Priority for locally-owned grocers and cooperatives

(c) Small Grocer Support

Existing small grocers in underserved communities may receive:

- Equipment grants (refrigeration, display cases)
- Training programs for healthy food handling
- Marketing support for healthy offerings
- Connection to local farm suppliers

3.8.3 Colorado Farm Partnerships

(a) CESA shall establish partnerships with Colorado farms to:

- Supply Monthly Produce Boxes with 75%+ Colorado-sourced produce
- Provide fresh eggs and dairy to Colorado WIC
- Source school lunch ingredients locally

- Connect farmers markets to Colorado Benefits Card system

(b) Colorado Farm Procurement Preference:

- All CESA food programs shall purchase Colorado-sourced when available and price-competitive (within 15% of out-of-state options)
- Contract preferences for Colorado farms and food producers
- Seasonal adjustment to maximize local sourcing

3.8.4 Colorado Quality Food Certification

(a) Establishment:

CESA shall establish a “Colorado Quality Food” certification for products meeting standards for:

- Minimal processing (ingredient list of 5 or fewer recognizable items)
- No artificial colors, flavors, or preservatives
- No added sugars exceeding 5% of calories
- No trans fats
- Colorado-sourced ingredients where available

(b) Benefits of Certification:

- Use of “Colorado Quality Food” seal on packaging and marketing
- Eligibility for premium placement programs
- Marketing support from CESA
- Inclusion in state purchasing preferences

(c) Enforcement:

- Random testing to verify compliance
- Penalties for misuse of certification
- Annual recertification required

SECTION 3.9: COLORADO FOOD TRANSPARENCY ACT NEW

3.9.1 Purpose

Coloradans deserve to know exactly what is in their food. This Section requires clear, honest

labeling and prohibits misleading ingredient descriptions.

3.9.2 Prohibited Terms

The following terms are prohibited on food labels sold in Colorado unless accompanied by

specific disclosure:

(a) "Natural Flavors"

- PROHIBITED as a standalone ingredient
- Must list actual source: "natural flavors (from lemon oil)" or "natural flavors (from beef extract)"
- Chemical compounds must be named if derived from non-food sources

(b) "Spices"

- PROHIBITED as a standalone ingredient
- Must list actual spices: "spices (paprika, cumin, garlic powder)"

(c) "Artificial Flavors"

- PROHIBITED as a standalone ingredient
- Must list specific compounds or provide accessible reference code linked to full disclosure

(d) "Natural"

- PROHIBITED on any product containing artificial preservatives, colors, or flavors
- PROHIBITED on any product with ingredients that have undergone chemical modification

3.9.3 Required Disclosures

(a) All food products sold in Colorado must include:

- Complete ingredient list with no grouped or vague terms
- Country of origin for primary ingredients
- Processing methods for meat products (mechanically separated, ground, whole muscle)
- Presence of any substance requiring allergen warning

(b) Digital Disclosure Option:

- Products with limited label space may use QR code linking to complete disclosure
- QR code must link directly to ingredient information, not general website
- Print-accessible alternative must be available (toll-free number)

3.9.4 Penalties

Violation Penalty

Failure to disclose \$1,000 per product per month

Misleading label \$5,000 per product per month

“Natural” on ineligible product \$10,000 per product per month

Repeat violations (3+) \$25,000 per product + potential retail ban

3.9.5 Enforcement

(a) The Colorado Department of Public Health and Environment shall enforce this Section.

(b) Citizens may report suspected violations through the Colorado Services Portal.

(c) Whistleblower protections apply to employees reporting labeling violations (see Section 24).

3.9.6 Implementation Timeline

- Months 1-6: Rulemaking and guidance publication
- Months 7-12: Warning period (violations noted but not penalized)
- Month 13+: Full enforcement

3.9.7 Small Producer Exception

Producers with less than \$1 million in annual Colorado sales may apply for simplified compliance:

- Basic ingredient list without chemical breakdown
- 18-month implementation timeline
- Technical assistance from CESA

SECTION 4: AI WORKFORCE PROTECTION FRAMEWORK

4.1 Purpose

This Section establishes protections for workers whose jobs are eliminated or substantially reduced due to artificial intelligence, automation, or related technologies, ensuring that the economic benefits of AI are shared between businesses and the workers they displace. This Section further ensures that AI adoption benefits both companies AND workers by requiring human reintegration into AI-enhanced workflows.

4.2 AI Displacement Defined

A worker is considered “AI-displaced” when:

The worker’s position is eliminated and the work previously performed is now performed primarily by AI systems;

The worker’s hours are reduced by 50% or more due to AI implementation;

The worker’s job duties are fundamentally transformed such that the position no longer requires the worker’s skills;

The worker is terminated within 36 months of AI implementation in their department or function and the employer cannot demonstrate the termination was unrelated to AI.

Burden of Proof:

- Within 36 months of AI implementation, the EMPLOYER bears the burden of proving that any termination was unrelated to AI
- After 36 months, standard determination processes apply

Determination of AI displacement shall be made by the CESA Administration based on employer reports, worker claims, and investigation as necessary.

4.3 Employer Obligations

Employers who displace workers through AI shall:

Provide 90 days advance notice of AI displacement;

Offer retraining opportunities for positions within the company;

Contribute to the AI Displacement Insurance Fund as specified in Section 4.7;

Report all AI displacements to CESA Administration within 30 days;

Maintain records of AI implementation and workforce changes for 7 years;

Comply with the Human Rehire Trigger by Year 10 as specified in Section 4.6.

4.4 AI Displacement Compensation

Fund-Based Payment System. AI displacement compensation shall be paid to displaced workers by the AI Displacement Insurance Fund, not directly by employers. Employers shall contribute to the Fund as specified in Section 4.7.

Sliding Scale Compensation. AI-displaced workers shall receive compensation from the AI Displacement Insurance Fund according to the following schedule:

Years 1 through 10: 50% of the worker's final salary;

Years 11 through 20: 25% of the worker's final salary;

Year 21 and thereafter: 10% of the worker's final salary, continuing for the remainder of the worker's life or until the worker elects to discontinue payments.

Salary Calculation. The payment shall be based on the worker's average salary over the 24 months preceding displacement, or their final salary, whichever is higher.

Cost-of-Living Adjustments. Payments shall be adjusted for inflation annually on January 1, based on the Colorado Consumer Price Index for the preceding 12 months.

Dual Income Permitted. AI-displaced workers may seek and accept other employment while continuing to receive AI displacement payments. There is no reduction in payments based on new income.

Right of Return - Payment Continuation. If an AI-displaced worker is offered their position back under Section 4.6 and declines the offer, the worker shall continue receiving AI displacement payments at the current schedule rate. Declining a Right of Return offer shall not reduce, terminate, or otherwise affect the worker's Fund payments.

Support Services Throughout Payment Period. During all phases of the payment schedule, displaced workers shall have access to:

Free vocational retraining in high-demand fields;

Career counseling and job placement assistance;

Entrepreneurship and business startup support, including:

Business plan development assistance;

Access to Colorado State Bank small business loans at preferred rates;

Mentorship connections with established Colorado businesses;

Grants of up to \$10,000 for qualifying business startups;

Education support, including:

Tuition assistance for degree programs at Colorado institutions;

Certification program funding;

Skills training in technology, trades, healthcare, and other growing sectors;

Resume writing and interview preparation;

Relocation assistance for new employment opportunities within Colorado;

Mental health support and transition counseling;

Financial planning assistance.

Payment Upon Death. Upon the death of an AI-displaced worker:

Any payments due in the month of death shall be paid to the worker's designated beneficiary;

The employer's contribution obligation continues and transfers to the Human Rehire Trigger requirement under Section 4.6;

Surviving dependents may be eligible for supplemental support under Section 5.6.

4.5 Business Benefits and Incentives

To ensure AI adoption remains economically beneficial for businesses:

- Tax Credit: Employers receive a 25% tax credit on Fund contributions (not direct payments)
- No Healthcare Costs: AI-displaced workers remain covered by Care Without Fear at no additional cost to the employer
- No Workers' Compensation: AI systems do not require workers' compensation coverage
- Legal Protection: Compliance with this Section provides safe harbor from AI-related employment lawsuits
- Qualified Business Status: Compliance qualifies businesses for state contract preferences
- Reduced Contributions: Employers who hire humans back (Human Rehire) receive reduced contribution rates (25% vs 50%)

Example Cost Analysis - Replacing a \$65,000/year customer service position with AI:

Item Amount AI Displacement Fund Contribution \$32,500/year (50% of salary - no human rehire) Tax Credit -\$8,125 (25% of contribution) Net Contribution Cost \$24,375/year AI System Maintenance ~\$5,000/year Total Annual Cost \$29,375

OR WITH HUMAN REHIRE (Year 10+):

Item Amount AI Collaborator Salary \$65,000/year (Colorado Good Wage) Fund Contribution (reduced) \$16,250/year (25% of original salary) Tax Credit -\$4,063 (25% of contribution) Total Annual Cost \$77,187

Previous Employee Cost ~\$87,000 (salary + benefits + overhead)

ANNUAL SAVINGS WITH AI + HUMAN \$9,813 per position (plus human oversight value)

4.6 Position Preservation and Human Rehire Trigger

Core Principle. When artificial intelligence displaces a human worker, the economic value of that position does not disappear. This section ensures that:

The original displaced worker always has first right to return to work;

Employers are incentivized to restore human positions;

Humans are always fairly compensated—either through employment or through Fund payments;

No job simply vanishes from the economy without ongoing human benefit.

Colorado Good Wage Standard. Any human position created or restored under this section shall be compensated at not less than the Colorado Good Wage Standard, defined as the GREATER of:

150% of the Colorado state minimum wage; OR

The original displaced worker's salary at time of displacement, adjusted annually for inflation based on the Colorado Consumer Price Index; OR

The median wage for comparable positions in the relevant industry and region as determined by CESA Administration.

Mandatory Human Rehire Trigger.

Timeline. By the end of Year 10 following an AI displacement, the employer MUST either:

Have restored a human position under this section; OR

Continue paying 50% of displaced salary into the AI Displacement Fund permanently.

Purpose. The Human Rehire Trigger ensures that AI adoption benefits both companies AND workers by requiring human reintegration into AI-enhanced workflows.

Right of Return.

Original Worker Priority. When an employer seeks to restore a human position that was previously eliminated through AI displacement, the employer MUST first offer the position to the original displaced worker.

Offer Requirements. The Right of Return offer shall:

Be made in writing to the displaced worker's last known address and email;

Clearly state the position, duties, compensation (at Colorado Good Wage Standard), and benefits;

Provide the worker 30 days to accept or decline;

Include contact information for CESA Administration if the worker has questions about their rights.

Worker Options. Upon receiving a Right of Return offer, the original displaced worker may:

Accept the position and return to work at Colorado Good Wage Standard. Upon acceptance, Fund payments cease and the worker receives full employment compensation; OR

Decline the position for any reason. The worker continues receiving Fund payments at the current schedule rate. The worker loses nothing by declining; OR

Not respond within 30 days, which shall be treated as a decline.

Situations Where Right of Return Does Not Apply:

The original worker is deceased (see subsection (g));

The original worker has reached age 67 or older and elects retirement status;

The original worker has been determined by CESA Administration to be permanently disabled and unable to perform the position;

The original worker cannot be located after good faith efforts including certified mail, email, and contact through CESA records.

AI Collaborator Employment.

Definition. When an employer hires a new worker (not the original displaced worker) under this section, the position shall be an “AI Collaborator” position involving meaningful work alongside AI systems.

AI Collaborator Duties. AI Collaborator positions shall include duties such as:

Oversight and quality control of AI outputs;

Customer service requiring human judgment and empathy;

Ethics review and decision-making;

Exception handling for situations AI cannot resolve;

Training and improving AI systems;

Creative work complementing AI capabilities;

Other functions benefiting from human judgment.

AI Collaborator Compensation - Active Collaboration.

First 2 Years: Full Colorado Good Wage Standard, regardless of task load. Company pays full salary even if they choose to use only AI during this period;

Year 3 and Beyond - If Actively Collaborating: If the AI Collaborator is performing meaningful daily work alongside AI systems, compensation remains at full Colorado Good Wage Standard permanently;

Active collaboration means regular, ongoing tasks as described in subsection (e)(2).

AI Collaborator Compensation - Minimal Use.

If the employer chooses not to provide meaningful work to the AI Collaborator (relying primarily on AI with minimal human involvement), the AI Collaborator transitions to sliding scale compensation after Year 2:

Years 3-12: 50% of Colorado Good Wage Standard;

Years 13-22: 25% of Colorado Good Wage Standard;

Year 23+: 10% of Colorado Good Wage Standard forever.

Tasks shall decrease proportionally with any pay decrease.

AI Collaborators on sliding scale may seek other employment and keep their payments.

Employer Incentive. Employers who actively use their AI Collaborators receive full productivity from the human-AI team. Employers who minimize human involvement still pay (at sliding scale) but lose the benefits of human judgment and oversight.

Employer Contribution Rates.

No Human Rehired (Option A):

Employer pays 50% of original displaced salary into AI Displacement Fund;

Payment continues permanently;

Original worker continues receiving Fund payments.

Human Rehired - Original Worker Returns (Option B):

Original worker returns to employment at Colorado Good Wage Standard;

Original worker's Fund payments cease;

Employer contribution drops to 25% of original displaced salary;

If original worker later leaves voluntarily, employer may hire replacement or revert to Option A.

Human Rehired - New AI Collaborator (Option C):

New employee hired at Colorado Good Wage Standard as AI Collaborator;

Original worker CONTINUES receiving Fund payments (they gave up nothing);

Employer contribution drops to 25% of original displaced salary;

The position is linked to the original displacement—if it becomes vacant, employer must fill it within 90 days or revert to Option A rate.

Human Rehire Upon Death of Original Worker.

When an AI-displaced worker dies, the employer shall within 90 days:

Hire a human worker into a restored AI Collaborator position at Colorado Good Wage Standard; OR

Continue paying 50% of displaced salary into the Fund permanently.

Family Priority. If the employer chooses to hire:

The position shall be offered first to qualified surviving family members of the deceased worker;

If no qualified family member is available or interested, employer may hire from general applicant pool;

Employer contribution rate drops to 25% as long as position remains filled.

Position Tracking and Compliance.

CESA Administration shall maintain a registry of all AI-displaced positions including:

Original worker identification and contact information;

Employer information and displacement date;

Current status (Fund payments only, AI Collaborator active, or original worker returned);

Employer contribution payment status.

Employers shall report annually on the status of each displaced position.

Year 10 Notification. CESA Administration shall notify employers at Year 9 of the upcoming Human Rehire Trigger deadline.

No Escape from Obligation. The obligation under this section:

Continues for as long as the employer operates in Colorado;

Transfers to successor entities upon sale, merger, or acquisition;

Cannot be discharged in bankruptcy except as to past-due amounts;

Survives dissolution of the employer, with claims against assets.

Penalty for Non-Compliance. Failure to comply with this section shall result in:

Penalty equal to 200% of the unpaid contribution amount;

Loss of Colorado Qualified Business status;

Ineligibility for state contracts for three years;

Personal liability for corporate officers who directed non-compliance.

4.7 AI Displacement Insurance Fund

Establishment. There is hereby established the Colorado AI Displacement Insurance Fund as an enterprise fund within CESA.

Purpose. The Fund shall:

Pay all AI displacement compensation to qualified displaced workers;

Guarantee payments regardless of employer solvency;

Fund retraining, education, and business startup programs for displaced workers;

Support transition services and job placement;

Maintain reserves to ensure long-term sustainability.

Employer Contributions - Participating Employers.

General contribution. All participating employers with more than 50 employees shall contribute 2.0% of total Colorado payroll to the Fund annually.

Displacement-triggered contribution - No Human Rehire. When a participating employer displaces a worker through AI and does NOT restore a human position under Section 4.6, the employer shall pay an additional contribution to the Fund equal to 50% of the displaced worker's final annual salary.

Displacement-triggered contribution - Human Rehired. When a participating employer displaces a worker through AI and DOES restore a human position under Section 4.6, the employer's additional contribution shall be reduced to 25% of the displaced worker's final annual salary.

Duration of displacement contribution. The displacement-triggered contribution shall be paid annually and shall continue permanently for as long as the employer operates in Colorado, subject only to the following:

The contribution continues regardless of whether the AI system is modified, upgraded, replaced, or retired;

The contribution continues regardless of changes in company ownership, merger, or acquisition, with successor liability;

The contribution rate (50% or 25%) may change based on whether a human position is maintained, but some contribution always continues;

The contribution ends ONLY if the original displaced worker returns to the position AND accepts ongoing employment.

Perpetual obligation rationale. The General Assembly finds that AI displacement creates a permanent productivity gain for the employer. The displaced position's economic value does not disappear—it transfers from human labor to AI systems. Therefore, contributions shall continue permanently to ensure that either:

A human worker is employed and compensated fairly; OR

The Fund receives contributions to support displaced workers collectively.

Reserve Requirements. The Fund shall maintain reserves equal to at least:

24 months of projected payment obligations; AND

10% contingency for economic downturns or mass displacement events.

Investment of Fund Assets. Fund assets shall be invested by the State Treasurer using a balanced strategy focused on:

Preservation of capital;

Stable, long-term returns;

Ethical investment criteria excluding companies with poor labor practices.

Annual Actuarial Review. The Fund shall undergo independent actuarial review annually to ensure:

Contribution rates are adequate to meet obligations;

Reserves are maintained at required levels;

Long-term sustainability is projected for at least 25 years.

Adjustment Authority. If actuarial review indicates contribution rates are insufficient, CESA Administration may adjust the general contribution rate in subsection (c)(1) by up to 0.5% annually without legislative action. Adjustments exceeding 0.5% require General Assembly approval.

4.8 Colorado Qualified Business Status

Businesses that comply with all requirements of this Section shall be designated as “Colorado Qualified Businesses” and shall receive:

- Priority consideration for state contracts (5-10% bid preference)
- Expedited permitting and regulatory approvals
- Access to state economic development resources
- Recognition in state business directories and marketing
- Eligibility for additional state incentives and programs

4.9 Retraining and Support Services

AI-displaced workers shall have access to:

- Free vocational retraining in high-demand fields
- Career counseling and job placement assistance
- Resume writing and interview preparation

- Entrepreneurship support and small business resources
- Mental health support during transition
- Financial planning assistance

The Department of Labor and Employment, in coordination with CESA Administration, shall establish regional retraining centers throughout Colorado.

Retraining programs shall focus on fields with projected growth including healthcare, renewable energy, skilled trades, technology, and education.

SECTION 5: LIFE SECURITY PROGRAM

5.1 Establishment

There is hereby established the “Colorado Life Security Program,” a state-run life insurance

system that provides affordable, accessible death benefits to all Colorado workers regardless of

health status, age, or employment type.

5.2 Key Features

- Universal Access: No health questions, no medical underwriting, cannot be denied for pre-existing conditions
- Affordable: 50-75% cheaper than comparable private insurance due to no profit motive and administrative efficiency
- Portable: Coverage follows the worker between jobs, including self-employment and gig work
- Pre-Tax Contributions: Contributions reduce taxable income
- Tax-Free Benefits: Death benefits paid to beneficiaries are not subject to income tax
- State-Backed: Fund cannot go bankrupt; backed by full faith and credit of Colorado
- Simple: Automatic enrollment, payroll deduction, online management

5.3 Contribution Levels UPDATED

(a) Workers may elect contribution levels from 1% to 20% of their

income. Default enrollment

is at 1%.

(b) Workers may change their contribution level once per year during open enrollment or upon qualifying life events.

(c) Workers may opt out entirely, though this is not recommended.

(d) Higher contributions result in higher death benefits on an accelerated scale.

Standard Benefit Schedule (at \$50K salary):

Annual Monthly

Level Cost Cost* Year 1 Benefit Year 10 Benefit Year 25 Benefit

1% \$500 \$32 \$50,000 \$150,000 \$250,000

2% \$1,000 \$63 \$75,000 \$275,000 \$500,000

3% \$1,500 \$94 \$100,000 \$400,000 \$750,000

5% \$2,500 \$156 \$150,000 \$650,000 \$1,250,000

10% \$5,000 \$313 \$250,000 \$1,000,000 \$2,000,000

15% \$7,500 \$469 \$350,000 \$1,400,000 \$2,750,000

20% \$10,000 \$625 \$450,000 \$1,800,000 \$3,500,000

*Effective after-tax cost; actual pre-tax cost is higher but reduces taxable income

5.4 Eligibility

(a) All individuals with Colorado income are eligible, including:

- Full-time W-2 employees
- Part-time workers
- Self-employed individuals
- Independent contractors
- Gig workers (Uber, DoorDash, freelancers)
- Business owners
- Seasonal workers
- Agricultural workers
- AI-displaced workers receiving payments under Section 4

- Anyone with Colorado work income
- (b) No one is excluded based on health status, pre-existing conditions, age, employment type, or income level.

5.5 Death Benefit Payment

- (a) Upon participant's death, designated beneficiaries receive:
 - Lump sum payment within 30 days of death certificate submission
 - Tax-free benefit (no federal or state income tax)
 - Full amount based on contribution level and years of participation
 - Emergency advance of \$10,000 available within 5 days if needed

5.6 Enhanced Benefits for AI-Displaced Workers

When an AI-displaced worker dies, their family receives:

- Full Life Security death benefit based on contributions
- 75% of AI displacement payments for 24 months after death
- Immediate \$10,000 death benefit from AI Displacement Insurance Fund
- Continued Care Without Fear coverage for surviving family members
- Grief counseling and support services

5.7 Fund Management

- (a) The Colorado Life Security Fund shall be established as a separate fund within the State Treasury.
- (b) The CESA Administration shall administer the Fund with actuarial oversight.
- (c) The State Treasurer shall manage investments using a conservative strategy focused on preservation of capital and stable returns.
- (d) Annual independent audits shall be conducted and published.

5.8 Comparison to Private Insurance

Feature Private Insurance Life Security Program

Health Yes, can be denied No, cannot be denied

Questions

Pre-existing May increase cost or deny No impact

Conditions

Age Impact Rates increase with age Based on income only

Portability Often tied to employer Follows you everywhere

Cost (Level 1 \$50-150/month after-tax ~\$32/month effective equivalent)

Cancellation Insurer can cancel Cannot be cancelled

Feature Private Insurance Life Security Program

Claim Denial Common disputes No claim denials if contributed

Maximum Often capped Up to \$3.5M+ at 20% level

Coverage

5.9 Special Provisions

(a) Disability Waiver

If a participant becomes disabled: - State waives contribution requirement - Coverage continues

at current level - Benefit continues to grow at 50% of normal rate

(b) Unemployment Continuation

If a participant becomes unemployed: - May continue contributions from savings/unemployment benefits - May reduce contribution level without waiting for open

enrollment - Coverage continues during job search

(c) Beneficiary Designation

- Participants may name any person, trust, or charity as beneficiary
- Changes take effect immediately upon submission
- Multiple beneficiaries with specified percentages allowed
- Default beneficiary: spouse, then children, then estate

SECTION 6: ECONOMIC INDEPENDENCE FRAMEWORK

6.1 Purpose

This Section establishes mechanisms to reduce Colorado's dependence on federal programs and

funding, ensuring that Colorado can continue to provide essential services to residents

regardless of federal government dysfunction or policy changes.

6.2 Colorado Retirement Security Program (CRSP)

(a) Establishment: There is hereby established the Colorado

Retirement Security Program as

an alternative or supplement to federal Social Security.

(b) Participation Options: 1. Federal Social Security only (status

quo) 2. CRSP only (for those

eligible to opt out of Social Security) 3. Both Federal Social Security and CRSP (supplemental

retirement security)

(c) Contribution Rate: Same as Social Security (6.2% employee, 6.2%

employer) for those who

choose CRSP instead of or in addition to Social Security.

(d) Benefits: CRSP shall provide retirement benefits comparable to

Social Security, with

investments managed by the State Treasurer using a diversified, professionally managed

portfolio.

(e) Financial Guidance and Planning Services:

All CRSP participants shall have access to FREE financial guidance including:

1. Annual Financial Planner Consultation: - One-on-one meeting with a certified financial

planner (CFP) - Review of retirement readiness - Personalized recommendations - No sales

itches or product pushing - educational only - Available in-person at CESA regional offices or

via video call

2. Retirement Planning Tools: - Colorado-developed retirement calculator - Projection

models for different contribution scenarios - Integration with Life Security Program planning -

Monte Carlo simulations for retirement readiness

3. Financial Education Workshops: - Quarterly workshops on retirement planning basics -

Investment fundamentals (no specific product recommendations) - Social Security optimization strategies - Healthcare cost planning in retirement - Estate planning basics

4. Online Resources: - Comprehensive financial literacy library - Video tutorials on retirement concepts - Budgeting tools and templates - Debt reduction strategies

5. Special Consultations: - Pre-retirement planning (ages 55+): Additional consultation -

Major life events (divorce, death of spouse, job loss): Crisis financial counseling - For Life

Security participants choosing 10%+ contribution: Mandatory initial consultation

(f) Independence: CRSP funds are entirely controlled by Colorado, independent of federal

government decisions about Social Security.

(g) Financial Guidance Independence:

Financial planners providing services under this section: - Shall NOT sell financial products to

participants - Shall NOT receive commissions or referral fees - Are employed by or contracted

with CESA Administration - Must be fiduciaries acting in participant's best interest - Are

prohibited from steering participants to any specific investment

6.3 Tourism Revenue System

(a) Colorado receives approximately 86 million visitors annually who use state infrastructure,

emergency services, and healthcare facilities. Tourism fees ensure visitors contribute fairly to

these services.

(b) Fee Schedule:

Accommodation Type Fee Per Night/Ticket

Hotels and Motels \$20

Short-term Rentals (Airbnb, VRBO) \$14

Resort Properties \$26

Ski Lift Tickets \$12 per ticket

(c) Estimated Revenue: \$720 million annually

(d) Use of Funds: Tourism fees shall fund visitor emergency care costs, infrastructure maintenance in high-tourism areas, and general Care Without Fear operations.

6.4 Economic Resilience Fund

(a) There is hereby established the Colorado Economic Resilience Fund to ensure Colorado can continue essential operations in the event of federal funding disruption.

(b) The Fund shall maintain reserves sufficient to operate all state programs for a minimum of 6 months without federal funding.

(c) Target Reserve: \$5 billion, built over 5 years through budget surpluses and dedicated appropriations (accelerated from 10-year target in previous versions).

(d) The Fund may only be accessed upon declaration of federal funding emergency by the Governor with legislative approval.

(e) Strategic Energy Reserves: - State-maintained fuel reserves for emergency services -

Battery storage capacity for critical infrastructure - Renewable energy microgrids for hospitals,

emergency services, and CESA offices

6.5 Federal Funding Strategy

(a) Colorado shall phase out acceptance of federal funding for CESA programs according to the timeline in Section 6.6.

(b) Colorado shall build complete state capacity to operate all CESA programs without any

federal funding.

(c) This is a strategy of independence, not secession. Colorado remains part of the federal

system but refuses to allow federal funding to be used as leverage to control Colorado policy.

(d) Colorado residents may still access federal programs (Social Security, Medicare for those

who choose it) through individual eligibility - but CESA programs are state-funded only.

6.6 Colorado Self-Sufficiency Timeline

(a) Purpose:

This section establishes a comprehensive timeline for achieving complete independence from

federal funding for all CESA programs, ensuring Colorado cannot be coerced through federal

funding threats.

(b) Healthcare (Care Without Fear) Phase-Out:

Year Federal Programs Colorado Responsibility

Year 1 Medicare/Medicaid continue Care Without Fear launches as PRIMARY payer

Year 2 Begin Medicaid transition 50% of Medicaid recipients on Care Without Fear

Year Federal Programs Colorado Responsibility

Year 3 Accelerate Medicare 75% on Care Without Fear transition

Year 4 Medicare/Medicaid for 90% on Care Without Fear transition only

Year 5 Minimal federal participation 95% on Care Without Fear

Year 6 Final transition cases only 99% on Care Without Fear

Year 7 FULL INDEPENDENCE 100% Care Without Fear - NO federal healthcare \$

Estimated federal healthcare funding replaced: \$10-12 billion over 7 years

(c) Nutrition Programs Phase-Out:

Year Federal Programs Colorado Responsibility

Year 1 Federal WIC continues Planning for Colorado WIC

Year 2 Colorado WIC replaces federal State-funded, enhanced benefits

WIC

Year 3+ SNAP continues as federal Colorado supplements through Benefits Card program

Note: SNAP remains a federal program available to Colorado residents. Colorado does not

replace SNAP but provides supplemental state benefits through the Benefits Card. Residents

may use both.

Estimated federal WIC funding replaced: ~\$100 million

(d) Education Phase-Out:

Year Federal Programs Colorado Responsibility

Years 1-4 Federal education funding Building state capacity per Section 15 continues

Years 5-7 Begin declining federal State funding increases proportionally education \$

Years 8-10 Minimal federal participation Most education state-funded

Years 10- GOAL: Complete independence Free K-college education

Estimated federal education funding replaced: ~\$1 billion annually (phased)

(e) All Other Federal Funding:

Year Policy

Year 1 Inventory all federal grants currently received

Year Policy

Year 2 Identify state funding alternatives for each

Year 3 No new federal grant applications for CESA programs

Year 4 Complete phase-out of existing federal

grants

Year 5+ State-funded only

(f) Summary: Road to Complete Independence:

Milestone Target Year

Colorado WIC replaces federal WIC Year 2

No new federal grants Year 3

Care Without Fear is sole healthcare payer Year 7

Education majority state-funded Year 10

COMPLETE CESA INDEPENDENCE Year 10

(g) Budget Implications:

Achieving federal independence requires Colorado to replace approximately: - \$10-12 billion in

healthcare funding (Years 1-7) - \$100 million in WIC funding (Year 2) - \$1 billion in education

funding (Years 5-15) - Various smaller grants (~\$200 million total)

This funding is built into the CESA revenue projections through: - Phased income tax -

Enhanced liquor taxes - Health-impact food taxes - Tourism fees - Prosperity Partnership

contributions - Business contributions - AI industry contributions - Other revenue sources

(h) No Going Back:

Once Colorado achieves independence from federal funding for a program: - Colorado shall NOT

re-apply for federal funding - Colorado shall NOT accept conditional federal grants - If federal

government offers unconditional support, decision requires Governor AND Legislative approval

SECTION 7: COLORADO SHIELD - ENHANCED STATE DEFENSE FORCE

7.1 Establishment and Purpose

(a) There is hereby established the Colorado State Defense Force

("SDF"), a state military

force under the command of the Governor that cannot be federalized or called into federal service.

(b) The enhanced capabilities of the SDF shall be known as “Colorado Shield,” providing comprehensive monitoring, response, and defense capabilities for the state.

7.2 Organization

(a) Personnel: Authorized strength of 3,500 members, including: -

Emergency response and

disaster relief units - Search and rescue teams - Infrastructure protection units - Cyber defense

personnel - Drone operations specialists - Border security coordination teams (activated Year

3+) - Administrative and support staff

(b) Command: The SDF shall be commanded by an Adjutant General appointed by the

Governor, with headquarters in Denver and regional commands throughout the state.

7.3 Colorado Shield Capabilities

(a) Weather and Disaster Monitoring Network

- Network of weather stations, satellites, and sensor arrays across Colorado
- AI-powered early warning systems for wildfires, floods, avalanches, and severe storms
- Integration with existing NOAA systems plus independent state capability
- Real-time data sharing with all emergency services
- Public alert system for imminent threats

Estimated Cost: \$50-75 million setup, \$15-20 million annual operation

(b) Highway Surveillance System

- AI-powered drone surveillance on major highways entering Colorado
- Heat mapping technology to detect human trafficking (unusual numbers

of people in
vehicles)

- License plate recognition integrated with law enforcement databases
- Coordination with Colorado State Patrol
- Focus on detecting human trafficking, NOT general immigration enforcement

Estimated Cost: \$100-150 million setup, \$40-50 million annual operation

(c) AI Search and Rescue Drone Fleet

- Rapid-deployment drone squadrons stationed across the state
- Thermal imaging for finding lost hikers, avalanche victims, crash survivors
- AI pattern recognition for search efficiency
- Integration with mountain rescue teams and sheriff's offices
- 24/7 readiness with response time under 30 minutes statewide

Estimated Cost: \$30-50 million setup, \$10-15 million annual operation

(d) Border Defense Readiness

What "Border Defense Readiness" IS: - Preparation for domestic hostile situations (armed

groups, militia threats, domestic terrorism) - Interstate disaster response (wildfires, floods,

earthquakes affecting border areas) - Critical infrastructure protection at major border

crossings - Mutual aid capability with neighboring states during emergencies - Training and

equipment for rapid response to border-area threats - Coordination capability with federal

agencies during domestic emergencies - Independent operation capability if federal cooperation

breaks down - Legal framework for activation by Governor

What "Border Defense Readiness" is NOT: - NOT for immigration enforcement - explicitly

prohibited under Section 11 (Sanctuary State) - NOT for stopping lawful travel between

Colorado and neighboring states - NOT for racial, ethnic, or national origin profiling of any kind

- NOT a substitute for or supplement to federal immigration

enforcement - NOT deployed

against immigrants, documented or undocumented

Explicit Prohibition: Border Defense Readiness resources shall NEVER be used to:

1. Assist ICE

or CBP in immigration enforcement operations 2. Establish checkpoints for immigration status

verification 3. Detain individuals based on suspected immigration status 4. Report immigration

status to federal authorities

Appropriate Uses Include: - Responding to wildfires that cross state lines - Mutual aid during

floods or severe weather - Protecting Colorado infrastructure from domestic terrorism

-

Supporting neighboring states during declared emergencies - Defending Colorado from armed

domestic threats

Estimated Cost: \$20-30 million setup, included in SDF operating budget

7.4 Enhanced Drone Protocol

(a) Target Lock Capability:

When Colorado Shield surveillance identifies a vehicle suspected of human trafficking or other

serious criminal activity:

1. Drone locks onto target vehicle and maintains continuous tracking

2. Tracking continues until law enforcement intervention occurs

3. Handoff to Colorado State Patrol or local law enforcement for traffic stop

4. Drone provides real-time video feed to responding officers

5. Tracking continues through any pursuit until resolution

(b) Activation Criteria:

Lock-on tracking may be initiated when: - Heat mapping indicates unusual number of persons

in vehicle - Vehicle matches BOLO (Be On the Lookout) alert - Erratic driving patterns

consistent with trafficking - Amber Alert vehicle match - Other indicators as established by

protocol

(c) Prohibited Uses:

Lock-on tracking shall NOT be used for: - General immigration enforcement - Minor traffic

violations - Political surveillance - Any purpose unrelated to serious criminal activity

7.5 Data Protection and Privacy

(a) Data Retention: All surveillance data shall be automatically

deleted after 7 days unless

flagged as part of an active criminal investigation.

(b) Prohibited Uses - Colorado Shield surveillance systems shall NOT

be used for: -

Cooperation with U.S. Immigration and Customs Enforcement (ICE) - Tracking any specific

individual based on immigration status - General surveillance of lawful activity - Political

monitoring or suppression of lawful protest - Any purpose not directly related to public safety,

disaster response, or criminal detection

(c) Exception - Amber Alert: When an Amber Alert has been issued,

Colorado Shield systems

may be used to track specific vehicles or individuals identified in the alert until the alert is

resolved.

(d) Amber Alert Drone Response Protocol:

When an Amber Alert is issued in Colorado, the following protocol activates IMMEDIATELY:

Phase 1 - Immediate Response (0-15 minutes): - ALL available drones within 50 miles of

last known location deploy immediately - Highway monitoring stations in the area switch to

priority Amber Alert mode - All highway cameras scan for matching vehicle description - Heat

mapping activated to identify vehicles matching description with appropriate occupant count

Phase 2 - Statewide Mobilization (15-30 minutes): - Statewide drone alert issued - ALL

available Colorado Shield drones not engaged in active emergencies redirect to search grid -

Interstate coordination activated per Section 7.8 - neighboring states notified - Every highway

entrance and exit point monitored - Search grid established based on possible travel distance

from last known location

Phase 3 - Sustained Search (30 minutes - until resolved): - Continuous drone coverage of

probable travel routes - Shift rotations ensure 24/7 aerial coverage - All vehicle stops matching

description reported immediately to law enforcement - Coordination with local police helicopter units - Ground-based sensor network fully activated

Operational Rules: - NO disengagement until child is found or Amber Alert is officially cancelled - Drone operators may work extended shifts during Amber Alert (mandatory rest

waived) - All other non-emergency drone operations suspended during active Amber Alert -

Real-time video feed provided to FBI, Colorado State Patrol, and local law enforcement - Public

may receive location-appropriate alerts through Colorado Emergency Alert System

Interstate Pursuit: - If suspect vehicle approaches state line, Section 7.8 protocols activate -

Pre-border alerts sent to destination state - Drones may track 10 miles into neighboring state

pending handoff - FBI automatically notified of potential interstate flight

Resource Priority: - Amber Alerts take absolute priority over all other Colorado Shield operations except: - Active life-threatening search and rescue - Active natural disaster response

with lives at risk - In conflict situations, CESA Director makes resource allocation decisions

Post-Resolution: - All Amber Alert drone operations documented - Lessons learned review

within 72 hours - Data retained for 90 days for investigation support - Public report on

response effectiveness (anonymized)

7.6 Civilian Oversight

(a) A Colorado Shield Civilian Oversight Board shall be established, consisting of 7

members appointed by the Governor (3), Senate (2), and House (2).

(b) The Board shall: - Review all Colorado Shield operations quarterly - Investigate

complaints of misuse or privacy violations - Publish annual transparency reports on surveillance activities - Recommend policy changes to protect civil liberties - Have authority to

suspend specific operations pending investigation

7.7 Colorado Veteran Status

(a) Establishment:

Members of the Colorado State Defense Force who meet the following criteria shall be

designated as "Colorado Veterans" and shall be entitled to all state veteran benefits:

(b) Eligibility Requirements:

1. Honorable Discharge - Member must have received an honorable discharge from the

SDF

2. Minimum Service Requirement - Member must have completed at least ONE of the

following:

– Two (2) years of service in the SDF, OR

– Discharge due to injury sustained in the line of duty (regardless of time served)

(c) Benefits for Colorado Veterans:

Colorado Veterans shall be entitled to:

1. State Veteran Benefits:

- Colorado state veteran license plates
- Priority for state employment (veteran preference)
- Colorado veteran identification card
- Access to state veteran services and programs
- Property tax exemption for disabled Colorado veterans (as applicable)

2. CESA Program Benefits:

- Priority consideration for Zero Homeless Colorado housing (if ever needed)
- Enhanced Life Security Program benefits (employer match from state)
- Priority placement in CESA job training programs
- Colorado Business Success Team dedicated veteran liaison

3. Recognition:

- Annual Colorado Veterans Day recognition
- Inclusion in state veteran memorials and honors
- Colorado Veteran designation on state ID/Benefits Card

(d) Direct Veteran Connection Service:

Purpose: To ensure no Colorado Veteran ever has to navigate bureaucracy alone.

Service Model: - Single Point of Contact: Every Colorado Veteran is assigned a dedicated

liaison - Any Need, Any Time: Veterans may contact their liaison for ANY assistance:
-

Benefits questions - Healthcare access - Housing assistance - Employment support - Mental

health services - Family services - Legal assistance referrals - Or anything else

Response Standards: - Initial response within 24 hours for non-emergency requests
-

Immediate escalation for emergency situations - Liaison either solves the issue or connects

veteran to the right resource - Follow-up to ensure resolution

Staffing: - Minimum of 1 liaison per 100 Colorado Veterans - All liaisons are CESA employees

with comprehensive training - Veterans may request a different liaison at any time

(e) Verification:

- CESA Administration shall maintain records of all SDF service
- Discharge status determined by Adjutant General
- Colorado Veteran status verified through Colorado Benefits Card system

(f) Distinction from Federal Veteran Status:

- Colorado Veteran status is a STATE designation only
- Does not convey federal veteran benefits (VA healthcare, federal GI Bill, etc.)
- Colorado Veterans who also served in federal military retain all federal benefits
- SDF service alone does not qualify for federal veteran status

7.8 Budget

Component Setup Cost Annual Operating

Base SDF Operations N/A \$130 million

Weather/Disaster \$50-75 million \$15-20 million

Monitoring

Highway Surveillance \$100-150 million \$40-50 million

Search & Rescue Drones \$30-50 million \$10-15 million

Border Defense \$20-30 million Included above

Readiness

Border Monitoring \$40-60 million \$15-25 million

Infrastructure (7.8)

Interstate Coordination \$25-45 million \$10-15 million

Systems (7.8)

Direct Veteran \$5 million \$8-12 million

Connection Service

TOTAL \$270-415 million \$228-267 million annually

(Years 1-3)

SECTION 7.8: INTERSTATE COORDINATION AND BORDER

MONITORING

7.8.1 Purpose

This Section establishes a comprehensive framework for:

- (a) Ensuring that no vehicle can exit Colorado without detection when engaged in serious criminal activity, particularly human trafficking;
- (b) Coordinating with neighboring states and federal agencies for seamless law enforcement handoffs;
- (c) Preventing criminals from escaping justice by crossing state lines;
- (d) Creating the “No-Escape Perimeter” - a network of detection systems covering every exit route from Colorado.

7.8.2 Strategic Border Sensor Placement - No-Escape Perimeter

(a) Placement Requirement:

Detection systems shall be positioned on ALL exit routes from Colorado according to the

following criteria:

1. As close to the state line as operationally feasible - Sensors shall be placed at the nearest practical point to the Colorado border on the exit/outbound side of each road;
2. No intersecting road exception - Each sensor shall be positioned such that NO road, highway, path, or route intersects between the sensor location and the state line. This ensures that once a vehicle passes the sensor, it CANNOT exit Colorado via any alternate route without detection;
3. 100% coverage requirement - Every road, highway, interstate, state route, county road, and any other thoroughfare by which a motor vehicle could exit Colorado shall

have detection capability.

(b) Sensor Types:

Detection infrastructure may include: - Fixed camera arrays with license plate recognition -

Thermal/heat mapping sensors for occupant detection - Drone stations for rapid deployment -

Mobile sensor units for temporary or seasonal roads - Underground sensors for vehicle

detection - Integration with existing traffic monitoring infrastructure

(c) Redundancy:

- Each exit route shall have primary and backup detection systems
- No single point of failure shall compromise border coverage
- Backup systems shall activate automatically if primary systems fail
- Regular testing to verify all systems operational

(d) Mapping and Verification:

1. Within 180 days of this Act's passage, CESA Administration shall complete a comprehensive survey identifying:

- Every exit route from Colorado
- Optimal sensor placement for each route
- Any roads that intersect between proposed sensor location and state line
- Required adjustments to meet no-intersecting-road requirement

2. Annual verification audits shall confirm 100% coverage is maintained

3. Any new roads constructed shall have detection systems installed before opening

7.8.3 Border Monitoring Zone

(a) Definition:

The Border Monitoring Zone is defined as the area within 10 miles of any Colorado state border.

(b) Enhanced Protocols:

When a tracked vehicle enters the Border Monitoring Zone:

1. Automatic escalation - Tracking priority elevated to highest level
2. Pre-alert generated - System prepares notifications for destination state and federal

agencies

3. Additional resources deployed - Nearest available law enforcement notified for potential intercept

4. Countdown initiated - Time-to-border calculated and displayed to all responding units

7.8.4 Pre-Border Alert Protocol

(a) Automatic Notifications:

When a tracked suspect vehicle is within 10 miles of any state line and continuing toward the

border, the following agencies shall be automatically notified:

1. Destination state highway patrol - Primary law enforcement agency of the state the

vehicle is approaching

2. Federal Bureau of Investigation (FBI) - Human trafficking across state lines is federal jurisdiction

3. County sheriffs - Both the Colorado county and the destination state county at the likely crossing point

4. Colorado State Patrol - For coordination and potential intercept

5. CESA Director - For situational awareness and resource authorization

(b) Notification Contents:

Each notification shall include: - Vehicle description (make, model, color, license plate) -

Current location and speed - Projected border crossing point and estimated time - Number of

occupants detected (heat signature data) - Reason for tracking (suspected offense) - Live video

feed access link - Direct contact for Colorado Shield operations center

(c) Escalation:

If no response is received from destination state within 5 minutes: - Secondary contacts

attempted - FBI field office directly contacted - CESA Director notified for potential Governor's

office involvement - Tracking continues regardless of response status

7.8.5 Real-Time Handoff Procedure

(a) Continuous Tracking:

Colorado Shield shall maintain continuous tracking of the suspect vehicle up to and including

the state line. Tracking shall not be terminated simply because a vehicle approaches the border.

(b) Data Sharing:

The following information shall be transmitted in real-time to receiving agencies:

1. Live video feed - Continuous aerial footage of the vehicle
2. GPS coordinates - Updated every 10 seconds
3. Heat signature data - Occupant count and positioning
4. Vehicle trajectory - Predicted route and destination
5. Historical tracking - Route taken since surveillance began
6. Evidence summary - Reason for tracking and any observed indicators

(c) Handoff Confirmation:

- Receiving agency must confirm receipt of handoff
- Colorado Shield maintains tracking until confirmation received
- If no confirmation, tracking continues up to 10 miles into neighboring state (Hot Pursuit

Exception)

7.8.6 Hot Pursuit Exception

(a) Authorization:

Colorado Shield drones may continue tracking a suspect vehicle up to 10 miles into a

neighboring state when:

1. The vehicle is suspected of human trafficking;
2. Pre-border alerts have been sent;
3. No receiving agency has confirmed handoff;
4. Continued tracking is necessary to prevent loss of suspect

(b) Limitations:

- Hot pursuit tracking is for SURVEILLANCE ONLY

- Colorado Shield has no arrest authority outside Colorado
- Tracking terminates upon handoff to receiving agency or after 10 miles, whichever comes first

- All hot pursuit incidents reported to CESA Director within 24 hours

(c) Interstate Agreements:

Colorado shall seek agreements with all 7 neighboring states (Wyoming, Nebraska, Kansas,

Oklahoma, New Mexico, Arizona, Utah) authorizing hot pursuit tracking with reciprocal provisions.

7.8.7 Federal Coordination

(a) Agencies:

Colorado Shield shall coordinate with the following federal agencies for interstate cases:

1. FBI - Human trafficking, kidnapping, fugitives
2. DHS/HSI - Human smuggling organizations
3. DEA - Drug trafficking organizations
4. U.S. Marshals - Fugitive apprehension

(b) Explicit Exclusion:

Coordination with ICE (Immigration and Customs Enforcement) is explicitly PROHIBITED

for general immigration enforcement purposes. Section 7.8 is for criminal law enforcement, not

immigration enforcement.

(c) Exception:

Coordination with federal immigration agencies is permitted ONLY when: - The individual is a

suspected human trafficker (not victim) - There is evidence of human smuggling for profit - A

federal court order specifically requires cooperation

7.8.8 Annual Coverage Verification

- (a) CESA Administration shall conduct annual audits to verify:

1. All exit routes have operational detection systems
 2. No gaps exist in the No-Escape Perimeter
 3. All systems meet performance standards
 4. Interstate agreements are current and operational
- (b) Any gaps identified must be closed within 90 days.
- (c) Audit results shall be reported to the Legislature and published
(operational details
redacted for security).

SECTION 7.9: COLORADO SHIELD OPERATIONAL LIMITATIONS AND SCOPE CLARIFICATION (NEW v11.1)

7.9.1 Statement of Purpose and Limitations

The General Assembly clarifies that the Colorado Shield:

(a) IS:

A state defense force under exclusive command of the Governor of Colorado;
A disaster response and emergency management resource;
A search and rescue capability for Colorado's terrain;
An infrastructure protection and cyber resilience asset;
A supplement to—not replacement for—the Colorado National Guard;
A trained rapid response force with law enforcement authority for specific serious crimes detected by state surveillance and monitoring systems.

(b) IS NOT:

A routine patrol or general policing agency;
A federalizable military force (cannot be called into federal service);
A civilian militia or paramilitary organization;
An immigration enforcement body;
A replacement for local police, sheriff, or state patrol for routine law enforcement.

7.9.2 Personnel Structure and Qualifications

(a) Authorized Strength:

Colorado Shield shall maintain an authorized strength of 3,500 sworn agents;
Sworn agents are operational personnel with law enforcement and emergency response authority;
Civilian administrative staff shall be integrated with CESA Administration staff to maximize efficiency and reduce duplication;
Shared services with CESA Administration shall include: human resources, payroll, procurement, IT support, facilities management, and general administration.

(b) Veteran Priority:

Colorado Shield shall prioritize recruitment of individuals with: (1) Honorable military service (veteran status); (2) Law enforcement experience; (3) First responder backgrounds.

(c) Training Standards:

All Colorado Shield sworn agents shall complete training equivalent to: (1) Colorado Peace Officer Standards and Training (POST) certification for personnel with arrest authority; (2) Military police or equivalent tactical training; (3) Specialized training in human trafficking detection, pursuit tactics, and high-risk vehicle stops; (4) De-escalation and use of force protocols consistent with Colorado law enforcement standards.

(d) Certification:

Colorado Shield agents assigned to highway response and criminal interdiction duties SHALL be certified peace officers under Colorado law, with full arrest authority within the scope of their authorized operations.

7.9.3 Authorized Routine Operations

Colorado Shield routine operations include:

(a) Disaster Response: - Wildfire support (evacuation, logistics, communication) - Flood response and mitigation - Severe weather emergency response - Earthquake or other natural disaster response

(b) Search and Rescue: - Mountain search and rescue operations - Missing persons searches in wilderness areas - Technical rescue support - Coordination with local search and rescue teams

(c) Infrastructure Protection: - Critical infrastructure monitoring during emergencies - Utility and communications support during disasters - Transportation infrastructure protection during emergencies - Dam, reservoir, and water system emergency support

(d) Cyber Resilience: - State network defense support - Cybersecurity incident response - Critical infrastructure cyber protection - Coordination with Colorado Office of Information Technology

7.9.4 Law Enforcement Authority for Serious Crimes

(a) Full Interdiction Authority:

When Colorado Shield surveillance systems (highway monitoring, drone fleet, sensor networks) detect serious criminal activity, Colorado Shield agents have FULL AUTHORITY to:

Conduct traffic stops;

Detain suspects;

Make arrests;

Use all resources necessary to resolve the situation;

Pursue suspects within Colorado and into neighboring states per Section 7.8 protocols.

(b) Triggering Offenses:

This law enforcement authority applies to:

Human trafficking (suspected or confirmed);

Amber Alert situations (child abduction);

Kidnapping;
Fleeing felons detected by surveillance systems;
Serious felonies in progress detected by monitoring systems;
Terrorist threats or activities;
Any situation where immediate intervention is necessary to protect life.

(c) Coordination with Colorado State Patrol:

Colorado Shield and Colorado State Patrol shall operate as coordinated partners;
Whichever agency can respond first SHALL respond;
Scene command may be transferred to CSP upon arrival, at the discretion of the senior officer;
Joint operations and mutual aid are standard protocol;
Arrested individuals shall be transferred to CSP or appropriate law enforcement for booking and prosecution.

(d) Use of Force:

Colorado Shield agents are authorized to use force, including deadly force, consistent with Colorado law enforcement standards and only when necessary to:
(1) Protect life; (2) Effect arrest of dangerous suspects; (3) Prevent escape of individuals suspected of serious felonies.

7.9.5 Prohibited Activities

Colorado Shield agents SHALL NOT engage in:

- (a)** Routine patrol or general traffic enforcement (speeding, minor violations);
- (b)** Immigration enforcement activities;
- (c)** Political event security (except as emergency backup at Governor's request);
- (d)** Private security services;
- (e)** Strike-breaking or labor dispute intervention;
- (f)** General surveillance of lawful activity;
- (g)** Any activity that would constitute a civilian militia or paramilitary force outside state command.

7.9.6 Oversight and Reporting Requirements

(a) Use of Force Reporting:

Any use of force by Colorado Shield agents shall be reported within 24 hours to: (1) Colorado Shield Commander; (2) Implementation Oversight Board; (3) Colorado Attorney General (for serious incidents).

(b) Arrest Reporting:

All arrests made by Colorado Shield agents shall be documented and reported to: (1) Colorado State Patrol; (2) Implementation Oversight Board (quarterly summary); (3) Relevant district attorney for prosecution.

(c) Quarterly Reporting:

The Colorado Shield Commander shall report quarterly to the Implementation Oversight Board on:

All activations and operations during the quarter;
Arrests made and outcomes;
Use of force incidents;
Personnel levels and training status;
Coordination activities with CSP and other agencies.

(d) Annual Public Report:

An annual public report shall be published detailing Colorado Shield activities, with appropriate security redactions.

7.9.7 Emergency Authority Preserved

Nothing in this section limits the Governor's authority to:

- (a) Declare a state of emergency;
- (b) Activate Colorado Shield for genuine emergency response;
- (c) Coordinate with federal authorities during declared emergencies;
- (d) Deploy Colorado Shield for immediate life-safety threats;
- (e) Expand Colorado Shield authority temporarily during declared emergencies.

This section defines operational scope for normal operations; emergency powers remain fully available to the Governor.

SECTION 7.10: COLORADO SHIELD EQUIPMENT, UNIFORMS & COMMUNITY RELATIONS

7.10.1 Purpose

This section establishes requirements for Colorado Shield equipment, uniforms, facilities, and community engagement to ensure operational readiness and build public trust.

7.10.2 Uniforms and Personal Equipment

(a) Standard Uniform:

Each Colorado Shield agent shall be issued:

Dress uniform for formal occasions and community events;
Duty uniform for daily operations;
Tactical uniform for emergency response and law enforcement operations;
Seasonal variations (summer/winter) appropriate for Colorado climate;
Identifying patches, badges, and insignia clearly marking "COLORADO SHIELD" and "STATE OF COLORADO."

(b) Personal Protective Equipment:

Each agent shall be issued:

Body armor (Level IIIA minimum for duty, Level IV available for tactical operations);
Tactical helmet;
Eye and ear protection;
Weather-appropriate outerwear;
Communications equipment (radio, encrypted mobile device);
First aid kit and trauma supplies.

(c) Duty Equipment:

Agents with law enforcement authority shall be issued:

- Service firearm and ammunition;
- Less-lethal options (taser, OC spray);
- Restraints;
- Flashlight and multi-tool;
- Body-worn camera (MANDATORY for all law enforcement interactions).

(d) Replacement and Maintenance:

Uniforms shall be replaced on a regular schedule or when worn/damaged;
Equipment shall be inspected annually and replaced as needed;
Agents are responsible for proper care and maintenance of issued equipment.

7.10.3 Vehicles and Major Equipment

(a) Vehicle Fleet:

Colorado Shield shall maintain a vehicle fleet including:

- Patrol/response vehicles for highway interdiction and emergency response;
- Command vehicles for incident management;
- Transport vehicles for personnel deployment;
- All-terrain vehicles for mountain and wilderness operations;
- Snowmobiles and tracked vehicles for winter operations;
- Skis, snowshoes, and cold-weather mobility equipment;
- Watercraft for reservoir and river operations;
- Aircraft coordination (may contract or coordinate with other agencies).

(b) Vehicle Specifications:

All vehicles shall be clearly marked "COLORADO SHIELD";
Vehicles shall be equipped with emergency lights, sirens, and communications;
Pursuit-rated vehicles for law enforcement operations;
Vehicles shall be replaced on a 5-year cycle or 100,000 miles.

(c) Specialized Equipment:

Drone fleet as specified in Section 7.3;
Surveillance and monitoring equipment;
Search and rescue equipment (ropes, harnesses, thermal imaging);
Disaster response equipment (generators, pumps, barriers);
Cyber operations equipment.

7.10.4 Facilities

(a) Colorado Shield shall maintain:

- Headquarters facility in Denver;
- Regional command centers (minimum 5 locations statewide);
- Training facilities;
- Equipment storage and maintenance facilities;
- Emergency operations centers.

(b) Facilities shall be co-located with CESA Service Hubs where practical to maximize efficiency.

7.10.5 Equipment and Facilities Budget

Category
Setup (Years 1-3)
Annual Operating
Uniforms & Personal Equipment
\$15 million
\$5 million
Vehicles
\$25 million
\$8 million
Specialized Equipment
\$30 million
\$10 million
Facilities
\$40 million
\$12 million
Maintenance & Replacement
N/A
\$15 million
TOTAL
\$110 million
\$50 million

Note: This is IN ADDITION to the base operating budget in Section 7.8

7.10.6 Community Relations Program

(a) Legislative Declaration:

The General Assembly declares that Colorado Shield shall not operate as a distant, militarized force, but as trusted members of Colorado communities. Public trust is essential to Colorado Shield's effectiveness and legitimacy.

(b) Community Engagement Requirements:

Colorado Shield shall:

Maintain a Community Relations Division with dedicated staff;
Conduct regular community outreach in all regions of the state;
Build relationships with local governments, community organizations, and residents;
Be visible, approachable, and responsive to community concerns.

7.10.7 Colorado Shield Days - Annual Statewide Event

(a) Establishment:

There is hereby established “Colorado Shield Days,” an annual statewide event to be held during the first weekend of August.

(b) Purpose:

Colorado Shield Days shall:

Showcase Colorado Shield capabilities and equipment;
Provide public education on emergency preparedness;
Honor Colorado veterans and first responders;
Build community connections and public trust;
Recruit potential new agents;
Celebrate Colorado’s commitment to safety and security.

(c) Activities:

Colorado Shield Days shall include:

Equipment demonstrations (vehicles, drones, search and rescue);
Emergency preparedness training for families;
Kids’ activities and safety education;
Veteran recognition ceremonies;
First responder appreciation;
Food, entertainment, and family activities;
Career information and recruitment.

(d) Locations:

A primary statewide event shall be held at a rotating location each year;
Regional events shall be held simultaneously at each Colorado Shield regional command;
Local communities may request Colorado Shield participation in local events.

(e) Budget:

\$2 million annually for Colorado Shield Days events statewide.

7.10.8 Regional Community Events

(a) Each Colorado Shield regional command shall host or participate in a minimum of:

3 community events per month per region (36 per year);
20 school visits per year;
4 veteran recognition events per year;
4 first responder coordination events per year.

(b) Types of Events:

Safety fairs and emergency preparedness workshops;
School presentations on safety, emergency response, and career opportunities;
Participation in local parades, festivals, and community gatherings;
“Coffee with Colorado Shield” informal community meetings;
Ride-along programs for community members and media;

Youth programs and mentorship opportunities;
Veterans events and honor ceremonies.

(c) Rural Priority:

Rural communities shall receive proportionally MORE community engagement events per capita than urban areas, recognizing the importance of presence in underserved areas.

7.10.9 Public Trust Metrics

(a) Colorado Shield shall conduct annual public surveys measuring:

Public awareness of Colorado Shield;
Public trust in Colorado Shield;
Perception of Colorado Shield responsiveness;
Satisfaction with community engagement;
Areas for improvement.

(b) Survey results shall be published and reported to the Implementation Oversight Board.

(c) Colorado Shield leadership shall set annual goals for improving public trust metrics.

7.10.10 Veteran and First Responder Recognition

(a) Colorado Shield shall maintain an active veteran recognition program including:

Annual Veterans Day ceremony at headquarters;
Recognition of Colorado Shield agents' prior military service;
Partnership with veteran service organizations;
Support for veteran transition programs;
Memorial for Colorado Shield agents who die in the line of duty.

SECTION 8: ZERO HOMELESS COLORADO

8.1 Goal and Purpose

(a) Goal: Zero homelessness in Colorado within five years of implementation.

(b) Purpose: This Section establishes a comprehensive system to eliminate homelessness

through housing production, community integration, sponsor support, and employment

pipelines.

8.2 Housing Production

(a) Tiny House Partnership

- State contracts with Colorado-based tiny house builders for mass production

- Goal: 2,000-3,000 units per year

- Cost per unit: \$40,000-60,000 (significantly cheaper than traditional construction)
- Quality construction meeting all building codes and safety standards
- Creates construction jobs and builds local manufacturing capacity
- Training programs for formerly homeless individuals in construction trades

(b) Modular and Prefab Housing

In addition to tiny houses, the state shall utilize modular and prefabricated housing for faster

construction of larger units for families.

(c) Land Acquisition

The state shall purchase land in high-demand areas for housing communities, prioritizing

locations near employment centers, public transportation, and services.

8.3 HOA-Managed Communities

(a) All state-built housing communities shall be governed by Homeowner Associations (HOAs).

(b) HOA Responsibilities: - Maintain property standards and community appearance -

Manage common areas, landscaping, and facilities - Enforce reasonable community rules -

Coordinate community events and activities - Ensure grounds stay clean and well-maintained

(c) Resident Participation: Residents participate in HOA governance, building ownership

mentality and community investment. HOA fees shall be minimal and income-based.

(d) Integration: These are real neighborhoods, not isolated

“homeless housing.” Design and

management shall remove stigma and create dignified living environments.

8.4 Sponsor Program

(a) Every individual housed through Zero Homeless Colorado shall be

paired with a trained

Sponsor.

(b) Sponsor Responsibilities: - Weekly check-ins minimum (more frequent initially) - Assist

with job training and employment search - Help navigate appointments, benefits, and services -

Provide life skills guidance (budgeting, cooking, household management) - Support goal-setting

and accountability - Connect to mental health and addiction services as needed - Celebrate

successes and provide encouragement

(c) Professional Sponsors: Sponsors are paid positions (not volunteers) for accountability

and quality. Caseload limit: 10-15 individuals per sponsor.

(d) Gradual Reduction: Support intensity decreases as individuals stabilize, but sponsors

remain available for ongoing support as needed.

8.5 Employment Pipeline

(a) Job Placement Goal: Employment placement within 30 days of housing.

(b) Employment Services: - Skills assessment and career counseling
Training programs

matched to local employer needs - Partnerships with businesses committed to hiring program

participants - Wage subsidies for employers during training period (state pays portion of

wages) - Transportation assistance to and from work - Work clothing and equipment assistance

- Career advancement pathway, not just entry-level placement

8.6 Wraparound Services

All Zero Homeless Colorado participants have access to: - Care Without Fear healthcare (Section

2) - Mental health and addiction services - Childcare for parents in program - Life Security

Program enrollment (Section 5) - Healthy food access (Section 3.7 and 3.8) - Financial literacy

and budgeting education - Legal assistance for outstanding issues - Elder Care Credit

opportunities (Section 2.12)

8.7 Prevention

(a) Emergency Rental Assistance: Up to 6 months rent for families facing eviction.

(b) Utility Assistance: Prevent shutoffs that lead to eviction.

(c) Legal Aid: Free legal representation for tenants facing wrongful eviction.

(d) Notice Requirement: 90-day notice required before eviction (gives time for intervention).

8.8 Rent Stabilization

(a) Annual rent increases capped at inflation plus 3%.

(b) Exemptions for new construction (first 15 years) to encourage building.

(c) Exemptions for small landlords (fewer than 4 units).

(d) No rent increase allowed if unit has unaddressed code violations.

8.9 Transition to Independence

(a) After 2-3 years of stability, residents may purchase their unit at subsidized price, or transition to market-rate housing with assistance.

(b) Some residents may stay long-term (seniors, disabled individuals) - this is acceptable and planned for.

(c) Success measured by stability, employment, and wellbeing - not just “moving out.”

8.10 Veterans Priority

- (a) Zero veteran homelessness is a specific sub-goal.
- (b) Veterans receive priority access to all housing programs.
- (c) Integration with VA services and benefits.
- (d) Dedicated veteran housing units in each community.
- (e) Colorado Veterans (Section 7.7) receive equal priority with federal veterans.

8.11 No Criminalization

Homelessness is not a crime. There shall be no arrests or citations for sleeping outside,

panhandling, or being homeless. The solution is housing and support, not punishment.

8.12 Budget

Estimated Annual Cost: \$300-400 million

This includes housing production, land acquisition, sponsor salaries, employment services,

prevention programs, and administration.

SECTION 9: COLORADO BUSINESS SUCCESS TEAM

9.1 Establishment

There is hereby established the Colorado Business Success Team, a one-stop support center

providing comprehensive assistance to all Colorado businesses.

9.2 Services Provided

(a) Financial Guidance

- Budget planning and cash flow management
- Tax preparation assistance and optimization
- Grant writing support and identification
- Loan application assistance
- Connection to investors and capital sources
- Financial crisis intervention

(b) Operations Support

- Supply chain problem-solving

- Vendor connections and negotiations
- Inventory management advice
- Technology adoption guidance
- Efficiency consulting
- Quality control assistance

(c) Regulatory Navigation

- Permit and license assistance
- Compliance guidance (health, safety, labor, environmental)
- Advocacy with state agencies on behalf of businesses
- Fast-track problem resolution
- Regulatory interpretation and guidance

(d) Growth Resources

- Marketing and branding support
- E-commerce setup assistance
- Export and expansion guidance
- Workforce recruitment help
- Real estate and location assistance
- Succession planning

9.3 Agency Connections

The Colorado Business Success Team shall maintain direct liaisons to: - Every Colorado state

agency - Federal agencies (SBA, IRS, OSHA, etc.) - Other state business offices (interstate

commerce connections) - International trade assistance resources

9.4 Cannabis Industry Support

Specific support for cannabis businesses including: - Banking solutions (navigating federal

banking restrictions) - Compliance guidance (state regulations) - Supply chain connections -

Marketing within legal boundaries - Interstate commerce preparation (for when federal

legalization happens)

9.5 Organization

Staffing: Approximately 100-150 employees statewide

Offices: Denver (headquarters), Colorado Springs, Grand Junction, Fort Collins, Pueblo,

Durango, plus presence at all CESA regional offices

Access: Phone, online, and in-person assistance; available in English, Spanish, and other

languages as needed

9.6 Integration with CESA

The Colorado Business Success Team operates under CESA Administration (Section 18) and is

accessible through: - CESA regional offices - Colorado Services Portal - Dedicated business

hotline - In-person appointments

9.7 Budget

Estimated Annual Cost: \$25-35 million

SECTION 10: COLORADO CLEAN ENERGY INDEPENDENCE

10.1 Purpose

This Section establishes Colorado's path to energy independence through aggressive expansion

of renewable energy infrastructure, reducing costs, creating jobs, and protecting the environment.

10.2 Colorado's Energy Assets

- 300+ days of sunshine annually (solar potential)
- Eastern plains wind corridor (wind potential)
- Geothermal resources in some areas
- Existing hydroelectric capacity
- Growing battery storage technology

10.3 Solar Expansion

(a) State solar farm development on public lands

(b) Rooftop solar incentives for homes and businesses (50% installation rebate)

(c) Community solar programs for renters and those who can't install panels

(d) Solar requirement for new commercial construction

(e) High-Rise Solar Incentives:

Installation Rebates: - 75% rebate on total solar installation cost for buildings 10+ stories -

Rebate cap: \$2 million per building - Must install on at least 50% of available roof space

Guaranteed Grid Buy-Back: - Colorado utilities must purchase excess solar electricity from

participating buildings - Guaranteed rate: 110% of wholesale electricity price - Rate guaranteed

for 20 years from installation date - Annual adjustment for inflation

Property Tax Reduction: - 0.25% property tax reduction per megawatt of installed capacity -

Maximum reduction: 1% of property tax bill - Reduction applies for 15 years from installation

"Colorado Solar Tower" Certification: - Buildings meeting all requirements receive "Colorado

Solar Tower" certification - Marketing and recognition value - Listed on CESA Clean Energy

database - Eligible for additional state incentives

New Construction Requirements: - High-rise buildings permitted after Year 3 must be solar-

ready - Solar-ready means: Structural support for panels, electrical infrastructure for connection, designated roof space - Does not require immediate installation, but makes future

installation easy - Non-compliance results in permit denial

Estimated Cost: \$15-25 million annually in rebates and incentives

10.4 Wind Expansion

(a) Expand wind farm development on eastern plains

(b) Streamlined permitting for wind projects

(c) Community benefit agreements (local communities get direct revenue share)

(d) Transmission line investment to move power from rural generation to urban use

10.5 Other Renewables

- (a) Geothermal exploration and development grants
- (b) Small-scale hydroelectric on existing water infrastructure
- (c) Biomass energy from agricultural waste
- (d) Hydrogen fuel research and pilot programs

10.6 Energy Storage

- (a) State investment in grid-scale battery storage
- (b) Home battery incentives (paired with solar)
- (c) Peak demand management programs
- (d) Strategic Energy Reserves: - State-maintained battery reserves for critical infrastructure

- Microgrids for hospitals, emergency services, CESA offices, and water treatment facilities - 72-hour minimum backup power capacity for all critical facilities - Priority restoration protocols for essential services

10.7 Grid Modernization

- (a) Smart grid infrastructure
- (b) Microgrids for resilient communities
- (c) Rural electrification improvements

10.8 Goals

- 80% renewable electricity by 2035
- 100% renewable by 2040
- Net-zero state government operations by 2030
- 50% reduction in building energy use by 2035

10.9 Economic Benefits

- Thousands of clean energy jobs
- Lower energy costs long-term
- Energy independence from out-of-state sources

- Reduced pollution and health costs

10.10 Business Benefits

- 40% energy cost reduction through renewable subsidies
- Priority access to clean energy for qualified businesses
- Green business certification and marketing support

10.11 Budget

Estimated Investment: \$150-200 million annually

(Saves money long-term and creates jobs; investment pays for itself)

SECTION 10.12: CLIMATE-ECONOMIC JOBS INTEGRATION (NEW)

10.12.1 Legislative Declaration

The General Assembly finds and declares that:

- (a) Climate change is not just an environmental issue—it is an economic issue affecting jobs, agriculture, tourism, and every sector of Colorado’s economy;
- (b) Building climate resilience requires workers—and those workers deserve permanent careers, not temporary construction jobs;
- (c) Colorado’s climate adaptation will create 27,500+ permanent jobs in energy, agriculture, water management, disaster resilience, and ecosystem restoration;
- (d) Workers building Colorado’s climate infrastructure will be kept on to maintain and continuously improve that infrastructure;
- (e) “Workers will always have jobs—it won’t be just for building the infrastructure. The state will keep them to maintain and keep growing a more productive and future-forward state and culture.”

10.12.2 Climate Jobs Categories

(a) Clean Energy Jobs:

Solar installation technicians
Wind turbine technicians
Grid modernization specialists
EV charging infrastructure installers
Energy efficiency auditors
Battery storage specialists
Renewable energy engineers
Energy project managers

(b) Climate Resilience Jobs:

Wildfire prevention and mitigation crews (year-round, not seasonal)
Forest health and management specialists
Water conservation technicians
Flood mitigation engineers
Climate monitoring specialists
Emergency preparedness coordinators
Infrastructure resilience planners

(c) Sustainable Agriculture Jobs:

Regenerative agriculture specialists
Water-efficient irrigation technicians
Local food system coordinators
Agricultural climate adaptation advisors
Soil health specialists
Agricultural technology installers

(d) Outdoor Recreation Economy Jobs:

Trail maintenance and construction crews
Park rangers and natural area managers
Wildlife habitat restoration specialists
Recreation infrastructure developers
Sustainable tourism coordinators
Environmental educators

(e) Green Building Jobs:

Energy-efficient construction workers
Weatherization specialists
Green building inspectors
LEED certification specialists
Sustainable materials specialists
Building energy managers

10.12.3 Permanent Career Structure

Not Just Construction—Ongoing Careers:

(a) Building Phase Jobs (Years 1-7):

Major infrastructure construction
Solar and wind installation
Grid modernization
Housing retrofits
Transportation infrastructure

(b) Maintenance and Operations Jobs (Permanent):

All infrastructure requires ongoing maintenance
Technology systems require updates and improvements
Natural systems require continuous stewardship
Programs require administration and service delivery

(c) Growth and Innovation Jobs (Permanent):

Technology advancement
System improvements
New program development
Research and development
Training and education

Job Permanence Guarantee:

Workers hired for CESA climate programs shall:

Be offered permanent positions upon project completion (if available);
Receive priority hiring for maintenance and operations positions;
Receive free retraining if position eliminated;
Be covered by AI Workforce Protection if displaced.

10.12.4 Colorado Climate Career Academy

(a) Partnerships with:

Colorado community colleges
Colorado State University
Colorado School of Mines
Trade unions and apprenticeship programs
Private sector employers

(b) Training Programs:

Solar installation certification (12 weeks)
Wind turbine technician (16 weeks)
Energy auditor certification (8 weeks)
Wildfire mitigation specialist (12 weeks)
Weatherization technician (10 weeks)
EV infrastructure installer (8 weeks)

(c) Support During Training:

Tuition-free
Stipend during training
Tools and equipment provided
Job placement upon completion
Ongoing career support

10.12.5 Geographic Distribution

Jobs Across All Colorado:

Region
Climate Job Focus
Estimated Jobs
Front Range
Renewable energy, green building
12,000
Eastern Plains
Agricultural adaptation, wind energy
3,500
Western Slope

Wildfire mitigation, water conservation

4,500

Mountain Communities

Recreation economy, forest health

3,000

San Luis Valley

Solar energy, sustainable agriculture

2,500

Northwest Colorado

Energy transition, recreation

2,000

TOTAL

27,500+ permanent jobs

10.12.6 Budget

Year

Job Training

Infrastructure

Operations

Total Investment

Year 1

\$25M

\$200M

\$50M

\$275M

Year 3

\$50M

\$400M

\$150M

\$600M

Year 5

\$75M

\$500M

\$250M

\$825M

Year 10

\$100M

\$300M
\$400M
\$800M
Year 13
\$100M
\$200M
\$500M
\$800M
,

SECTION 11: COLORADO SANCTUARY STATE

11.1 Purpose

Colorado will not participate in federal immigration enforcement activities that are designed to

mass-deport people based on political agendas rather than genuine public safety concerns.

11.2 No ICE Cooperation

(a) State and local law enforcement shall not honor ICE detainer requests.

(b) No state resources shall be used for immigration enforcement.

(c) No access to state databases for immigration purposes.

(d) No notification to ICE of release dates.

(e) No ICE in state/local jails for interviews without detainee consent.

11.3 Exceptions (Public Safety Only)

Cooperation permitted only for: - Individuals convicted of serious violent felonies (murder,

rape, armed robbery, etc.) - Human trafficking perpetrators (not victims) - Active terrorism

investigations with court oversight

11.4 ICE Facility Closure

(a) The State of Colorado shall not enter into, renew, or maintain any contract, agreement,

or cooperative arrangement for immigration detention facilities.

(b) All existing arrangements shall terminate upon their current

expiration date and shall not
be renewed.

(c) State-run jails and correctional facilities shall not be used
for ICE detention or operations.

(d) Exception: One federal immigration processing facility may
operate in Kit Carson County

(Limon area) provided it operates entirely on federal resources without state or local
government support, cooperation, or services beyond what is legally required.

11.5 Protections for Immigrants

(a) State ID available regardless of immigration status

(b) Driver's licenses available regardless of status

(c) Access to all state programs (Care Without Fear, Life Security,
etc.) regardless of status

(d) Labor law protections regardless of status

(e) Wage theft enforcement regardless of status

11.6 Employer Protections

(a) Employers cannot be required to verify immigration status beyond
federal I-9

requirements.

(b) No state penalties for employing undocumented workers.

(c) Retaliation against workers who report labor violations is
illegal regardless of status.

11.7 Legal Defense Fund

(a) State-funded legal assistance for immigrants facing deportation.

(b) Priority for long-term residents, families with children, DACA
recipients.

(c) Budget: \$10-15 million annually

11.8 Safe Reporting

(a) Immigrants can report crimes without fear of immigration
consequences.

(b) Immigrants can access emergency services without fear.

(c) Schools, hospitals, and courts designated as “sensitive locations” - no enforcement.

11.9 Agricultural Worker Protections

(a) Colorado agriculture depends heavily on immigrant labor.

(b) Special protections for agricultural workers.

(c) Housing and safety standards enforcement regardless of status.

SECTION 12: COLORADO DEMOCRACY PROTECTION

12.1 Who Can Vote

(a) All Colorado residents 18+ who are U.S. citizens.

(b) Voting Rights Restoration: Rights restored upon release from prison (not waiting for parole/probation completion).

(c) Only Exception: Currently incarcerated for felony conviction.

12.2 Automatic Registration

(a) Automatically registered when you get a driver’s license, state ID, or Colorado Benefits Card.

(b) Automatically registered when you interact with state agencies including CESA regional offices.

(c) Opt-out rather than opt-in.

12.3 Voting Methods

(a) Universal mail-in ballots (Colorado already does this well)

(b) Same-day registration

(c) Early voting (at least 15 days before election)

(d) Weekend and evening voting hours

(e) Mobile voting units for rural areas

12.4 Accessibility

(a) Ballots in multiple languages

(b) Accessible voting for disabled individuals

- (c) Transportation assistance to polls
- (d) Voting in nursing homes and care facilities

12.5 Security

- (a) Paper ballot backup for all votes
- (b) Post-election audits
- (c) Cybersecurity requirements
- (d) Chain of custody documentation
- (e) Transparent counting process

12.6 Anti-Gerrymandering

- (a) Independent redistricting commission (Colorado already has this)
- (b) Strengthen requirements for competitive districts
- (c) Transparency in redistricting process

12.7 Campaign Finance

- (a) State public financing option for candidates
- (b) Disclosure requirements for all political spending
- (c) Ban on corporate contributions to state candidates
- (d) Reasonable contribution limits

12.8 Budget

Estimated Annual Cost: \$5-10 million

SECTION 13: COLORADO HUMAN TRAFFICKING JUSTICE ACT

13.1 Purpose

Human trafficking is a grave crime against humanity. This Section establishes severe penalties

and comprehensive enforcement to eliminate human trafficking in Colorado.

13.2 Enhanced Penalties

(a) Human Trafficking (Adult Victims)

- Mandatory minimum: 20 years per count
- Judge may extend up to life based on: number of victims, duration of trafficking, violence involved, victim vulnerability, whether defendant was organizer/leader
- No possibility of parole for first 15 years

- Consecutive sentences - counts DO run together (3 counts = 60 years minimum, up to 3 life sentences)

(b) Human Trafficking (Minor Victims)

- Mandatory minimum: 25 years per count
- Judge may extend to life without parole for: multiple minor victims, victims under 12, extreme violence, repeat offenders
- No possibility of parole for first 20 years
- Automatic life without parole for trafficking minors for sexual exploitation

(c) Related Offenses

Offense Penalty

Patronizing a trafficking victim 5-15 years

Conspiracy to traffic Same as completed offense

Money laundering from trafficking 10-20 years

Harboring traffickers 5-10 years

13.3 Asset Forfeiture

(a) All assets used in or derived from trafficking forfeited to state.

(b) Proceeds go to victim services fund and Colorado Community Asset Program.

(c) Homes, vehicles, businesses, bank accounts all subject to forfeiture.

(d) Colorado Community Asset Program

Purpose: Rather than simply liquidating seized assets, Colorado shall transfer usable assets

directly to families who need them, creating immediate life-changing impact.

Asset Categories:

Vehicles: - Seized vehicles in good working condition transferred to families in need - Priority

for single parents needing transportation to work - Zero Homeless Colorado participants

transitioning to employment - Trafficking survivors rebuilding their lives

Real Property (Homes, Apartments): - Seized residential properties transferred to: - Zero

Homeless Colorado program for transitional housing - Families facing homelessness -

Trafficking survivors needing safe housing - Low-income families on housing waitlists

Business Assets: - Equipment and inventory may be transferred to small business programs -

Support Colorado entrepreneurs from disadvantaged backgrounds

Cash and Financial Assets: - Deposited into Victim Services Fund - Used for direct assistance

grants to families in crisis

(e) Allocation Process

Social Worker Assessment: - CESA-employed social workers assess family needs - Matching

process connects available assets to families who can use them - No application fees or

bureaucratic hurdles

Priority Order: 1. Trafficking survivors - First priority for any assets they can use 2. Zero

Homeless Colorado participants - Especially those with children 3. Families in crisis - Facing

eviction, job loss, or emergency 4. Working families below Colorado Cost of Living Standard 5.

General need - Other families who would benefit

Transfer Process: - Title transferred free and clear to recipient - No liens or encumbrances -

Basic repairs/maintenance completed before transfer (vehicles) - Recipients receive asset free

of charge

(f) Program Administration

- CESA Administration oversees the Colorado Community Asset Program

- Regional social workers maintain lists of families who could benefit
- Asset inventory maintained and updated as seizures occur
- Quarterly reports on assets distributed and families helped
- Anti-fraud provisions to ensure assets reach intended recipients

Accountability: - Recipients must demonstrate genuine need - Assets cannot be immediately

sold (holding period requirements) - Follow-up check-ins to ensure assets are being used

appropriately - Abuse of program results in asset recovery and program ineligibility

13.4 Victim Protections

- (a) Trafficking victims cannot be prosecuted for crimes committed while being trafficked.
- (b) Automatic expungement of prostitution charges for trafficking victims.
- (c) Civil lawsuit rights against traffickers (can sue for damages).
- (d) Victim compensation fund.
- (e) Housing, counseling, job training for survivors.
- (f) Immigration relief assistance for foreign national victims.

13.5 Investigation Resources

- (a) Dedicated human trafficking unit in Colorado Bureau of Investigation.
- (b) Training for all law enforcement on identifying trafficking.
- (c) Coordination with Colorado Shield highway monitoring (Section 7).
- (d) Tip line with rewards for information.

13.6 Prevention

- (a) Public awareness campaigns
- (b) School education on trafficking warning signs
- (c) Training for hotel workers, truckers, healthcare workers
- (d) Demand reduction programs

13.7 Connection to Colorado Shield

- (a) Heat mapping and highway surveillance specifically designed to detect trafficking.
- (b) AI analysis of vehicle patterns.
- (c) Coordination between SDF monitoring and law enforcement.
- (d) Drone tracking of suspicious vehicles (Section 7.4).
- (e) No-Escape Perimeter - Strategic sensor placement ensures no trafficker can exit Colorado without detection (Section 7.8.2).
- (f) Interstate Handoff - When traffickers approach state lines, automatic coordination with destination state and FBI ensures continuous tracking and apprehension (Section 7.8.4-7.8.5).
- (g) Interstate Compacts - Mutual aid agreements with all neighboring states for coordinated human trafficking enforcement (Section 7.8.7).

13.8 Enhanced Penalties for Flight

(a) Attempting to Flee State:

Any person who attempts to leave Colorado to evade prosecution for human trafficking shall be

subject to a mandatory minimum additional 20 years added to their sentence.

- This penalty is consecutive to the trafficking sentence (not concurrent)
- Applies whether or not the attempt is successful
- Includes any attempt to reach an airport, border crossing, or interstate highway with intent to flee
- Evidence of flight planning (purchased tickets, packed bags, transferred assets) is sufficient

(b) Successfully Crossing State Lines:

If a trafficker successfully crosses into another state before apprehension:

- Mandatory minimum additional 25 years added to sentence
- This penalty is consecutive to both the trafficking sentence AND any “attempting to flee” penalty
- Applies regardless of how far into the neighboring state the person traveled
- Interstate coordination per Section 7.8 ensures apprehension

(c) Consecutive Sentencing Example:

A trafficker with 2 victims who successfully flees to Kansas: - Base sentence: 20 years × 2 counts

= 40 years minimum - Attempting to flee: +20 years - Successfully crossing state line: +25 years

- TOTAL: 85 years minimum

(d) No Reduction:

Penalties under this section: - Cannot be reduced through plea bargaining - Cannot be served

concurrently with other charges - Are not eligible for early release or good behavior reduction -

Apply in addition to federal charges if applicable

13.9 Budget

Estimated Annual Cost: \$15-20 million

Note: Interstate coordination costs included in Section 7.8 budget.

SECTION 14: COLORADO TRIBAL PARTNERSHIP (ENHANCED v11.3)

14.1 Declaration of Government-to-Government Relationship

(a) The State of Colorado recognizes the Ute Mountain Ute Tribe and the Southern Ute Indian Tribe as sovereign nations with inherent powers of self-governance.

(b) Colorado commits to engaging with tribal nations on a government-to-government basis, with respect, consultation, and collaboration.

(c) This section establishes a partnership—not a one-way provision of services—recognizing that tribal nations bring wisdom, resources, and perspectives that benefit all Coloradans.

14.2 Automatic Eligibility

(a) All enrolled members of the Ute Mountain Ute Tribe and Southern Ute Indian Tribe shall be automatically eligible for all CESA programs regardless of:

Physical residence (on or off reservation);

Length of Colorado residency;

Any other eligibility requirements that would otherwise apply.

(b) Tribal enrollment documentation shall be accepted as proof of eligibility.

14.3 Tribal Consultation Requirements

(a) Mandatory Consultation:

CESA Administration shall consult with tribal governments before:

Implementing any CESA program that affects tribal lands or members;

Siting any CESA facility within 50 miles of reservation boundaries;

Making policy changes that may impact tribal members;

Entering agreements that may affect tribal interests;

Any action that may affect sacred sites, cultural resources, or treaty rights.

(b) Consultation Process:

Written notice to tribal governments at least 60 days before proposed action;

In-person meeting with tribal leadership if requested;

Good faith consideration of tribal concerns;

Written response addressing tribal input;

Modification of proposed action where feasible to address concerns.

(c) Tribal Liaison:

CESA Administration shall employ at least one Tribal Liaison, preferably an enrolled tribal member, to coordinate consultation and communication.

14.4 Healthcare Partnership

(a) Coordination with Indian Health Service:

Care Without Fear shall coordinate with Indian Health Service (IHS) facilities to:

Avoid duplication of services;

Fill gaps in IHS coverage;

Provide services IHS cannot provide;

Ensure seamless care for tribal members who use both systems.

(b) Traditional Medicine:

Care Without Fear shall respect and accommodate traditional Native healing practices;

Traditional healers may be included in care plans at patient request;

No tribal member shall be required to abandon traditional practices to receive CESA benefits.

(c) Behavioral Health:

Recognizing the unique historical trauma affecting Native communities:

Culturally appropriate mental health services shall be available;

Tribal healing practices may be incorporated into treatment;

Native mental health professionals shall be actively recruited.

14.5 Economic Partnership

(a) Tribal Business Preference:

Tribal enterprises and Native-owned businesses shall receive preference in CESA contracting;

Goal: 5% of CESA contracts to tribal and Native-owned businesses;

Technical assistance shall be provided to help tribal businesses compete for contracts.

(b) Workforce Development:

Colorado Shield shall actively recruit tribal members, honoring the warrior tradition;

CESA Administration shall establish internship programs for tribal members;

Job training programs shall be offered on or near reservations.

(c) Tourism Partnership:

Revenue from tourism fees collected on or near tribal lands shall be shared with affected tribes;

Colorado shall promote tribal tourism destinations;

Tribal cultural events shall be supported through CESA tourism programs.

14.6 Colorado Shield Tribal Coordination

(a) Colorado Shield shall coordinate with tribal law enforcement and emergency services through:

Mutual aid agreements for emergency response;

Joint training exercises;

Communication system interoperability;

Respect for tribal jurisdiction on reservation lands.

(b) Colorado Shield shall NOT operate on tribal lands without:

Explicit invitation from tribal government; OR

Hot pursuit of a suspect who flees onto tribal land (immediate notification required);
OR

Emergency response where lives are at immediate risk (immediate notification required).

(c) Tribal members serving in Colorado Shield shall be recognized for their service to both their nation and Colorado.

14.7 Education Partnership

(a) Colorado Education Independence shall:

Support tribal language preservation and revitalization;

Include accurate Native American history in curriculum;

Provide resources for tribal schools;

Support tribal member students attending Colorado schools.

(b) Scholarship programs shall be established for tribal members pursuing higher education.

14.8 Environmental Partnership

(a) Colorado Climate Resilience programs shall:

SECTION 15: COLORADO EDUCATION INDEPENDENCE

15.1 Purpose

This Section establishes a phased transition of Colorado's education system away from federal

control, protecting students from federal political agendas and moving toward the goal of free

education from kindergarten through college.

15.2 Phased Approach

Phase 1 (Years 1-3): Foundation

- Establish Colorado Education Authority
- Develop Colorado curriculum standards
- Begin building state funding capacity
- Continue accepting federal funding during transition

Phase 2 (Years 4-6): Transition

- Implement Colorado curriculum in willing districts
- Expand state funding to reduce federal dependence
- Create Colorado student aid programs
- Build state assessment systems

Phase 3 (Years 7-10): Independence

- Full Colorado curriculum statewide
- State funding replaces majority of federal funding
- Colorado accreditation systems
- Free community college for all residents

Phase 4 (Years 10+): Free Education

- Work toward free four-year college education
- Complete independence from federal education mandates
- Colorado as national model for education

15.3 Colorado Curriculum Standards

(a) Science-based, fact-based curriculum free from political agenda.

(b) Emphasis on critical thinking, creativity, and practical skills.

(c) Colorado history and civics.

(d) Financial literacy required.

(e) Career and technical education pathways.

(f) Arts, music, and physical education protected.

15.4 Colorado Student Aid Program

- (a) State grants and scholarships to supplement/replace federal student aid.
- (b) Income-based aid ensuring no student is denied education due to cost.
- (c) Work-study programs with state agencies and qualified businesses.
- (d) Loan forgiveness for graduates who work in Colorado.

15.5 Teacher Support

- (a) Competitive salaries to attract and retain quality teachers.
- (b) Reduced class sizes.
- (c) Professional development funded by state.
- (d) Teacher housing assistance in high-cost areas.

15.6 Local Control

- (a) School districts retain significant autonomy.
- (b) Colorado standards set minimum requirements, not maximum.
- (c) Innovation encouraged.
- (d) Community input in curriculum decisions.

15.7 Protection from Federal Mandates

- (a) Colorado shall not implement federal education mandates that conflict with Colorado values or curriculum standards.
- (b) State shall absorb any federal funding loss resulting from non-compliance.
- (c) Legal defense fund for challenges to federal overreach.

15.8 Budget

Phase 1 Estimated Annual Cost: \$100-150 million

(Increases in later phases as state replaces federal funding; ultimate goal is full state funding of free K-college education)

SECTION 16: COLORADO PROSPERITY PARTNERSHIP (REVISED)

16.1 Purpose

The Colorado Prosperity Partnership creates a voluntary contribution program allowing

higher-income Coloradans and businesses to contribute additional funds to CESA programs in

exchange for recognition and benefits, without imposing mandatory additional taxes that

would require TABOR voter approval.

16.2 Prosperity Partner Contribution Levels

16.2.1 Individual Prosperity Partners

Level Annual Contribution Benefits

Community \$1,000-4,999 Recognition

Partner certificate, Prosperity

Partner card

Silver \$5,000-14,999 Above + Colorado State

Partner Parks annual pass,

recognition on CESA

website

Gold Partner \$15,000-49,999 Above + Priority

access to CESA events,

Governor's recognition

letter

Platinum \$50,000-99,999 Above + Invitation to

Partner annual Prosperity

Summit, named

recognition

opportunity

Diamond \$100,000+ Above + Advisory

Partner Council invitation,

facility naming

opportunities

16.2.2 Business Prosperity Partners

Level Annual Contribution Benefits

Community \$5,000-24,999 Recognition

Business certificate, "Prosperity

Partner" window decal

Silver \$25,000-99,999 Above + Featured on

Business CESA business

directory, press

release

Gold Business \$100,000-499,999 Above + Priority state

Level Annual Contribution Benefits

contracting

consideration,

Governor's recognition

Platinum \$500,000-999,999 Above + Prosperity

Business Summit sponsorship,

named program

opportunity

Diamond \$1,000,000+ Above + Advisory

Business Council seat, major

facility naming rights

16.3 Prosperity Partner Benefits

16.3.1 State Parks Benefits

(a) All Prosperity Partners (individual \$5,000+ or business \$25,000+) receive:

(1) Annual Colorado State Parks pass for contributor and immediate family

(2) Priority camping reservations (48-hour advance window)

(3) Access to Prosperity Partner exclusive events at state parks

(4) 20% discount on park facility rentals

(b) Diamond Partners receive lifetime State Parks passes.

16.3.2 Recognition Benefits

(a) Prosperity Partner Wall at State Capitol (names of Gold+ contributors)

(b) Annual Prosperity Report listing all contributors by level (with permission)

(c) Prosperity Partner license plate design option

(d) Recognition at CESA public events

16.3.3 Access Benefits

(a) Prosperity Partners receive:

(1) Quarterly newsletter on CESA program outcomes

(2) Invitation to annual Prosperity Summit (Platinum+)

(3) Opportunity to designate contribution to specific CESA programs

(4) Direct communication channel to CESA leadership for feedback

16.3.4 Business Benefits

(a) Prosperity Partner businesses receive:

(1) "Colorado Prosperity Partner" certification mark for marketing

(2) Listing in CESA preferred vendor directory

(3) Priority consideration for state contracts (within legal procurement rules)

(4) Workforce development partnership opportunities

(5) Recognition in CESA communications and reports

16.4 Contribution Allocation

(a) Prosperity Partner contributions shall be allocated as follows:

- 70% to CESA programs (contributor may suggest preference)
- 20% to Colorado Economic Resilience Fund
- 10% to CESA administration and partner program operations

(b) Contributors may request their contribution support specific programs: - Care Without Fear

- Mental Health Services - Zero Homeless Colorado - Climate

Resilience - Education programs -

Rural services - Other CESA programs

16.5 Tax Treatment

(a) Prosperity Partner contributions are charitable contributions to the State of Colorado and

may be deductible as allowed by federal and state tax law.

(b) CESA shall provide appropriate tax documentation to all contributors.

(c) The value of benefits received (state park passes, etc.) shall be disclosed and may reduce deductibility as required by law.

16.6 Estimated Revenue

Level Est. Participants Est. Revenue

Individual Partners 10,000-25,000 \$50-150 million

Business Partners 500-2,000 \$50-200 million

Total \$100-350 million

16.7 Prosperity Partner Council

(a) There is established a Prosperity Partner Advisory Council consisting of:

(1) Up to 15 Diamond Partners (rotating)

(2) 5 community representatives

(3) CESA Director (non-voting)

(b) The Council shall:

(1) Advise CESA on program implementation

(2) Provide feedback from high-engagement stakeholders

(3) Help promote Prosperity Partnership participation

(4) Review annual Prosperity Report before publication

(c) Council recommendations are advisory only; CESA retains full decision-making authority.

SECTION 17: FUND INTEGRITY AND ANTI-CORRUPTION

17.1 Purpose

This Section establishes ironclad protections ensuring that funds established under this Act can

NEVER be raided, diverted, or misused.

17.2 Constitutional Protection

(a) Funds established under this Act shall be held in dedicated trust, used exclusively for their

designated purposes, and may not be transferred, borrowed against, or redirected by any

legislative, executive, or judicial action except by vote of the people of Colorado.

(b) This Section shall be submitted to voters as a constitutional amendment.

17.3 Separate Treasury Accounts

(a) Each program shall have its own legally separate account within the State Treasury: - Care

Without Fear Fund - AI Displacement Insurance Fund - Life Security Fund - Colorado Shield

Fund - Zero Homeless Colorado Fund - Education Independence Fund - Economic Resilience

Fund - CRSP Fund - Circular Economy Fund - Innovation Districts Fund

(b) Money cannot be moved between accounts without explicit authorization under this Act.

17.4 Anti-Raiding Provisions

(a) Legislature cannot borrow from these funds.

(b) Governor cannot redirect funds by executive order.

(c) Funds cannot be used as collateral for state bonds.

(d) No “temporary transfers” allowed.

(e) General fund shortfalls cannot be addressed with program funds.

17.5 Independent Oversight

Colorado Economic Security Trust Board

Composition (7 members): - 2 appointed by Governor - 2 appointed by Legislature - 3 elected

by program participants

Responsibilities: - Oversee all fund management - Approve major expenditures - Review

annual audits - Investigate complaints - Report to public quarterly

Annual Independent Audit

- External audit firm (rotated every 3 years)
- Published publicly
- Presented to Legislature
- Available online

Real-Time Public Dashboard

- All fund balances visible to public
- All expenditures tracked
- Updated daily
- Accessible online

17.6 Criminal Penalties

Offense Penalty

Misuse of funds Class 3 felony (4-12 years)

Conspiracy to misuse Class 4 felony (2-6 years)

Negligent mismanagement Class 1 misdemeanor + permanent bar from public service

Willful misrepresentation Class 4 felony + restitution

Personal Liability: Officials who authorize improper transfers are personally liable for the full amount.

17.7 Citizen Enforcement

- (a) Any Colorado resident may file suit to stop improper fund use.
- (b) Attorney's fees awarded to successful plaintiffs.
- (c) Expedited court review (30 days).
- (d) Whistleblower protections for anyone reporting misuse.

17.8 Automatic Triggers

- (a) If any fund balance drops below 6 months of projected obligations, automatic contribution increase kicks in.
- (b) If any transfer is attempted without proper authorization, all transfers freeze pending investigation.
- (c) Automatic notification to Attorney General of any irregularities.

SECTION 18: CESA ADMINISTRATION

18.1 Colorado Economic Security Agency

- (a) Establishment: There is hereby established the Colorado Economic Security Agency
- (b) Mission: To efficiently, compassionately, and transparently deliver economic security services to all Coloradans.

18.2 CESA Director

- (a) Election: The CESA Director shall be elected by the people of Colorado in general elections.
- (b) Term: Four-year terms, concurrent with gubernatorial elections.
- (c) Term Limits: Maximum tenure of 11 years (two full terms plus partial term if initially appointed).
- (d) Qualifications: - Colorado resident for at least 5 years - Experience in public administration, healthcare, business, or related field - No felony convictions - Cannot hold other elected office simultaneously
- (e) Removal: May be removed by recall election, impeachment by Legislature, or conviction of

a felony.

(f) Compensation: Level equivalent to other statewide elected officials.

18.3 Deputy Directors

The Director shall appoint, subject to Senate confirmation, Deputy Directors for: - Healthcare

Operations (Care Without Fear) - Worker Protection (AI Displacement, Life Security) - Housing

& Community Services (Zero Homeless, Business Success) - Economic Independence (CRSP,

Economic Resilience) - Innovation & Technology (AI Partnership, Innovation Districts) -

Administrative Services (Benefits Card, Compliance, Regional Operations)

18.4 Regional Offices

(a) Distribution: CESA shall maintain regional offices throughout Colorado to ensure accessible services for all residents.

(b) Dedicated Offices (25-30 locations): - Major population centers - Regional hubs in every congressional district - At least one office in each county with population over 50,000

(c) Combined Service Centers (10-15 locations): - Rural areas with lower population density

- Shared facilities with other state agencies - Mobile services for remote communities

(d) Services: Each office shall provide: - Benefits enrollment and assistance - Healthcare

navigation - Job placement and retraining - Housing assistance - Business support - General

information and referrals

18.5 Compliance Authority

(a) Investigations: CESA has authority to investigate potential violations of this Act by

businesses, individuals, and other entities.

(b) Penalties: CESA may impose civil penalties for violations, subject to administrative appeal and judicial review.

(c) Audits: CESA may audit employer records to verify compliance with AI displacement, payroll contribution, and other requirements.

18.6 Public Dashboard and Reporting

(a) Real-Time Dashboard: - All program metrics visible to public online - Fund balances updated daily - Enrollment numbers, claims processed, wait times - Regional breakdown of services

(b) Annual Report: - Comprehensive review of all programs - Financial statements - Outcomes and impact metrics - Recommendations for improvements - Presented to Legislature and public

(c) Quarterly Updates: - Key metrics and trends - Budget status - Program changes - Available online and at public meetings

18.7 Citizen Complaint Process

(a) Any person may file a complaint regarding CESA services, decisions, or staff conduct.

(b) Complaints shall be acknowledged within 5 business days.

(c) Investigation completed within 30 days (complex cases: 60 days).

(d) Written response to complainant with findings and any corrective actions.

(e) Appeal process available through independent ombudsman.

18.8 Waste, Fraud, and Abuse Reporting

(a) Reporting Channels: - Dedicated hotline (24/7) - Online portal (anonymous option)

available) - In-person at any CESA office - Mail submission

(b) Whistleblower Protections: - Reporters protected from retaliation (see Section 24) -

Anonymous reporting protected - Confidential investigation

(c) Response: - All credible reports investigated within 30 days - Findings reported to

appropriate authorities - Public summary of waste/fraud prevention efforts in annual report

18.9 Budget

Estimated Annual Administrative Cost: \$150-200 million

(Includes regional offices, staff, technology, compliance operations)

18.15 CESA Administration Staffing Plan (NEW v11.3)

(a) Total FTE Authorization:

CESA
Administration is
authorized the
following Full-
Time Equivalent
(FTE) positions:

Phase
Year
Total FTEs
Notes
Startup
Year 1
500
Core administration, initial programs
Growth
Year 3
1,500
Major programs launching
Expansion
Year 5

3,000
Most programs operational
Full Operation
Year 7
4,500
All programs operational
Maturity
Year 10+
5,000
Steady state

**(b) Division Staffing (Year 7
Full Operation):**

Division
FTEs
Function
Care Without Fear Administration
1,200
Healthcare program operations
Life Security Program
300
Life insurance administration
AI Workforce Protection
200
Displacement claims, retraining

Zero Homeless Colorado
400
Housing, services, case management
Childcare for All
350
Childcare program administration
Service Hub Network
800
64 hubs statewide
Business Hub Network
200
Economic development
Technology & Data
300
IT, data systems, security
Finance & Actuarial
150
Budget, accounting, analysis
Legal & Compliance
100
Legal services, ERISA defense
Human Resources
100
Personnel management
Communications & Outreach
100
Public information, enrollment
Office of Inclusion (COIECR)
75
Civil rights, equity
Executive & Administration
225
Leadership, support
TOTAL
4,500

Note: Colorado Shield's 3,500 agents are separate from CESA Administration FTEs

(c) Hiring Priority:

Insurance industry workers displaced by Care Without Fear transition (Section 2.10);
Colorado residents;
Veterans;
Individuals from underserved communities;
Individuals with relevant experience in public benefits administration.

(d) Compensation:

CESA employees shall be paid the Colorado Good Wage (Section 4);
Benefits shall include full CESA program access;
Compensation shall be competitive with private sector to attract talent.

(e) Training:

All CESA employees shall receive:

Comprehensive training on CESA programs and values;
Customer service training;
Cultural competency training;
Ongoing professional development.

SECTION 19: COLORADO BENEFITS CARD

19.1 Establishment

There is hereby established the Colorado Benefits Card (also known as the Colorado Services Card), a unified identification and benefits delivery system for all Colorado residents.

19.2 Card Features

(a) Universal State ID: Serves as official state identification for all purposes.

(b) Chip-Enabled: Secure chip technology for identity verification and fraud prevention.

(c) Dual Account System:

Benefits Account: - Care Without Fear healthcare access - Life Security Program enrollment -

AI Displacement payments - SNAP/EBT integration - Other state benefits

Personal Account: - Optional checking/savings account - Direct deposit capable - Debit card

functionality - Banking services for unbanked residents

19.3 Benefits Integration

The Colorado Benefits Card shall provide access to:

(a) Healthcare: - Care Without Fear provider identification -

Prescription benefits - Medical cannabis coverage (if applicable)

(b) Income Programs: - AI Displacement payments - CRSP retirement benefits - Life Security contributions/benefits

(c) Food Programs: - SNAP/EBT benefits - WIC benefits - Healthy food subsidies (Section 3.7)

• Container Deposit Credits (Section 29) - optional credit instead of

cash

(d) Housing: - Zero Homeless Colorado services - Rent assistance

(e) Other Services: - Public transportation (where integrated) -

Library services - State parks

access

19.4 Medical Cannabis Coverage

(a) For residents with qualifying medical conditions, the Colorado Benefits Card may include

medical cannabis coverage under Care Without Fear.

(b) Coverage limited to: - Conditions approved by state medical board - Dispensaries

participating in Care Without Fear program - Quantity limits as medically appropriate

(c) Opt-in program - not automatic for all cardholders.

19.5 Privacy Protections

(a) Data Minimization: Card stores only information necessary for its functions.

(b) Encryption: All data encrypted both on card and during transmission.

(c) Access Limits: - Healthcare providers see only healthcare information - Retailers see only payment authorization - Law enforcement requires warrant except for ID verification

(d) No Tracking: Card does not track location or purchasing patterns.

(e) No Sharing: Data not shared with federal agencies, immigration enforcement, or private marketers.

(f) Opt-Out: Residents may decline card and use paper-based alternatives (with reduced convenience).

19.6 Issuance

- (a) Automatic issuance to all Colorado residents upon: - Birth
(parents hold card until age 18) -
Establishing residency (90 days) - Request by current resident
- (b) No cost for initial card or first replacement.
- (c) Available at CESA offices, DMV locations, and by mail.

19.7 Budget

Estimated Annual Cost: \$30-40 million (included in CESA Administration budget)

SECTION 19.8: COLORADO SERVICES PORTAL

19.8.1 Establishment

There is hereby established the Colorado Services Portal, a unified digital platform for

accessing all state services and programs under this Act.

19.8.2 Core Functions

- (a) Account Management: - View and manage all benefits - Update
personal information -

Designate beneficiaries - Track applications and claims

- (b) Medical Records Access: - View Care Without Fear medical
records - Download records

for personal use - Authorize sharing with providers - View prescription history

- (c) Benefits Management: - Check balances (Life Security, CRSP,
etc.) - Submit claims -

Schedule appointments - Find providers

- (d) Employment Services: - Job search and applications - Training
program enrollment - AI

Displacement status and payments - Resume builder and career tools

19.8.3 Public Issue Reporting

- (a) Report Categories: - Waste, fraud, or abuse in government
programs - Safety concerns

(infrastructure, environmental) - Service quality issues - Policy suggestions

- (b) Anonymous Option: - Reports may be submitted anonymously -
Anonymous reports still

investigated - Option to receive follow-up if desired

(c) Whistleblower Protection: - All reporters protected from retaliation - Confidential

handling of identity - Connection to Section 24 protections

(d) Response Tracking: - Track status of submitted reports - Receive updates on investigation

- See resolution when completed

19.8.4 Accessibility

(a) Fully accessible for persons with disabilities (WCAG 2.1 AA compliant).

(b) Available in Spanish and other major languages.

(c) Mobile-friendly design.

(d) In-person assistance available at all CESA offices.

(e) Phone support available 7 days/week.

19.8.5 Security

(a) Multi-factor authentication required.

(b) End-to-end encryption.

(c) Regular security audits.

(d) Compliance with state and federal data protection laws.

19.8.6 Budget

Included in CESA Administration budget (Section 18.9)

SECTION 20: AI INNOVATION PARTNERSHIP

20.1 Purpose

This Section establishes a framework for Colorado to lead in responsible AI development while

ensuring the benefits of AI are broadly shared and the technology serves human flourishing.

20.2 Colorado AI Innovation Fund

(a) Establishment: There is hereby established the Colorado AI Innovation Fund to support responsible AI development in Colorado.

(b) Funding: 7.2% of AI Displacement Insurance Fund contributions shall be allocated to the AI Innovation Fund.

(c) Purpose: Support AI research, development, and deployment that creates jobs, improves lives, and maintains Colorado's competitive position.

20.3 AI Development Grants

Grant Categories:

Category	Amount	Purpose
Startup Seed	\$25,000-\$100,000	Early-stage AI companies
Growth Grant	\$100,000-\$500,000	Expanding AI companies
Research Grant	\$50,000-\$250,000	University/nonprofit research
Pilot Project	\$25,000-\$150,000	Government AI applications

Priority Areas: - Healthcare AI - Clean energy and climate - Agricultural technology - Education technology - Accessibility and disability services - Public safety (excluding surveillance)

20.4 University Partnerships

(a) CESA shall establish partnerships with Colorado universities for AI research and workforce development.

(b) Participating institutions: - University of Colorado system - Colorado State University

system - Colorado School of Mines - University of Denver - Other accredited institutions

(c) Focus areas: - Ethical AI development - Workforce transition research - AI safety and security - Applied AI for public benefit

20.5 AI Workforce Training

(a) Free or subsidized training programs for: - Workers in industries likely to be affected by AI

- Career changers seeking AI-related roles - Current workers seeking to complement AI tools

(b) Training pathways: - AI operations and maintenance - AI-assisted professional roles - AI

development and engineering - AI ethics and governance

20.6 Fast-Track Permitting for AI Companies

(a) AI companies meeting responsible AI requirements receive expedited: - Business licensing -

Zoning and land use approvals - Environmental permits - Tax registration

(b) Dedicated AI business liaison in Colorado Business Success Team.

20.7 Responsible AI Requirements

To receive state support, AI companies must commit to:

(a) Transparency in AI decision-making where feasible.

(b) Bias testing and mitigation in AI systems.

(c) Human oversight for high-stakes decisions.

(d) Data privacy protections.

(e) Compliance with AI Worker Protection requirements (Section 4).

(f) Participation in workforce transition programs.

20.8 Budget

AI Innovation Fund: ~\$30 million annually (7.2% of \$400M AI Displacement Fund)

Administration: Included in CESA budget

SECTION 20.5: YOUNG INNOVATOR PROGRAM

20.5.1 Purpose

To cultivate the next generation of Colorado entrepreneurs and innovators by providing young

people with resources, mentorship, and support to launch businesses and develop innovations.

20.5.2 Eligibility

Age Range: 16-30 years old

Residency: Colorado resident or enrolled in Colorado educational institution

Business Stage: Pre-launch through 3 years of operation

20.5.3 Startup Grants

(a) Base Grants:

Category Amount Requirements

Idea Stage \$10,000 Business plan + pitch

Launch Stage \$25,000 Prototype or MVP + customers

Growth Stage \$50,000 Revenue + job creation

(b) Social Impact Bonus:

Additional 25% grant amount for businesses that: - Address environmental challenges - Serve

underserved communities - Create jobs in rural Colorado - Support CESA program goals

20.5.4 Incubator Space

(a) Free incubator space available in each Innovation District

(Section 33).

(b) Includes: - Desk/office space - Meeting rooms - High-speed internet - Basic equipment

(c) 6-12 month terms, renewable based on progress.

20.5.5 Mentorship Matching

(a) Every Young Innovator matched with experienced mentor.

(b) Mentor pool includes: - Successful Colorado entrepreneurs - Industry experts - University faculty - Retired executives

(c) Minimum quarterly meetings, ongoing availability.

20.5.6 Reduced Fees

Young Innovators receive: - 75% reduction in business licensing fees - Free first-year registered

agent service - Waived state permit fees (first year) - Free legal consultation (10 hours)

20.5.7 Student Entrepreneur Track

For students enrolled in Colorado educational institutions:

(a) Academic credit partnerships with universities.

(b) Flexible grant timelines aligned with academic calendar.

(c) On-campus innovation hubs.

(d) Internship connections with established companies.

20.5.8 Annual Innovation Challenge

(a) Statewide competition for Young Innovators.

(b) Categories: - Technology - Social enterprise - Clean energy -
Healthcare - Agriculture

(c) Prizes: - First place: \$100,000 + full incubator package -

Second place: \$50,000 + mentorship

package - Third place: \$25,000 + training package - Regional winners: \$10,000 each

(d) Demo Day event with investors, media, and public.

20.5.9 Budget

Estimated Annual Cost: \$25-35 million

(Included in Innovation Districts budget, Section 33)

SECTION 21: IMPLEMENTATION TIMELINE

21.1 Overview

Implementation shall occur in phases to ensure quality execution, adequate training, and

system readiness.

21.2 Years 1-2: Foundation

Year 1 Tasks:

- Pass legislation and constitutional amendments
- Establish CESA agency structure
- Hire CESA Director and key leadership
- Open initial regional offices (10-15 locations)
- Launch Care Without Fear enrollment
- Implement phased income tax (2.2%)
- Begin Life Security Program enrollment
- Begin CRSP enrollment
- Implement tourism fees
- Implement enhanced liquor taxes

- Begin AI company registration
- Launch Colorado Benefits Card rollout
- Start SDF recruitment
- Establish Colorado Shield planning
- Begin Zero Homeless Colorado land acquisition
- Launch Colorado Business Success Team
- Implement Health-Impact Food Taxes
- Begin Prosperity Partnership revenue collection
- Establish Fund Integrity oversight structures
- Begin Strategic Foresight Office operations

Year 2 Tasks:

- Full Care Without Fear operations begin
- Complete regional office network (25-30 locations)
- First AI displacement cases processed
- Life Security Program fully operational
- Colorado Shield weather monitoring deployed
- Begin tiny house production (Year 1 contracts)
- Highway surveillance system construction begins
- Innovation Districts designation
- Young Innovator Program launch
- Colorado Services Portal launch
- First container deposit locations operational
- Circular Economy pilots begin
- Community Business Certification program launches
- First sister city/state agreements finalized

21.3 Years 3-5: Full Operation

Year 3 Tasks:

- All systems fully operational
- SDF reaches authorized strength (3,500)
- Colorado Shield border coordination activated

- Search and rescue drone fleet deployed
- Highway surveillance operational
- Zero Homeless achieving significant reductions
- AI displacement fund reaches target reserves
- Economic Resilience Fund reaches \$3B
- Education Independence Phase 2 begins
- First Global Partnership exchanges
- All Innovation Districts operational
- Container deposit system statewide

Year 4-5 Tasks:

- Income tax evaluation (potential reduction to 2.0%)
- Zero veteran homelessness achieved
- Economic Resilience Fund reaches \$5B target
- Clean Energy reaches 60% renewable
- Free community college pilot programs
- Interstate coordination fully operational
- All 8 Innovation Districts thriving
- Young Innovator graduates creating jobs
- Circular Economy showing measurable results

21.4 Years 6-10: Expansion and National Model

Years 6-7:

- Zero homelessness goal achieved
- Income tax evaluation (consider further reduction)
- 80% renewable energy achieved
- Education Independence Phase 3
- Economic Resilience Fund fully funded
- Other states adopting Colorado model elements
- Federal policy influenced by Colorado success

Years 8-10:

- 100% renewable energy goal (Year 10)

- Free four-year college progress
- Complete independence from federal education mandates
- Colorado recognized as national economic security leader
- Economic Resilience Fund provides complete federal independence capability
- CESA model exported through Global Partnership Program

21.5 Milestone Checkpoints

Year Key Milestone Success Metric

- 1 Care Without Fear launched 90% enrollment
- 2 Benefits Card distributed 95% of residents
- 3 Zero Homeless reducing 50% reduction
- 5 Economic Resilience Fund \$5B balance
- 7 Zero homelessness <100 unsheltered
- 10 100% renewable All state power

SECTION 22: SEVERABILITY AND LEGAL PROVISIONS (ENHANCED v11.1)

22.1 General Severability

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, such invalidity shall NOT affect other provisions or applications of this Act which can be given effect without the invalid provision or application.

22.2 Program Module Severability

(a) Independent Operation:

Each program module identified in Section 1.6.2 is designed to operate independently. The invalidation, repeal, or suspension of any single module shall NOT:

Impair the funding mechanisms established for other modules;
Invalidate the enterprise fund structure under Section 42;
Affect the TABOR compliance framework;
Prevent activation of other modules that meet certification requirements;
Dissolve the CESA Administration or Implementation Oversight Board.

(b) Funding Mechanism Preservation:

If any program is invalidated, funding mechanisms (including employer assessments, individual contributions, tourism fees, and settlement dedications) shall:

Continue to operate for remaining valid programs;
Be reallocated by the Implementation Oversight Board to other CESA programs; OR

Be held in the Economic Resilience Fund pending legislative direction.

(c) Enterprise Fund Preservation:

Invalidation of any individual program shall NOT affect:

The enterprise fund status of other CESA programs;

The TABOR-exempt classification of fees collected for valid programs;

The authority of CESA Administration to operate valid programs.

22.3 ERISA Fallback Alignment

(a) If employer healthcare assessments under Care Without Fear are held preempted by ERISA:

The alternative implementation provisions of Section 2.14.5 shall take effect;

All other CESA programs shall continue without interruption;

Individual contribution mechanisms shall be adjusted as specified;

The enterprise fund structure shall be preserved.

(b) ERISA preemption of healthcare provisions shall NOT affect:

Life Security Program (not ERISA-regulated);

AI Workforce Protection (not ERISA-regulated);

Childcare For All (not ERISA-regulated);

Any non-healthcare CESA program.

22.4 Judicial Direction

(a) Courts adjudicating challenges to this Act are directed to:

Preserve legislative intent to create comprehensive economic security;

Maximize operability of remaining provisions;

Sever invalid provisions narrowly;

Presume validity of independent program modules;

Preserve funding and governance structures wherever possible.

(b) The General Assembly declares that it would have enacted each program module, each funding mechanism, and each governance provision independently, and intends maximum preservation of the Act's structure.

22.5 Partial Invalidity of Provisions

If any subsection, paragraph, sentence, clause, or phrase of this Act is held invalid:

(a) The remainder of the section containing such provision shall remain in effect;

(b) The invalid portion shall be severed with minimum disruption;

(c) Courts shall interpret remaining language to effectuate legislative intent.

22.6 Effective Date Provisions

(a) This Act takes effect upon passage and certification by the Governor.

(b) Individual program activations occur pursuant to Section 58 (Phased Activation Framework).

(c) Administrative and governance provisions take effect immediately to enable implementation planning.

SECTION 23: COLORADO GLOBAL PARTNERSHIP PROGRAM

23.1 Purpose

This Section establishes Colorado's international partnership framework, enabling knowledge

exchange, economic collaboration, and cultural connection with like-minded regions worldwide.

23.2 Inaugural Partner: Queensland, Australia

(a) Designation: The State of Queensland, Australia is hereby designated as Colorado's inaugural Global Partner.

(b) Rationale: - Similar climate and geography (mountains, plains, agriculture) - Comparable

population size and economic structure - Shared commitment to innovation and renewable

energy - Strong agricultural and tourism sectors - English-speaking with compatible business

practices - Time zone enabling 24-hour business cycle coverage

(c) Partnership Focus Areas: - Clean energy technology exchange - Agricultural innovation -

Tourism promotion - Education and research collaboration - Emergency management best

practices - Healthcare system innovation

23.3 Sister State Relationships

(a) Criteria: Global Partners must demonstrate: - Democratic governance and rule of law -

Commitment to human rights - Economic compatibility - Mutual benefit potential - Cultural

exchange interest

(b) Partnership Levels:

Level Requirements Benefits

Inaugural Partner First partner + full collaboration All benefits + founding status

Strategic Partner 3+ active programs Trade missions + student exchange

Emerging Partner 1-2 active programs Information sharing +
cultural exchange

23.4 Sister City Relationships

(a) Colorado cities and counties may establish sister city/region
relationships with
communities in Global Partner jurisdictions.

(b) State support available for: - Initial partnership development
Cultural exchange programs

- Economic development missions - Youth exchange programs

(c) Priority given to partnerships that support CESA program goals.

23.5 Exchange Programs

(a) Professional Exchange

- Government officials exchange to learn best practices
- 2-4 week placements
- Focus areas: healthcare, worker protection, innovation, emergency management

(b) Student Exchange

- University semester exchanges with partner institutions
- High school summer programs
- Vocational training partnerships

(c) Business Exchange

- Trade missions to partner regions
- Investment matchmaking
- Joint venture support
- Market entry assistance

(d) Cultural Exchange

- Arts and cultural programming
- Sports exchanges
- Tourism promotion
- Heritage preservation

23.6 Economic Benefits

(a) Trade Facilitation: - Reduced barriers for partner region businesses - Fast-track business

registration for partner companies - Joint marketing initiatives

(b) Investment Attraction: - Partner region investors receive Colorado Qualified Business

fast-track - Joint investment funds for shared priorities - Real estate investment streamlining

(c) Tourism: - Joint tourism marketing - Package travel programs - Reciprocal tourism promotion

23.7 Governance

(a) Colorado Global Partnership Office: - Housed within CESA - Director appointed by CESA

Director - Staff as needed for partnership management

(b) Partnership Advisory Council: - Representatives from each partner region - Meets

annually (alternating locations) - Reviews partnership progress - Recommends new initiatives

23.8 Budget

Estimated Annual Cost: \$5-10 million

SECTION 24: COLORADO WHISTLEBLOWER PROTECTION ACT

24.1 Purpose

This Section establishes comprehensive protections for individuals who report wrongdoing in

good faith, ensuring that those who speak up to protect the public interest are protected from

retaliation.

24.2 Protected Disclosures

Disclosures are protected when made in good faith regarding:

(a) AI Safety Concerns: - AI systems causing or likely to cause harm - Violations of AI Worker

Protection requirements (Section 4) - AI bias or discrimination - Unsafe AI deployment

(b) CESA Program Fraud: - False claims for benefits - Misuse of program funds - Fraudulent

enrollment - Provider fraud - Contractor fraud

(c) Tax Evasion: - Failure to pay required contributions - False reporting of income or payroll -

Evasion of Health-Impact Food Taxes - Evasion of AI Displacement Fund contributions

(d) Public Safety: - Environmental violations - Workplace safety hazards - Consumer

protection violations - Healthcare quality issues

(e) Government Misconduct: - Corruption or bribery - Misuse of public funds - Abuse of

power - Retaliation against other whistleblowers

24.3 Reporting Channels

(a) Internal Reporting: - To employer, supervisor, or compliance officer - Protected even if

issue is later found unsubstantiated

(b) External Reporting: - CESA Fraud Hotline - Colorado Services Portal (Section 19.8) -

Colorado Attorney General - Appropriate regulatory agency - Law enforcement

(c) Public Disclosure: - To media or public - Protected when internal/external channels

exhausted or ineffective - Protected when imminent public danger exists

24.4 Prohibited Retaliation

Employers and others may NOT take any adverse action against whistleblowers, including:

(a) Employment Actions: - Termination or demotion - Reduction in pay or hours - Transfer

or reassignment - Denial of promotion - Negative performance reviews - Harassment or hostile

work environment

(b) Other Retaliation: - Blacklisting in industry - Threats or
intimidation - Legal action

designed to silence - Interference with future employment - Retaliation against family
members

24.5 Remedies

Whistleblowers who experience retaliation may seek:

(a) Employment Remedies: - Reinstatement - Back pay with interest

Restoration of benefits

- Removal of negative records

(b) Compensatory Damages: - Emotional distress - Reputational harm

Out-of-pocket
expenses

(c) Punitive Damages: - Up to 3x actual damages for willful
retaliation

(d) Attorney's Fees: - Reasonable attorney's fees for prevailing
plaintiffs

24.6 Whistleblower Rewards

(a) AI Safety Rewards: - 10-15% of penalties collected (up to
\$250,000) - For reports leading to
successful enforcement

(b) Fraud Recovery Rewards: - 15-25% of recovered funds (up to
\$500,000) - For reports
leading to fraud recovery

(c) Tax Evasion Rewards: - 15-30% of recovered taxes (up to
\$500,000) - For reports leading
to collection

24.7 Confidentiality

(a) Whistleblower identity confidential unless: - Whistleblower
consents to disclosure -

Disclosure required by court order - Disclosure necessary for investigation with whistleblower's

knowledge

(b) Anonymous reporting protected.

(c) Retaliation for suspected whistleblowing is prohibited even if identity unconfirmed.

24.8 Anti-Retaliation Enforcement

(a) CESA Authority: - Investigate retaliation complaints - Order remedial action - Impose civil penalties

(b) Criminal Penalties: - Retaliation against whistleblowers is a Class 6 felony - Additional penalties if retaliation involves threats or violence

(c) Civil Action: - Private right of action in state court - 3-year statute of limitations - Jury trial available

24.9 Budget

Included in CESA Administration budget

SECTION 25: AI INDUSTRY REQUIREMENTS

25.1 Purpose

This Section establishes requirements for AI companies operating in Colorado, ensuring they

contribute fairly to the state's economic security while enabling continued innovation and growth.

25.2 Energy Contribution Requirement

(a) Base Requirement: AI companies with significant computational operations in Colorado

shall contribute to Colorado's clean energy infrastructure.

(b) Contribution Rate: 35% of company's Colorado energy consumption shall be offset

through: - Direct investment in Colorado renewable energy - Purchase of Colorado renewable

energy credits - On-site renewable generation - Payment to Colorado Clean Energy Fund

(c) Annual Review: The 35% rate shall be reviewed annually by CESA and may be adjusted

based on: - Grid capacity and renewable availability - Industry competitiveness - Technology

efficiency improvements - Environmental impact data

(d) Adjustment Range: Rate may be adjusted up or down by up to 5 percentage points

annually, with 30-60% total range.

25.3 Automation Intensity Tax

(a) Purpose: Ensure highly automated companies contribute fairly to worker support programs.

(b) Calculation: Companies with automation intensity above industry baseline pay additional contribution to AI Displacement Fund.

(c) Automation Intensity Defined: - Revenue per employee compared to industry average -

Companies with 200%+ of industry average revenue/employee pay additional 0.5-1% of

Colorado revenue

(d) Exemptions: - First 3 years of operation - Companies with fewer than 50 employees -

Companies already paying significant AI Displacement payments

25.4 Community Benefits Requirements

AI companies receiving state support must provide community benefits:

(a) Workforce Development: - Internship programs for Colorado students - Training

partnerships with Colorado institutions - Job shadowing opportunities

(b) Local Engagement: - Participation in community advisory processes - Support for local

STEM education - Sponsorship of innovation events

(c) Transparency: - Annual public report on AI deployment -

Disclosure of significant AI

decision systems - Participation in bias auditing programs

25.5 Tiered Requirements by Company Size

Company Size Energy Contribution Automation Tax Community Benefits

Small (<50 25% Exempt Voluntary employees)

Medium (50- 35% If applicable Required

500)

Large (500+) 35% If applicable Enhanced required

Major (1000+) 35% + infrastructure If applicable Comprehensive required

25.6 Compliance and Enforcement

(a) Registration: - AI companies register with CESA - Annual compliance certification -

Reporting on energy use and workforce

(b) Audits: - CESA may audit company records - Third-party verification available

(c) Penalties: - Non-compliance penalties up to 200% of avoided contribution -

Disqualification from state contracts - Loss of fast-track permitting benefits

25.7 Safe Harbor

Companies demonstrating good-faith compliance efforts receive: - Warning before penalties -

90-day cure period for technical violations - Reduced penalties for self-reported issues

25.8 Budget

Revenue from automation intensity tax: ~\$20-30 million annually

Administration: Included in CESA budget

SECTION 26: COMMUNITY BUSINESS CERTIFICATION

26.1 Purpose

This Section establishes a certification program recognizing businesses that demonstrate

exceptional commitment to their employees, communities, and Colorado values.

26.2 Qualification Criteria

To receive Community Business Certification, a business must meet at least 4 of the following

criteria:

(a) Family-Friendly Workplace: - Paid parental leave (minimum 8 weeks) - Flexible

scheduling for parents - On-site or subsidized childcare - Family emergency leave policy

(b) Living Wage Employer: - All employees paid at least 150% of minimum wage - Regular

wage increases tied to cost of living - Transparent pay scales

(c) Diverse Leadership: - Women and/or minorities in 30%+ of leadership positions - Active

diversity recruitment program - Inclusive workplace policies - Pay equity auditing

(d) Environmental Stewardship: - Carbon footprint reduction plan - Recycling and waste

reduction program (Section 29 compliance) - Sustainable sourcing policies - Green building or

retrofit commitment

(e) Employee Ownership: - Employee stock ownership plan (ESOP) - Profit sharing program

(minimum 5% of profits) - Worker cooperative structure - Employee representation on board

(f) Community Investment: - Local charitable giving (minimum 1% of profits) - Employee

volunteer program - Sponsorship of community events - Partnerships with local schools

(g) Veteran Employer: - Veterans comprise 10%+ of workforce -

Veteran hiring preference

program - Military spouse support program - Partnership with veteran service organizations

(h) Disability Inclusive: - Exceeds ADA requirements - Active disability hiring program -

Accessible facilities and technology - Partnership with disability service organizations

(i) Second Chance Employer: - Hires individuals with criminal records - Provides support for

reentry - Partners with reentry programs - Fair chance hiring policies

(j) Apprenticeship Provider: - Registered apprenticeship program - Partnership with trade

schools - Career pathway development - Youth employment programs

26.3 Certification Benefits

(a) Tax Benefits

Criteria Met Tax Benefit

4 criteria 5% reduction in state business taxes

6 criteria 10% reduction

8+ criteria 15% reduction

(b) Contract Preference

- 5% bid preference on state contracts
- Priority for local government contracts
- Preferred vendor status

(c) Marketing Benefits

- “Colorado Community Business” certification mark
- Listing on state business directory
- Recognition at annual awards event
- Marketing support from state tourism office

(d) Regulatory Benefits

- Expedited permit processing
- Reduced inspection frequency (good compliance history)
- Priority technical assistance

26.4 Certification Process

(a) Application: - Submit documentation of qualifying criteria -
Self-certification with

supporting evidence - Annual attestation

(b) Verification: - CESA review of documentation - Random audits
(10% of certified

businesses annually) - Third-party verification available

(c) Duration: - 2-year certification - Renewal with updated
documentation - Annual check-in
required

26.5 Decertification

(a) Grounds: - Failure to maintain qualifying criteria - False
statements in application -

Serious violations of employment law - Fraud or misconduct

(b) Process: - Notice and opportunity to cure - Hearing if
contested - Appeal rights

(c) Consequences: - Loss of all certification benefits - Repayment
of tax benefits (fraud cases)

- 2-year bar from recertification

26.6 Budget

Estimated Annual Cost: \$5-10 million (tax expenditure)

Administration: Included in CESA budget

SECTION 27: CESA EVOLUTION AND PUBLIC ENGAGEMENT

27.1 Purpose

This Section establishes mechanisms for CESA to evolve over time based on
experience,

changing conditions, and public input, while protecting core principles through
constitutional

safeguards.

27.2 Designed Fluidity

(a) Legislative Intent: CESA is designed to be a living framework

that adapts to: - New

challenges and opportunities - Lessons learned from implementation - Changing economic

conditions - Technological developments - Public preferences

(b) Regular Review: Every 5 years, CESA shall undergo comprehensive

review and potential

update by the Legislature.

27.3 Amendment Categories

(a) Administrative Amendments

Changes to implementation details, timelines, and procedures: - May be made by CESA Director

with Board approval - Subject to public comment period (30 days) - Reported to Legislature

(b) Programmatic Amendments

Changes to program benefits, eligibility, or funding levels: - Require Legislature approval -

Subject to public hearing - Take effect next fiscal year

(c) Structural Amendments

Changes to fundamental program structure or new major programs: - Require Legislature

approval (60% supermajority) - Subject to extended public comment (90 days) - May require

TABOR compliance

(d) Constitutional Core Amendments

Changes to protected principles (Section 31): - Require 68% supermajority public referendum - Placed on ballot by Legislature or citizen initiative - Extensive public education

campaign required

27.4 Public Engagement Mechanisms

(a) Annual Town Halls: - CESA Director hosts annual town halls in

each region - Public input

on program performance - Discussion of potential improvements

(b) Online Engagement: - Colorado Services Portal feedback mechanisms - Online surveys

and polls - Digital town halls and webinars

(c) Advisory Committees: - Citizen advisory committees for major programs - Stakeholder

input on technical issues - Regular reports to CESA Director

(d) Youth Engagement: - Student advisory council - Youth input on education and innovation

programs - Internship and fellowship opportunities

27.5 Citizen Initiative

(a) Citizens may propose CESA amendments through petition: - 3% of registered voters for

ballot measure - 1% for Legislative consideration

(b) Citizen-initiated Constitutional Core amendments require same 68% supermajority

approval as Legislature-initiated amendments.

27.6 Public Education

Before any Constitutional Core referendum:

(a) State shall provide: - Neutral explanation of proposed change

Arguments for and against -

Fiscal impact analysis - Implementation analysis

(b) Minimum 60 days between publication and election.

(c) Multiple language versions.

27.7 Sunset Review

(a) Every CESA program subject to sunset review every 10 years.

(b) Review includes: - Effectiveness evaluation - Cost-benefit analysis - Stakeholder input -

Recommendations for continuation, modification, or termination

(c) Programs continue unless Legislature acts to terminate or modify.

(d) Constitutional Core programs cannot be terminated through sunset - only modified.

SECTION 28: COLORADO CULINARY AND DINING INITIATIVE

28.1 Purpose

This Section supports Colorado's restaurant industry, promotes culinary excellence, and

enhances the dining experience for residents and visitors.

28.2 Sales Tax Elimination for Sit-Down Dining

(a) Tax Exemption: State sales tax is hereby eliminated for prepared food consumed on-

premises at restaurants providing table service.

(b) Qualifying Establishments: - Full-service restaurants with wait staff - Sit-down cafes and

diners - Hotel restaurants - Winery and brewery tasting rooms with food service - Establishments where customers are seated and served

(c) Non-Qualifying (Standard Tax Applies): - Takeout and to-go orders - Drive-through

purchases - Fast food establishments (primarily counter service) - Food trucks (unless

operating with seating area) - Delivery orders

(d) Hybrid Establishments: - Tax applies to takeout/delivery portion - No tax on dine-in

portion - Point-of-sale systems must track separately

28.3 Economic Rationale

(a) Sit-down dining: - Creates more jobs per dollar of revenue - Provides higher-wage

employment (tips + wages) - Supports local supply chains - Contributes to community

gathering spaces - Generates tourism revenue

(b) Tax elimination encourages: - More frequent dining out - Higher spending per visit -

Restaurant industry growth - Job creation in hospitality

28.4 Culinary Exchange Program

(a) Global Partner Exchanges: Chef and hospitality professional exchanges with Global

Partner regions (Section 23).

(b) Queensland Inaugural Exchange: - Annual chef exchange with Queensland - Cross-

promotion of regional cuisines - Joint culinary events - Hospitality training partnerships

(c) Support for Participants: - Travel and housing stipends - Visa assistance - Marketing

support - Recognition events

28.5 Colorado Culinary Trail

(a) Designation of culinary trails highlighting Colorado cuisine:

Mountain regions - Plains

agriculture - Urban food scenes - Wine and craft beverage routes

(b) Marketing and promotion through Colorado Tourism Office.

(c) Partnership with local visitor bureaus.

28.6 Farm-to-Table Support

(a) Incentives for restaurants sourcing from Colorado farms: -

Marketing recognition -

Reduced licensing fees - Priority for state catering contracts

(b) Coordination with Healthy Colorado Food Policy (Section 3.7).

28.7 Budget

Estimated Revenue Impact: -\$50-75 million (tax expenditure)

Program Administration: \$2-3 million annually

Economic Benefit: Estimated \$200+ million in increased dining activity

SECTION 29: COLORADO CIRCULAR ECONOMY ACT

29.1 Purpose

This Section establishes programs to reduce waste, increase recycling, and create a circular

economy where materials are reused and repurposed rather than discarded.

29.2 Food Rescue Program

(a) Establishment: Colorado Food Rescue Network connecting food donors with hunger relief

organizations.

(b) Participants: - Restaurants and food service - Grocery stores

Farms and producers -

Caterers and event venues - Institutions (hospitals, schools, etc.)

(c) Liability Protection: Good faith food donors protected from liability for donated food.

(d) Tax Benefits: - Enhanced deduction for food donations - Credits for transportation costs -

Recognition for significant donors

(e) Distribution: - Partnership with food banks - Connection to Zero Homeless Colorado

(Section 8) - School meal supplementation - Senior meal programs

29.3 Comprehensive Recycling Services

(a) Curbside Recycling Expansion: - Statewide minimum recycling standards - Funding for

rural recycling programs - Recycling education campaigns

(b) Hard-to-Recycle Items: - State contracts with specialty recyclers (companies like Ridwell)

- Collection of items not accepted in curbside programs: - Batteries and electronics - Textiles

and clothing - Plastic film and bags - Styrofoam - Light bulbs - Small appliances

(c) Business Recycling: - Commercial recycling requirements (businesses over 50 employees)

- Technical assistance for compliance - Recognition program for excellence

29.4 Container Deposit Program

(a) Deposit Amount:

Container Type Deposit

Beverage containers under 24 oz \$0.10

Container Type Deposit

Beverage containers 24 oz and over \$0.15

Wine bottles \$0.15

Liquor bottles \$0.25

(b) Redemption Options:

Consumers may redeem deposits through: - Retail reverse vending machines - Designated

redemption centers - Curbside pickup programs - Colorado Benefits Card credit (optional -

Section 19)

(c) Benefits Card Credit Option:

When redeeming containers, consumers may choose to: - Receive cash refund (default) - Credit

amount to Colorado Benefits Card personal account - Donate to Circular Economy Fund

(supporting recycling programs)

(d) Circular Economy Fund: - Unredeemed deposits - Voluntary

donations from card credits -

Funds recycling infrastructure expansion - Supports recycling education

29.5 Composting Initiative

(a) Municipal Composting: - Grants for municipal composting

programs - Technical

assistance for program development - Education and outreach support

(b) Home Composting: - Subsidized compost bins for residents -

Education programs - Master

composter training

(c) Commercial Composting: - Permits for commercial composting facilities - Compost

quality standards - Connection to Colorado agriculture

29.6 Plastic Reduction

(a) Single-Use Plastic Phase-Out: - Timeline for reducing single-use plastics - Alternative

material support - Business transition assistance

(b) Plastic Bag Fee: - \$0.10 fee on single-use plastic bags -

Revenue to Circular Economy Fund

- Exemptions for food safety, medical, produce

29.7 Extended Producer Responsibility

(a) Manufacturers of certain products responsible for end-of-life management: - Electronics -

Mattresses - Paint - Batteries - Pharmaceuticals

(b) Product stewardship programs required.

(c) Funding for collection and recycling infrastructure.

29.8 Metrics and Goals

Metric 2030 Goal 2035 Goal

Diversion rate 50% 70%

Food waste reduction 30% 50%

Container redemption 80% 90%

Organic composting 40% 60%

29.9 Budget

Estimated Annual Cost: \$25-40 million

Revenue from deposits/fees: \$30-50 million

Net Revenue: \$5-10 million (or break-even)

SECTION 30: COMMUNITY POLICING STANDARDS

30.1 Purpose and Intent

This Section establishes a framework for community-oriented policing in Colorado.

This Section

is explicitly designed to be fluid and will evolve based on community input, best practices

research, and outcomes data.

30.2 Core Principles

(a) Community Partnership: - Police work with communities, not against them - Regular

community engagement required - Community input in policing priorities - Accountability to

community

(b) Problem-Solving Orientation: - Focus on underlying causes of crime - Prevention over

enforcement where possible - Collaboration with social services - Data-driven approaches

(c) Organizational Transformation: - Training on de-escalation and crisis intervention -

Mental health response integration - Continuous improvement culture - Transparency in

operations

30.3 Positive Incentive Programs

(a) Community Policing Grants: - Competitive grants for innovative programs - Funding for

community engagement initiatives - Support for alternative response models

(b) Training Support: - State funding for de-escalation training -

Crisis intervention team

development - Community policing certification programs

(c) Recognition Programs: - Annual community policing awards - Best practices sharing -

Leadership development for community-oriented officers

30.4 What This Section Does NOT Include

(a) This Section explicitly does NOT include: - Metrics-based

funding tied to crime statistics -

Penalties for departments - Mandates that override local control - Specific use-of-force policies

(b) These elements may be added in future versions after: -

Extensive community engagement

• Review of evidence and best practices - Input from law enforcement -

Legislative deliberation

30.5 Future Development Process

(a) Within 2 years of CESA implementation, CESA Director shall

convene a Community

Policing Standards Commission including: - Law enforcement representatives - Community

advocates - Civil rights organizations - Mental health professionals - Academic researchers -

Elected officials

(b) Commission shall recommend: - Enhanced standards (if appropriate) - Accountability

measures (if appropriate) - Funding mechanisms - Implementation timelines

(c) Recommendations subject to Legislative approval before implementation.

30.6 Local Control Preserved

(a) Local governments retain authority over: - Hiring and discipline - Department policies -

Budget allocation - Community priorities

(b) State role limited to: - Incentives and support - Training resources - Best practices sharing -

Voluntary certification programs

30.7 Budget

Estimated Annual Cost: \$15-25 million (grants and training support)

SECTION 30.8: MENTAL HEALTH CRISIS RESPONSE INTEGRATION

30.8.1 Purpose and Legislative Intent

(a) The General Assembly finds that:

- (1) Individuals experiencing mental health crises deserve a response focused on care and treatment, not criminalization;
 - (2) Law enforcement officers are often the first responders to mental health crises despite lacking specialized training and appropriate resources;
 - (3) Incarceration of individuals in mental health crisis is harmful, ineffective, and expensive;
 - (4) Successful programs in other jurisdictions (CAHOOTS in Eugene, Oregon; STAR in Denver) demonstrate that alternative responses improve outcomes and reduce costs;
 - (5) Integration of mental health professionals into emergency response improves outcomes for individuals, families, and communities.
- (b) The purpose of this section is to establish a comprehensive framework for mental health crisis response that:
- (1) Ensures individuals in mental health crisis receive appropriate care;
 - (2) Reduces unnecessary involvement of law enforcement in mental health situations;
 - (3) Diverts individuals from jails and emergency departments to treatment;
 - (4) Protects the safety of individuals in crisis, their families, and the community;
 - (5) Reduces trauma for all involved.

30.8.2 Co-Responder Program

(a) Establishment

- (1) Every law enforcement agency in Colorado shall have access to a

co-responder program

pairing law enforcement officers with mental health professionals;

(2) Co-responder teams shall respond to calls involving mental health crisis, substance use

crisis, or behavioral health concerns;

(3) Programs shall be operational in all agencies by Year 3 of CESA implementation.

(b) Team Composition

(1) Co-responder teams consist of at least one law enforcement officer and one licensed

mental health professional;

(2) Mental health professional shall be a licensed clinical social worker, licensed

professional counselor, licensed psychologist, or psychiatric nurse;

(3) Both team members receive specialized training in co-response protocols.

(c) Response Protocol

(1) Mental health crisis calls flagged by 911 dispatch based on screening questions;

(2) Co-responder teams dispatched for appropriate calls;

(3) Upon arrival, mental health professional takes lead on scene assessment;

(4) Law enforcement provides safety support and scene security as needed;

(5) Mental health professional conducts assessment and determines appropriate disposition;

(6) Goal is connection to services rather than arrest or hospitalization when safe and appropriate.

(d) Staffing Models by Agency Size

Agency Size Model Requirement

Large (50+ sworn officers) Dedicated co- 24/7 coverage with multiple teams responder teams

Medium (20-49 officers) Shared regional Coverage during peak hours, on-teams call other times

Small (<20 officers) Regional On-call mental health partnership professionals, telehealth backup

(e) State Funding

(1) CESA shall fund co-responder programs statewide;

(2) Priority funding for underserved areas, rural communities, and agencies serving high-need populations;

(3) Funding covers mental health professional salaries, benefits, training, equipment, and vehicles;

(4) Matching fund opportunities for agencies exceeding minimum requirements.

30.8.3 Crisis Intervention Team (CIT) Training

(a) Mandatory Training Requirements

(1) All law enforcement officers in Colorado shall complete 40-hour Crisis Intervention Team (CIT) training;

(2) Training must be completed within 2 years of hire date;

(3) Current officers shall complete training within 3 years of CESA implementation;

(4) Dispatchers and telecommunicators shall complete 16-hour CIT training.

(b) Training Curriculum

Training shall include:

(1) Mental Health Education:

- Overview of major mental illnesses (schizophrenia, bipolar disorder, major depression, anxiety disorders)
- Substance use disorders
- Developmental disabilities and autism
- Dementia and cognitive impairment
- Trauma and its effects;

(2) De-escalation Techniques:

- Verbal de-escalation strategies
- Recognizing escalation warning signs
- Time, distance, and shielding
- Communication techniques for individuals in crisis;

(3) Trauma-Informed Response:

- Understanding trauma responses
- Avoiding re-traumatization
- Recognizing trauma symptoms
- Responding with empathy;

(4) Community Resources:

- Available mental health services
- Crisis services and how to access them
- Diversion options
- Warm handoff procedures;

(5) Legal Issues:

- Involuntary commitment procedures
- Rights of individuals in crisis
- Liability considerations
- Documentation requirements;

(6) Lived Experience Perspectives:

- Presentations by individuals with lived experience of mental illness

- Family member perspectives
- Understanding the impact of police contact;

(7) Scenario-Based Training:

- Role-playing exercises
- Reality-based training scenarios
- After-action review and feedback.

(c) Annual Refresher Training

(1) All officers shall complete 8-hour CIT refresher training annually;

(2) Refresher training covers updates, case reviews, and skill reinforcement;

(3) Failure to complete refresher training results in administrative consequences.

(d) CIT Coordinator

(1) Every law enforcement agency shall designate a CIT coordinator;

(2) Coordinators receive advanced 80-hour training;

(3) Coordinator responsibilities:

- Oversee agency CIT program
- Track training compliance
- Liaise with mental health partners
- Review mental health-related incidents
- Recommend program improvements;

(4) Coordinators from across the state meet quarterly for collaboration.

(e) Curriculum Development

(1) Training curriculum developed by CESA in partnership with:

- Mental health professionals
- Law enforcement trainers
- Individuals with lived experience
- Family advocates

- Academic experts;
- (2) Curriculum updated annually based on best practices and outcome data;
- (3) Statewide standardization with flexibility for local adaptation.
- (f) Certification
 - (1) Officers completing CIT training receive CIT certification;
 - (2) Certification valid for 3 years with annual refreshers;
 - (3) CIT certification recognized statewide;
 - (4) CIT-certified officers prioritized for mental health-related calls when available.

30.8.4 Alternative Response Programs

- (a) Civilian Mental Health Response
 - (1) For calls involving mental health crisis WITHOUT weapon or immediate danger to self or others, civilian mental health teams may respond instead of police;
 - (2) Teams consist of mental health professionals and/or peer support specialists;
 - (3) Teams are unarmed;
 - (4) Response modeled on successful programs including CAHOOTS (Eugene, OR), STAR (Denver), and similar programs nationwide.

- (b) Phased Implementation

Phase Timeline Areas

Phase 1 Year 1 Denver metropolitan area (expansion of STAR)

Phase 2 Year 2 Other major metropolitan areas

(Colorado Springs, Fort Collins, Boulder, Aurora)

Phase 3 Year 3 Mid-size cities and

suburban areas

Phase 4 Year 4 Statewide coverage

including rural areas

(c) Response Tiers

Tier Situation Description Appropriate Response

Tier 1 Mental health crisis, no weapon, no Civilian mental health team
immediate danger, person willing to
engage

Tier 2 Mental health crisis, uncertain safety, Co-responder team
history of violence, person not engaging

Tier 3 Mental health crisis with weapon, Law enforcement primary with
immediate danger to self or others, mental health backup on standby
barricade

Tier 4 Non-crisis mental health need, welfare Referral to community services, phone
check, resource request follow-up

(d) Dispatch Training and Protocols

(1) All 911 dispatchers shall receive specialized training in mental
health call assessment;

(2) Standardized screening questions to determine appropriate
response tier;

(3) Protocols for routing calls to appropriate response team;

(4) Scripts for gathering information while de-escalating caller;

(5) Ongoing quality assurance review of dispatch decisions.

(e) Integration with 988

(1) Colorado's 988 Suicide and Crisis Lifeline shall be integrated
with 911 dispatch;

(2) Protocols for transferring calls between systems when
appropriate;

(3) Data sharing (with privacy protections) for continuity of care;

(4) Joint training for 988 and 911 personnel.

30.8.5 Involuntary Holds (M-1 Holds)

(a) Standards for Initiating Holds

- (1) Mental health professionals (including those on co-responder teams) may initiate 72-hour emergency mental health holds;
- (2) Law enforcement officers may transport individuals to treatment facilities but shall not initiate holds except in emergency situations when no mental health professional is available;
- (3) Holds shall be based on clinical assessment, not behavior alone;
- (4) Individuals shall be informed of their rights and the hold process.

(b) Treatment Facility Requirement

- (1) Individuals placed on involuntary holds shall be transported to treatment facilities, NOT jails;
- (2) Jails may not be used as a substitute for mental health treatment under any circumstances;
- (3) Individuals may not be held in emergency departments for more than 24 hours awaiting placement;
- (4) CESA shall ensure adequate treatment facility capacity statewide.

(c) Rights of Individuals on Holds

- (1) Individuals on holds retain all rights not specifically suspended including:
 - Right to humane treatment
 - Right to refuse certain treatments
 - Right to communicate with family and attorney

- Right to be informed of rights and procedures;
 - (2) Access to patient advocate within 24 hours;
 - (3) Judicial review within 72 hours;
 - (4) Right to legal representation at all hearings, with court-appointed counsel if unable to afford;
 - (5) Right to contest the hold.
- (d) Facility Capacity Requirements
- (1) CESA shall maintain adequate crisis stabilization bed capacity statewide;
 - (2) Regional distribution to minimize transport distances;
 - (3) Specialized capacity for:
 - Adolescents (separate from adults)
 - Individuals with substance use disorders
 - Individuals with medical needs
 - Individuals requiring security;
 - (4) No individual shall be held in jail due to lack of mental health beds;
 - (5) No individual shall be turned away from crisis facilities due to capacity if they meet hold criteria.
- (e) Rural Transport Assistance
- (1) For rural areas, CESA shall provide transport assistance for individuals needing crisis services at distant facilities;
 - (2) Medical transport teams trained in mental health crisis;
 - (3) Telehealth contact with receiving facility during transport;
 - (4) Support for family members to visit individuals placed in distant facilities.
- 30.8.6 Post-Crisis Follow-Up

(a) Warm Handoff Requirement

(1) Every mental health crisis response shall include a warm handoff to ongoing services;

(2) Warm handoff means direct connection between crisis responder and follow-up provider;

(3) Crisis responder ensures individual has appointment scheduled and knows how to access it;

(4) Information shared (with consent) to ensure continuity of care.

(b) 48-Hour Follow-Up

(1) Mental health professional shall contact individual within 48 hours of crisis response;

(2) Follow-up assesses current status, medication access, upcoming appointments, and ongoing needs;

(3) Additional follow-up contacts as needed;

(4) Documentation of follow-up and outcomes.

(c) Care Coordination

(1) Connection to Care Without Fear mental health services (Section 2.12);

(2) Assistance with insurance, enrollment, and appointment scheduling;

(3) Referral to other services as needed (housing, employment, food assistance);

(4) Case management for individuals with complex needs.

(d) Peer Support Offering

(1) Individuals shall be offered peer support services from individuals with lived experience;

- (2) Peer support available for ongoing recovery support;
- (3) Connection to support groups and recovery community.

30.8.7 Data Collection and Transparency

(a) Required Reporting

All agencies shall report the following data to CESA:

- (1) Total mental health-related calls received;
- (2) Response type for each call (co-responder, civilian team, law enforcement, referral);
- (3) Outcome of each call (connection to services, transport to treatment, hospitalization, arrest, etc.);
- (4) Use of force in mental health calls reported separately;
- (5) Injuries to individuals, officers, or responders;
- (6) Demographic data (with privacy protections) including race, ethnicity, age, and gender;
- (7) Repeat contacts with same individuals.

(b) Public Dashboard

- (1) CESA shall maintain a public dashboard with mental health response data;
- (2) Dashboard updated quarterly;
- (3) Data disaggregated by region, agency, and demographic factors;
- (4) Comparison of outcomes across different response types;
- (5) Trend analysis over time.

(c) Annual Report

- (1) Annual comprehensive report on mental health crisis response statewide;
- (2) Report includes:
 - Call volumes and trends
 - Response type distribution
 - Outcome analysis

- Disparities identification
 - Cost analysis
 - Recommendations for improvement;
- (3) Report presented to legislature and made public.
- (d) Community Review
- (1) Annual community review of mental health response data in each jurisdiction;
- (2) Public meetings for community input on program performance;
- (3) Community advisory role in program improvements;
- (4) Accountability for outcomes with community involvement.

30.8.8 Prohibited Practices

(a) Prohibited Actions

Individuals in mental health crisis shall NOT be:

- (1) Arrested solely for mental health symptoms or behaviors that do not constitute crimes;
- (2) Held in jail as a substitute for mental health treatment;
- (3) Subjected to excessive force due to crisis behavior;
- (4) Restrained beyond the minimum necessary for safety;
- (5) Denied medical treatment while in custody;
- (6) Transported in restraints that are painful or dangerous;
- (7) Left unmonitored in holding cells;
- (8) Denied access to medications;
- (9) Subjected to solitary confinement;
- (10) Criminally charged for behaviors directly caused by mental illness when diversion is appropriate.

(b) Enforcement

- (1) Violations subject to:
- Agency decertification from CESA funding
 - Individual officer discipline

- Civil liability
- Criminal liability for egregious violations;
- (2) Complaints investigated by CESA;
- (3) Pattern of violations triggers mandatory corrective action.

(c) Reporting Mechanism

(1) Individuals may report violations through:

- Colorado Services Portal
- CESA hotline
- Local agency internal affairs
- Independent oversight bodies;
- (2) Anonymous reporting accepted;
- (3) No retaliation for reporting.

30.8.9 Rural Implementation

(a) Telehealth Integration

(1) Rural areas may use telehealth for immediate mental health consultation during crisis response;

(2) Video connection between officer/responder and mental health professional;

(3) Mental health professional can assess, advise, and guide response remotely;

(4) Telehealth available 24/7 statewide.

(b) Regional Teams

(1) Multi-county co-responder and civilian response teams for rural areas;

(2) Mobile crisis units covering large geographic areas;

(3) Strategic positioning based on call data and population centers;

(4) Response time goals appropriate for geographic challenges.

(c) Community Health Workers

(1) Training for community health workers in rural areas on mental

health first aid;

(2) Community health workers serve as first point of contact for mental health concerns;

(3) Integration with local emergency response;

(4) Cultural competency for rural and frontier communities including agricultural workers, tribal members, and other populations.

(d) Local Resource Mapping

(1) Each rural region shall maintain current maps of available mental health resources;

(2) Resources include crisis beds, outpatient services, peer support, and specialty services;

(3) Information available to responders and community members;

(4) Updated quarterly.

30.8.10 Training and Technical Assistance

(a) CESA shall provide training and technical assistance to agencies implementing this section.

(b) Technical assistance includes: - Program design consultation -

Policy development - Data

system implementation - Quality improvement support - Peer learning opportunities with

successful programs

(c) Training academies shall incorporate crisis response training into basic curriculum.

30.8.11 Coordination with Other Sections

(a) This section integrates with:

(1) Section 2.12: Comprehensive Mental Health Services - for ongoing care after crisis;

(2) Section 30: Community Policing Standards - for overall policing framework;

(3) Section 35: Rural Implementation Standards - for rural

considerations;

(4) Section 41: Technology Assistance Services - for crisis line technology;

(5) Section 19.8: Colorado Services Portal - for reporting and resource access.

30.8.12 Budget

(a) Estimated annual cost: \$20-30 million

(b) Breakdown: - Co-responder programs: \$10-15 million - Civilian response teams: \$5-8 million

- CIT training: \$2-3 million - Dispatch training and technology:

\$1-2 million - Data systems and

reporting: \$1-2 million - Rural implementation: \$1-2 million

(c) This increases Section 30 Community Policing Standards budget from \$15-25 million to \$35-

55 million total.

SECTION 31: CESA CONSTITUTIONAL CORE (UPDATED)

31.1 Purpose

This section identifies the programs and provisions that constitute the Constitutional Core of

CESA and establishes protection mechanisms.

31.2 Constitutional Core Definition

The Constitutional Core consists of provisions so fundamental to CESA's mission that

modification requires extraordinary process. These represent the “why we exist” of CESA.

31.3 Constitutional Core Programs

The following programs constitute the Constitutional Core:

(a) Care Without Fear Universal Healthcare (Section 2) - Universal coverage for all

Colorado residents - No denial for pre-existing conditions - Comprehensive coverage including

mental health - Administrative cost cap of 5%

- (b) Life Security Program (Section 5) - Death benefits for all enrolled families - No health questions or denials - Portability between jobs
 - (c) AI Workforce Protection Framework (Section 4) - Advance notice of AI displacement - Retraining and income support - Worker rights during transition
 - (d) Comprehensive Mental Health Services (Section 2.12) - Full parity with physical health - Crisis services statewide - Substance use treatment access
 - (e) CESA Independence from Federal Systems (Section 6) - State-level solutions independent of federal dysfunction - Economic Resilience Fund maintenance - Self-sufficiency capability
 - (f) Fund Integrity and Anti-Corruption (Section 17) - Transparent fund management - Corruption penalties - Independent oversight
 - (g) Sanctuary State Protections (Section 11) - Non-cooperation with immigration enforcement - Protection for all Colorado residents regardless of status
 - (h) Human Trafficking Justice Act (Section 13) - Severe penalties for traffickers - Victim support services - Enforcement priorities
- 31.4 Protection Mechanisms
- 31.4.1 Supermajority Requirement
- (a) Modification of any Constitutional Core provision requires approval by 68% of members of BOTH the House and Senate.
 - (b) Simple majority cannot modify Constitutional Core provisions.
- 31.4.2 Public Notice
- (a) Any proposed modification to Constitutional Core must be: (1)

Published for public

comment 60 days before vote (2) Subject to public hearing (3) Accompanied by impact

assessment

31.4.3 CESA Board Review

(a) CESA Board shall review all proposed Constitutional Core modifications and publish recommendation.

31.5 Non-Constitutional Programs

(a) All CESA programs NOT listed in Section 31.3 may be modified by standard legislative process.

(b) This includes (but is not limited to): - Culinary Initiative

(Section 28) - Global Partnership

Program (Section 23) - Circular Economy (Section 29) - Container Deposit Program - Innovation

Districts (Section 33) - Specific tax/fee rates (may be adjusted) - Implementation timelines

(may be accelerated or extended)

(c) Non-Constitutional programs remain important but may be adjusted based on changing circumstances, budget constraints, or policy evolution.

31.6 Enterprise Fund Structure Protection

(a) The enterprise fund structure for Constitutional Core programs shall not be converted to

tax-based funding except by: (1) 68% supermajority vote; OR (2) Court order requiring TABOR

compliance

(b) This protection ensures CESA can operate without requiring repeated voter approval for core programs.

SECTION 32: STRATEGIC FORESIGHT OFFICE

32.1 Purpose

This Section establishes an early warning and future planning function to help Colorado

anticipate and prepare for emerging challenges and opportunities.

32.2 Establishment

There is hereby established the Colorado Strategic Foresight Office within CESA.

32.3 Functions

(a) Trend Monitoring: - Track emerging technologies - Monitor economic shifts - Identify

demographic changes - Assess climate and environmental trends - Watch geopolitical

developments affecting Colorado

(b) Early Warning: - Alert CESA and Legislature to emerging challenges - Identify potential

impacts on CESA programs - Recommend proactive responses

(c) Scenario Planning: - Develop multiple future scenarios - Test CESA programs against

scenarios - Identify vulnerabilities and opportunities

(d) Research Coordination: - Partner with Colorado universities - Commission targeted

research - Synthesize external research findings

32.4 Annual Colorado Futures Report

(a) Content: - Assessment of 5-10 year trends - Emerging challenges and opportunities -

Potential impacts on CESA programs - Recommended actions - Scenarios for Colorado's future

(b) Process: - Public input solicited - Expert review panel - Legislative briefing - Public release

and discussion

(c) Timeline: - Draft completed by October 1 - Public comment through November 15 - Final

report by December 15 - Legislative briefing in January

32.5 Priority Focus Areas

Initial focus areas (subject to evolution):

(a) Technology: - AI and automation advancement - Biotechnology and healthcare - Energy

technology - Transportation evolution

(b) Economy: - Industry shifts - Workforce changes - Housing markets - Business climate

(c) Demographics: - Population growth/migration - Aging population Urbanization patterns

- Diversity trends

(d) Environment: - Climate change impacts - Water resources - Natural disasters - Air quality

(e) Governance: - Federal policy changes - Interstate relations - International developments - Democratic institutions

32.6 Staffing

- Director (appointed by CESA Director)
- 3-5 research analysts
- Administrative support
- Fellow/intern positions

32.7 Budget

Estimated Annual Cost: \$2-3 million

SECTION 33: COLORADO INNOVATION DISTRICTS

33.1 Purpose

This Section establishes designated Innovation Districts across Colorado, creating hubs for

industry-specific innovation, entrepreneurship, and economic development.

33.2 Designated Innovation Districts

District 1: Denver Tech Center Innovation District

Location: Denver Tech Center and surrounding area

Focus: Technology, software, cybersecurity, fintech

Anchor Institutions: Tech companies, CU Denver, community colleges

Special Features: - Startup accelerators - Corporate innovation labs - Tech talent pipeline

programs - Cybersecurity center of excellence

District 2: Eastern Plains AI Valley

Location: Eastern Colorado, centered near existing spaceport development area

Focus: Artificial intelligence, data centers, aerospace technology

Anchor Institutions: Aerospace companies, research facilities

Special Features: - AI research campus - Data center campus (renewable powered)
-

Aerospace integration - Rural tech employment hub

District 3: Boulder Creative Arts District

Location: Boulder

Focus: Creative industries, digital media, gaming, entertainment technology

Anchor Institutions: CU Boulder, National Center for Atmospheric Research

Special Features: - Digital arts studios - Gaming development hub - Climate technology

innovation - Outdoor industry design center

District 4: Colorado Springs Aerospace District

Location: Colorado Springs

Focus: Aerospace, defense technology, space systems

Anchor Institutions: Air Force Academy, Space Command, defense contractors

Special Features: - Space technology incubator - Defense innovation hub - Veteran entrepreneur programs - Cybersecurity training center

District 5: Fort Collins Clean Energy District

Location: Fort Collins

Focus: Clean energy, sustainability, environmental technology

Anchor Institutions: CSU, National Renewable Energy Laboratory (nearby)

Special Features: - Clean tech accelerator - Sustainability innovation lab - Agricultural

technology center - Energy storage research

District 6: Mountain Outdoor Industry District

Location: Summit County/Eagle County corridor

Focus: Outdoor recreation, sustainable tourism, mountain technology

Anchor Institutions: Outdoor industry companies, resort operators

Special Features: - Outdoor gear innovation lab - Sustainable tourism center - Mountain

safety technology - Recreation technology testing

District 7: Aurora Bioscience District

Location: Aurora, Fitzsimons campus

Focus: Biotechnology, medical devices, pharmaceutical research

Anchor Institutions: CU Anschutz Medical Campus, Children's Hospital

Special Features: - Medical device incubator - Clinical trial coordination - Biotech manufacturing - Healthcare AI applications

District 8: Eastern Plains Agricultural Innovation District

Location: Eastern Colorado agricultural region

Focus: Agricultural technology, food science, rural innovation

Anchor Institutions: CSU extension, agricultural cooperatives

Special Features: - Precision agriculture center - Food processing innovation - Drought

resilience research - Rural broadband hub

33.3 District Benefits

All Innovation Districts receive:

(a) Tax Benefits: - 50% reduction in state business taxes for qualified businesses (first 5

years) - No state sales tax on equipment purchases - Property tax abatement (with local

approval)

(b) Infrastructure: - Priority for state infrastructure investment

High-speed broadband -

Transportation improvements - Utilities upgrades

(c) Workforce: - Customized training programs - Talent attraction

marketing - Housing

assistance for workers - Childcare support

(d) Support Services: - Dedicated Colorado Business Success Team

liaison - Expedited

permitting - Regulatory navigation assistance - Grant application support

33.4 Young Innovator Integration

Each Innovation District shall include: - Young Innovator Program hub (Section 20.5)

- Free

incubator space for young entrepreneurs - Mentorship matching - Student internship coordination

33.5 Governance

(a) District Advisory Boards: - Local stakeholders - Industry

representatives - Community

members - Academic partners - CESA representative

(b) Coordination: - CESA Innovation Districts Director - Quarterly

coordination meetings -

Annual summit of all districts - Shared best practices

33.6 Performance Metrics

Metric Year 3 Target Year 5 Target

New businesses 50 per district 150 per district

Jobs created 500 per district 2,000 per district

Investment attracted \$50M per district \$200M per district

Patents filed 25 per district 100 per district

33.7 Budget

Estimated Annual Cost: \$75-100 million

Includes: - Tax expenditures: \$40-50 million - Infrastructure investment: \$20-30 million -

Program operations: \$15-20 million

SECTION 34: COLORADO DIGITAL LIKENESS PROTECTION ACT

34.1 Purpose and Legislative Intent

(a) The General Assembly finds and declares that:

- (1) In the digital age, every individual's image, voice, and likeness can be captured, stored, manipulated, and distributed with unprecedented ease;
- (2) Advances in artificial intelligence have made it possible to create realistic “deepfakes” that depict individuals saying or doing things they never did;
- (3) Non-consensual intimate imagery (“revenge porn”) continues to cause severe harm to victims;
- (4) Unauthorized commercial exploitation of individuals’ likenesses deprives them of economic value and autonomy;
- (5) Existing laws are inadequate to protect individuals from these emerging digital threats;
- (6) Colorado residents have a fundamental right to control their own image, voice, and likeness in digital form;
- (7) Platforms that host and distribute digital content have a responsibility to respond to legitimate complaints;
- (8) The State has an interest in protecting residents from exploitation and ensuring accessible remedies for all.
- (b) The purpose of this section is to establish clear rights, accessible remedies, and platform accountability for digital likeness protection.

34.2 Definitions

For purposes of this section:

- (1) “Digital Likeness” means any digital representation depicting or purporting to depict an

identifiable person, including photographs, videos, audio recordings, biometric data, AI-

generated or AI-manipulated content, avatars based on real persons, and any combination

thereof.

(2) “Unauthorized Use” means the use, distribution, manipulation, or monetization of a

digital likeness without express consent, beyond the scope of consent, or after consent

withdrawal.

(3) “Deepfake” means synthetic media created using AI in which a person’s likeness is

replaced with another’s, a person is depicted doing something they did not do, or existing media

is substantially altered.

(4) “Digital Identity Theft” means unauthorized appropriation of a digital likeness for fraud,

impersonation, harassment, defamation, or commercial exploitation.

(5) “Platform” means any website, application, or digital service that hosts, transmits, or

displays content and operates within Colorado or serves Colorado residents.

(6) “Intimate Imagery” means any image or video depicting nudity, sexual activity, or

exposure of intimate body parts.

(7) “Minor” means any individual under age 18.

34.3 Rights Established

Every Colorado resident shall have:

(a) Right to Ownership: Exclusive right to authorize use, distribution, or modification of their digital likeness.

(b) Right to Discovery: Right to know where and how their digital likeness is being used

online.

(c) Right to Removal: Right to request removal of unauthorized digital likeness from any platform.

(d) Right to Remedy: Right to seek and obtain remedies for unauthorized use.

(e) Right to Assistance: Right to free state assistance in identifying, reporting, and resolving violations.

34.4 Prohibited Acts

The following constitute violations:

- (a) Using or distributing a digital likeness without express consent;
- (b) Creating deepfakes without consent;
- (c) Commercially exploiting a likeness without consent and compensation;
- (d) Distributing intimate imagery without consent;
- (e) Using a likeness for fraud, identity theft, or impersonation;
- (f) Training AI on a likeness without consent for commercial purposes;
- (g) Refusing to remove unauthorized content within required timeframes;
- (h) Threatening distribution as extortion or harassment.

34.5 Exemptions

This section does not apply to:

- (a) Legitimate news reporting and journalism in the public interest;
- (b) Bona fide educational use and academic research;
- (c) Satire and parody clearly identified as such (not constituting harassment);
- (d) Law enforcement in legitimate investigations;

(e) Public figures in their official capacity for political commentary;

(f) Personal, non-commercial sharing among family and friends (not intimate imagery).

34.6 Digital Likeness Protection Office (DLPO)

34.6.1 Establishment

There is established within CESA the Digital Likeness Protection Office (DLPO) as the primary

agency for complaints, assistance, and enforcement.

34.6.2 Duties

The DLPO shall:

(a) Receive and process complaints from Colorado residents;

(b) Provide free assistance in identifying unauthorized use and filing complaints;

(c) Issue removal demands to platforms;

(d) Determine remedies on a case-by-case basis;

(e) Maintain public registries of non-compliant platforms and repeat offenders;

(f) Develop educational resources;

(g) Update protocols as technology evolves;

(h) Coordinate with law enforcement when criminal activity is involved;

(i) Publish annual reports on complaints, outcomes, and emerging threats.

34.7 Complaint Process

34.7.1 Filing

Complaints may be filed through Colorado Services Portal, phone, mail, or in person.

Anonymous complaints accepted for safety reasons.

34.7.2 Review

Initial review within 72 hours. Expedited handling for minors, intimate imagery, and threats.

Valid complaints assigned to case manager.

34.7.3 Resolution

DLPO authorized to determine appropriate remedies case-by-case including removal demands,

damages, penalties, and law enforcement referral.

34.8 Remedies and Enforcement

34.8.1 Removal Orders

Platforms must remove content within: - 24 hours for urgent requests (minors, intimate

imagery, threats) - 7 days for standard requests

34.8.2 Penalties

Violator First Violation Subsequent

Individuals Up to \$10,000 Up to \$25,000

Commercial entities Up to \$100,000 Up to \$250,000

Platforms (non- Up to \$50,000/day Up to \$100,000/day compliance)

34.8.3 Enhanced Penalties

Violations involving minors, intimate imagery, or systematic exploitation: up to 3x standard

penalties.

34.8.4 Damages

Complainants may recover actual damages, profits from unauthorized use, statutory damages

up to \$25,000 for willful violations, and attorney fees.

34.9 Platform Responsibilities

- (a) Maintain designated contact for DLPO requests;
- (b) Respond within 24 hours (urgent) or 48 hours (standard);
- (c) Remove within required timeframes;
- (d) Report compliance efforts upon request;
- (e) Provide user education on digital likeness rights.

34.10 Fluid Implementation Authority

The DLPO may update procedures, protocols, and standards as technology evolves without

requiring legislative action. Annual reviews with public input.

34.11 Budget

Estimated annual cost: \$5-10 million

SECTION 35: COLORADO RESIDENT DATA SOVEREIGNTY ACT (NEW)

35.1 Legislative Declaration

The General Assembly finds and declares that:

- (a) Colorado residents have a fundamental right to control their own personal data;
- (b) Government programs collecting sensitive information have a duty to protect that information with the highest security standards;
- (c) Centralized data storage creates dangerous vulnerabilities—a single breach can expose millions of records;
- (d) Emerging AI systems create new challenges for data privacy that require explicit governance;
- (e) **The patient holds the power of their own data.**
- (f) Colorado can lead the nation in ethical data governance while building efficient government systems.

35.2 Data Sovereignty Principles

Core Principles:

(a) Individual Ownership:

CESA program participants own their personal data
Data is held IN TRUST by the state, not OWNED by the state
Participants have right to access, review, and correct their data
Participants have right to know who has accessed their data

(b) Minimal Collection:

CESA programs collect only data necessary for program operation
No bulk data collection “just in case”
Regular review and deletion of unnecessary data

(c) Purpose Limitation:

Data collected for one CESA program used only for that program
Cross-program data sharing requires participant consent OR explicit legislative authorization
No sale or commercial use of participant data

(d) Security by Design:

Privacy and security built into systems from design phase
Regular security audits and penetration testing
Encryption at rest and in transit

35.3 Distributed Data Architecture

Design Philosophy:

No single database contains a complete record of any individual. Data is distributed across multiple secure systems so that breach of one system does not compromise entire personal history.

Implementation:

(a) Data Segmentation:

Healthcare records: Care Without Fear secure system
Employment records: AI Workforce Protection secure system
Life insurance records: Life Security secure system
Housing records: Zero Homeless secure system
Financial records: Separate secure system

(b) Cross-Reference Only:

Systems share ONLY reference identifiers, not full records
Complete picture assembled only when authorized request made
Assembly requires multiple-factor authentication

(c) No “Master File”:

No single database contains complete person record
Prevents single-point breach exposure
Prevents unauthorized surveillance

35.4 Participant Data Control

Colorado Secure ID Integration:

(a) Data Access Authentication:

For a provider or agency to access a participant’s CESA records:

Provider presents credentials to CESA system;
Provider scans participant’s Colorado Secure ID;
System sends verification code to participant (text, email, or app);
Participant provides verification code to provider;
Provider gains access to authorized data only.

(b) Emergency Override:

In medical emergencies, providers may access essential records without code
Override logged and participant notified within 24 hours
Participant may request review of emergency access

(c) Participant Rights:

Right to Access: Request complete copy of all CESA data about them within 30 days

Right to Correction: Request correction of inaccurate data with 14-day response

Right to Audit: Request complete log of who accessed their data

Right to Minimize: Request deletion of data no longer needed

35.5 AI Governance for CESA Systems

AI System Rules:

(a) Authorized Uses:

Administrative efficiency (claims processing, enrollment, scheduling)
Fraud detection (pattern analysis, anomaly detection)
Program improvement (aggregate analysis, outcome tracking)

Decision support (recommendations to human decision-makers)

(b) Prohibited Uses:

Automated denial of benefits without human review

Predictive modeling of individual behavior for eligibility decisions

Facial recognition for identity verification (without explicit consent)

Sharing data with AI systems outside CESA governance

Training external AI systems on CESA participant data

(c) AI Transparency Requirements:

All AI-assisted decisions flagged in participant records

Participants may request human review of any AI-involved decision

AI systems audited annually for bias and accuracy

AI system operations disclosed in public annual report

35.6 Data Privacy Officer

(a) Establishment:

There is hereby established within CESA Administration the position of Data Privacy Officer.

(b) Independence:

Reports to CESA Administrator

Cannot be removed without cause

Has independent authority to investigate and report

Access to all CESA data systems for audit purposes

(c) Duties:

Oversee compliance with this Section

Investigate data privacy complaints

Conduct regular privacy audits

Recommend security improvements

Report to Implementation Oversight Board

Publish annual privacy report

**35.7
Bud
get**

Year

Privacy Officer

Security Systems

Breach Response

Training

Total

Year 1
\$0.5M
\$10M
\$2M
\$1M
\$13.5M
Year 3
\$0.7M
\$8M
\$3M
\$1.5M
\$13.2M
Year 7
\$1M
\$10M
\$4M
\$2M
\$17M
Year 13
\$1.2M
\$12M
\$5M
\$2.5M
\$20.7M

SECTION 36: COLORADANS WITH DISABILITIES ACT

36.1 Purpose

This section establishes comprehensive disability rights exceeding federal ADA requirements,

ensuring Coloradans with disabilities have full access to all aspects of life.

36.2 Definitions

(a) "Disability" - Any physical, mental, intellectual,

developmental, or sensory condition

substantially limiting major life activities, with history of limitation, or perceived as having

limitation. Interpreted broadly.

(b) "Reasonable Accommodation" - Modifications to policies,

practices, or environments

enabling full participation.

(c) "Undue Hardship" - Significant difficulty or expense relative to

overall size and resources.

Interpreted narrowly.

36.3 Rights Established

All Coloradans with disabilities have the right to:

- (a) Full and equal access to all CESA programs;
- (b) Employment without discrimination with reasonable accommodations;
- (c) Accessible housing in all price ranges;
- (d) Accessible transportation;
- (e) Communication access including sign language and accessible formats;
- (f) Education and training opportunities;
- (g) Participation in civic and community life;
- (h) Independent living with appropriate supports;
- (i) Healthcare addressing disability-specific needs.

36.4 Employment Protections

36.4.1 Non-Discrimination

No employer shall discriminate in hiring, firing, promotion, compensation, benefits, assignments, or training.

36.4.2 Accommodations

Employers shall provide reasonable accommodations unless undue hardship demonstrated

based on overall resources, not individual department.

36.4.3 Employment Accommodations Fund

Fund providing: - Grants to employers for accommodation costs - Technical assistance -

Equipment loans - Support for job coaches - Priority for small businesses

36.5 Accessible Housing

- (a) All new multi-family housing (4+ units) shall be accessible or adaptable;
- (b) Accessible Housing Fund for home modifications;
- (c) Visitability standards for new state-assisted homes;

(d) Enhanced penalties for housing discrimination.

36.6 Transportation

- (a) All public transportation fully accessible;
- (b) Paratransit in all fixed-route areas;
- (c) Transportation assistance in areas without transit;
- (d) Accessible ride-sharing options required.

36.7 Communication Access

- (a) Sign language interpreter network for state services and healthcare;
- (b) All CESA documents in accessible formats (large print, Braille, audio, electronic);
- (c) WCAG 2.1 AA compliance for all state websites;
- (d) Telecommunications relay services and equipment assistance.

36.8 Service Animals

- (a) Service animals permitted in all public places without documentation requirement;
- (b) Emotional support animals protected in housing;
- (c) Enhanced penalties for service animal interference.

36.9 Disability Advisory Council

Council composed of individuals with disabilities representing diverse disability types to advise

CESA, review accessibility, and recommend improvements.

36.10 State Disability Coordinator

Coordinator within CESA overseeing implementation, cross-agency coordination, complaints, and training.

36.11 Enforcement

- (a) Complaints filed with CESA; investigation within 60 days;
- (b) Remedies: mandatory accommodations, compensatory damages, \$25,000 civil penalties, injunctive relief;

(c) Enhanced penalties for pattern and practice violations.

36.12 Budget

Estimated annual cost: \$75-100 million

SECTION 37: COLORADO CLIMATE RESILIENCE ACT

37.1 Purpose

This section establishes comprehensive climate adaptation programs protecting Colorado from

wildfires, drought, floods, and extreme weather.

37.2 Climate Resilience Fund

37.2.1 Establishment and Funding

Fund supported by: - CESA general fund allocation - Carbon fees on large emitters (>25,000

tons CO2/year) - Federal climate grants (when available without restrictions) - Insurance

mitigation credits

37.2.2 Uses

Supports wildfire prevention, drought mitigation, flood control, infrastructure hardening,

community adaptation, and emergency response.

37.3 Wildfire Resilience

37.3.1 Prevention

- (a) Enhanced forest management including controlled burns;
- (b) Defensible space requirements in wildland-urban interface;
- (c) Financial assistance for homeowners;
- (d) Community wildfire protection plans required.

37.3.2 Drone Monitoring Program

- (a) Real-time fire detection with thermal imaging;
- (b) Fire behavior monitoring and prediction;
- (c) Search and rescue support;
- (d) Post-fire monitoring;
- (e) Coordination with Colorado Shield;
- (f) Privacy protections - no individual surveillance.

37.3.3 Response

- (a) Colorado Shield wildfire response training;
- (b) Mutual aid with neighboring states;
- (c) Air tanker and helicopter fleet;
- (d) Evacuation planning for at-risk communities.

37.4 Drought Resilience

- (a) Water banking programs;
- (b) Conservation incentives;
- (c) Agricultural support including crop insurance subsidies;
- (d) Municipal drought contingency plans required.

37.5 Flood Mitigation

- (a) Enhanced floodplain regulations;
- (b) Green infrastructure incentives;
- (c) Property buyout program for high-risk zones;
- (d) Stormwater detention requirements.

37.6 Infrastructure Hardening

- (a) Climate resilience plans for critical infrastructure;
- (b) Electric grid hardening;
- (c) Climate-resilient transportation standards;
- (d) Enhanced building codes.

37.7 Climate Refugee Assistance

- (a) Colorado residents displaced by climate disasters receive temporary housing, employment assistance, Care Without Fear continuation, Life Security protection;
- (b) Welcome policy for out-of-state climate refugees with streamlined residency.

37.8 Early Warning Systems

Statewide early warning for wildfires, floods, severe weather with mobile alerts, multilingual

support, and special provisions for vulnerable populations.

37.9 Climate Resilience Advisory Council

Council with scientists, emergency managers, community representatives, agricultural

representatives, water managers, and tribal representatives advising CESA.

37.10 Annual Report

Annual Climate Resilience Report assessing risks, program outcomes, recommendations, and

long-term projections.

37.11 Budget

Estimated annual cost: \$100-150 million (not including Climate Research Protection)

(Section 37.12 Climate Research Protection follows with additional \$13-27 million annually)

SECTION 37.12: COLORADO CLIMATE RESEARCH PROTECTION

37.12.1 Legislative Finding and Purpose

(a) The General Assembly finds that:

(1) Colorado is home to world-renowned climate, atmospheric, and

Earth systems research

institutions including the National Center for Atmospheric Research (NCAR) in Boulder,

NOAA laboratories, the Cooperative Institute for Research in Environmental Sciences

(CIRES), and the Cooperative Institute for Research in the Atmosphere (CIRA);

(2) These institutions provide critical research on weather

forecasting, wildfire behavior,

drought prediction, air quality, flood risk, and severe weather events that directly protect Colorado lives and property;

(3) Federal funding cuts and political interference threaten the continued operation of

these vital research facilities;

(4) The loss of these research capabilities would harm public safety, weaken Colorado's

economy, and cede scientific leadership to foreign adversaries;

(5) Climate change is real and its impacts—including increased

wildfires, drought, and

extreme weather—are already affecting Colorado;

(6) Colorado has a compelling state interest in maintaining climate and atmospheric

research capabilities regardless of federal policy;

(7) Scientific research should be guided by evidence and the pursuit of knowledge, not

political ideology.

(b) The purpose of this section is to establish state protections for climate and atmospheric

research in Colorado, ensuring these critical capabilities continue regardless of federal policy

changes.

37.12.2 Colorado Climate Research Sanctuary

(a) Declaration

Colorado hereby declares itself a Climate Research Sanctuary State. The State of Colorado shall

take all lawful actions to protect, preserve, and support climate and atmospheric research

conducted within its borders.

(b) Non-Cooperation with Research Dismantlement

(1) No state agency, state employee, or state contractor shall assist federal efforts to

dismantle, close, or relocate climate research facilities in Colorado for political rather than scientific reasons;

(2) State resources shall not be used to facilitate the closure of research facilities based on

political objections to their findings;

(3) This provision does not prevent lawful cooperation with legitimate federal oversight or

prevent federal agencies from exercising lawful authority over federal facilities.

37.12.3 Colorado Climate Research Continuity Fund

(a) Establishment

There is hereby established within CESA the Colorado Climate Research Continuity Fund to

ensure critical climate and atmospheric research can continue if federal funding is withdrawn.

(b) Funding Sources

The Fund shall be supported by:

- (1) Appropriations from the Colorado Economic Security Fund;
- (2) Grants from foundations and private donors;
- (3) Partnerships with other states;
- (4) University contributions;
- (5) Revenue from intellectual property developed with Fund support.

(c) Eligible Uses

Fund resources may be used for:

- (1) Bridge Funding: Temporary support for researchers and research programs facing federal funding cuts, allowing time to secure alternative funding;
- (2) Facility Support: Maintaining research facilities, equipment, and infrastructure;
- (3) Personnel Retention: Salaries and benefits for researchers facing layoffs due to federal cuts;
- (4) Data Preservation: Ensuring research data, models, and institutional knowledge are preserved;
- (5) Research Continuation: Direct support for continuation of critical research programs;
- (6) Relocation Assistance: Helping researchers displaced by federal actions relocate within Colorado.

(d) Initial Appropriation

The Fund shall receive an initial appropriation of \$25 million from the Economic Resilience

Fund, with annual appropriations of \$10-20 million thereafter as needed.

37.12.4 Colorado Climate Research Institute

(a) Establishment

If federal climate research facilities in Colorado are closed or significantly reduced, CESA shall

work with Colorado universities to establish the Colorado Climate Research Institute to

continue essential research functions.

(b) Partnership Structure

The Institute shall be a partnership between:

- (1) University of Colorado system;
- (2) Colorado State University;
- (3) Colorado School of Mines;
- (4) Other Colorado institutions as appropriate;
- (5) CESA (providing funding and coordination).

(c) Research Priorities

The Institute shall prioritize research directly relevant to Colorado including:

- (1) Wildfire behavior, prediction, and smoke forecasting;
- (2) Drought monitoring and water resource modeling;
- (3) Severe weather prediction (tornadoes, hail, flash floods);
- (4) Air quality monitoring and forecasting;
- (5) Climate impacts on agriculture;
- (6) Mountain snowpack and water supply;
- (7) Extreme heat and public health.

(d) Federal Researcher Recruitment

The Institute shall actively recruit researchers displaced from federal facilities, offering:

- (1) Competitive salaries funded by the Climate Research Continuity Fund;

- (2) Research support and laboratory access;
- (3) Continuation of ongoing research programs where possible;
- (4) Relocation assistance.

37.12.5 Research Data Protection

(a) Data Preservation

- (1) CESA shall work with research institutions to ensure climate and atmospheric research data collected in Colorado is preserved and accessible regardless of federal actions;
- (2) Colorado shall maintain backup copies of critical datasets;
- (3) Data shall be preserved in formats accessible to future researchers.

(b) Data Access

- (1) Research data generated with state support shall be publicly accessible consistent with scientific norms;
- (2) No political litmus tests or ideological restrictions shall be placed on data access;
- (3) Data shall be available to all researchers regardless of their conclusions.

(c) Prohibition on Data Destruction

It shall be unlawful to destroy, alter, or suppress climate research data collected in Colorado for political reasons. Violations subject to penalties under Section 17 (Fund Integrity and Anti-Corruption).

37.12.6 Researcher Protections

(a) Academic Freedom

- (1) Climate researchers in Colorado shall have full academic freedom to pursue research, publish findings, and communicate with the public;
- (2) No state agency shall retaliate against researchers for their

scientific findings;

(3) Researchers shall not be required to alter findings for political purposes.

(b) Whistleblower Protection

(1) Researchers who report political interference in scientific research shall be protected under Section 24 (Whistleblower Protection Act);

(2) Protected disclosures include:

- Suppression or alteration of research findings
- Retaliation against researchers for conclusions
- Destruction of research data
- Political interference in peer review
- Misrepresentation of scientific consensus

(c) Employment Protection

Researchers employed at state universities or state-supported institutions shall not be

terminated for:

- (1) Conducting legitimate climate research;
- (2) Publishing peer-reviewed findings;
- (3) Communicating scientific findings to the public;
- (4) Testifying truthfully before legislative bodies.

37.12.7 Interstate Climate Research Compact

(a) Authorization

The Governor is authorized to enter into interstate compacts with other states to:

- (1) Share climate research capabilities and data;
- (2) Jointly fund research programs;
- (3) Coordinate responses to federal research cuts;
- (4) Pool resources for major research infrastructure;
- (5) Recruit displaced federal researchers.

(b) Compact Priorities

Priority partners include:

- (1) Western states sharing climate challenges (drought, wildfire);
- (2) States with major research universities;
- (3) States committed to science-based climate policy;
- (4) States with complementary research capabilities.

37.12.8 Climate Research Coordination with CESA Programs

(a) Integration with Colorado Shield

Research on wildfire behavior, extreme weather, and disaster prediction shall be coordinated

with Colorado Shield for emergency response planning.

(b) Integration with Climate Resilience Programs

Research findings shall directly inform:

- (1) Wildfire prevention and response (Section 37.3);
- (2) Drought planning (Section 37.4);
- (3) Flood mitigation (Section 37.5);
- (4) Infrastructure hardening (Section 37.6);
- (5) Early warning systems (Section 37.8).

(c) Strategic Foresight Integration

The Strategic Foresight Office (Section 32) shall incorporate climate research into long-term

planning for Colorado.

37.12.9 Public Communication

(a) Climate Science Communication

CESA shall support public communication of climate science including:

- (1) Plain-language explanations of research findings;
- (2) Information on climate impacts specific to Colorado;
- (3) Resources for schools and educators;
- (4) Community presentations by researchers.

(b) Counter-Misinformation

CESA may provide accurate scientific information to counter climate misinformation without

engaging in political advocacy.

37.12.10 Annual Climate Science Report

(a) Report Requirement

CESA shall publish an annual report on the state of climate science in Colorado including:

- (1) Status of research institutions;
- (2) Key research findings relevant to Colorado;
- (3) Impacts of federal policy on Colorado research;
- (4) Actions taken under this section;
- (5) Recommendations for continued support.

(b) Public Presentation

The report shall be presented at a public forum with opportunity for questions.

37.12.11 Budget

Estimated costs: - Climate Research Continuity Fund: \$25 million (initial), \$10-20 million

(annual) - Data preservation and infrastructure: \$2-5 million (annual) - Coordination and

administration: \$1-2 million (annual)

Total: \$13-27 million annually after initial appropriation

(Note: Costs depend heavily on extent of federal research cuts. If federal funding continues,

costs would be minimal. If federal facilities close, costs could be higher.)

37.12.12 Severability

If any provision of this section is found unlawful, remaining provisions continue in effect.

SECTION 38: COLORADO DATA PRIVACY ACT

38.1 Purpose

This section establishes comprehensive data privacy protections ensuring individuals control

their personal data and are protected from unauthorized collection, use, and sale.

38.2 Definitions

(a) "Personal Data" - Information identifying or reasonably usable

to identify an individual:

name, address, email, phone, SSN, financial information, health information, biometric data,

location data, browsing history, purchasing history.

(b) “Sensitive Personal Data” - Data revealing racial/ethnic origin,

religious beliefs, health

diagnosis, sexual orientation, citizenship/immigration status, genetic/biometric data, precise

geolocation, children’s data.

(c) “Controller” - Entity determining purposes and means of processing personal data.

(d) “Processor” - Entity processing data on behalf of controller.

(e) “Sale” - Exchange of personal data for monetary or other valuable consideration.

38.3 Data Rights

Every Colorado resident has:

(a) Right to Know - What data is collected, sources, purposes, third parties;

(b) Right to Access - Their personal data held by any controller;

(c) Right to Correction - Correct inaccurate data;

(d) Right to Deletion - Request deletion (subject to limited exceptions);

(e) Right to Portability - Obtain data in portable format;

(f) Right to Opt-Out - Opt out of sale, targeted advertising, profiling;

(g) Right to Non-Discrimination - No discrimination for exercising privacy rights.

38.4 Controller Obligations

38.4.1 Data Minimization

Collect only data adequate, relevant, and reasonably necessary.

38.4.2 Purpose Limitation

Use only for disclosed purposes unless additional consent obtained.

38.4.3 Security

Implement reasonable security measures.

38.4.4 Consent

Sensitive data requires explicit opt-in consent. Consent must be freely given, specific, informed,

unambiguous. Withdrawal permitted at any time.

38.5 Data Sale

- (a) No sale without explicit opt-in consent;
- (b) “Do Not Sell” requests honored within 15 days;
- (c) Sale practices disclosed prominently.

38.6 Data Breach Notification

- (a) Notification to affected individuals within 72 hours;
- (b) Notification to CESA for 500+ affected residents;
- (c) Penalty: \$100/individual/day of delay.

38.7 Children’s Data Protection

- (a) Under 13: verifiable parental consent required;
- (b) 13-17: clear notice and opt-out opportunity;
- (c) Sale of children’s data prohibited;
- (d) Targeted advertising to children prohibited.

38.8 AI Training Data

- (a) Use for AI training requires explicit consent;
- (b) Right to know if data used for AI training;
- (c) Right to opt out;
- (d) Non-consent trained AI may not be deployed in Colorado.

38.9 Algorithmic Transparency

- (a) Disclosure required for automated decision-making affecting individuals;
- (b) Right to explanation of automated decisions;
- (c) Right to human review.

38.10 Enforcement

- (a) CESA Data Privacy Office enforcement;

(b) Penalties: - First violation: warning + 30-day cure -

Subsequent: up to \$20,000/violation -

Willful: up to \$50,000/violation - Pattern: up to \$500,000;

(c) Private right of action for actual damages;

(d) Attorney General authority.

38.11 Exemptions

HIPAA-covered health information, GLBA financial data, law enforcement data, public

health/safety data, nonprofit data exclusively for nonprofit purposes.

38.12 Budget

Estimated annual cost: \$10-15 million

SECTION 39: COLORADO WORKER CLASSIFICATION PROTECTION ACT

39.1 Purpose

This section establishes clear employee vs. contractor criteria, protects workers from misclassification, and ensures all workers receive CESA protections.

39.2 ABC Test

A worker is an employee unless the hiring entity proves ALL THREE:

(A) Worker is free from control and direction in performing work, both under contract and in

fact;

(B) Work is outside the usual course of the hiring entity's business;

(C) Worker is customarily engaged in an independently established trade of the same nature.

Failure to prove any element results in employee classification.

39.3 Presumption

(a) Rebuttable presumption that any worker performing services for compensation is an employee;

(b) Burden of proof on hiring entity;

(c) Contractual designations do not determine status.

39.4 Prohibited Practices

- (a) Classifying as contractor when ABC test not satisfied;
- (b) Requiring business entity formation;
- (c) Using staffing arrangements to avoid obligations;
- (d) Retaliation against workers asserting rights;
- (e) Requiring waiver of classification protections.

39.5 Gig Worker Protections

Regardless of classification, gig workers entitled to: - Care Without Fear - Life Security

eligibility - AI displacement protections - Occupational safety - Anti-discrimination protections

- Portable benefits across multiple entities - Earnings transparency from app-based platforms

39.6 Penalties

Violation First Subsequent

Per misclassified worker \$5,000 \$15,000

Willful \$25,000 \$50,000

Pattern and practice \$100,000 \$250,000

Worker remedies: back pay, back benefits, interest, attorney fees, liquidated damages for willful

violations.

39.7 Joint Liability

All entities in hiring chain jointly and severally liable.

39.8 Complaint Process

CESA investigation within 60 days. Anonymous complaints accepted. CESA may initiate

investigations based on patterns.

39.9 Independent Contractor Protections

- (a) Clear written contracts required;
- (b) Payment within 30 days;
- (c) Small claims access for disputes.

39.10 Safe Harbor

Certification through CESA review provides defense against penalties for good faith compliance.

39.11 Budget

Estimated annual cost: \$5-10 million

SECTION 40: COLORADO CHILDCARE FOR ALL ACT

40.1 Purpose

This section establishes universal access to affordable, high-quality childcare for all Colorado

families.

40.2 Eligibility

(a) All Colorado children birth through age 12;

(b) No work requirement;

(c) No income exclusion.

40.3 Cost Structure

Sliding Scale

Household Income (% CCLS) Maximum Family Cost

Below 100% Free

100-200% 3% of income

200-300% 5% of income

300-400% 7% of income

Above 400% 10% of income (capped)

No family pays more than 10% regardless of number of children. No cliff effects.

40.4 Provider Quality Standards

40.4.1 Licensing

All participating providers licensed. Family childcare homes included. License-exempt relatives

with basic training.

40.4.2 Ratios

Age Group Maximum Ratio

Infants (0-18 months) 1:3

Toddlers (18 months-3 years) 1:4

Preschool (3-5 years) 1:8

School age (5-12) 1:10

40.4.3 Qualifications

- Lead teachers: Associate degree or CDA
- Assistants: High school + training
- Directors: Bachelor's preferred

40.4.4 Curriculum

Developmentally appropriate, play-based, social-emotional focus, kindergarten readiness.

40.4.5 Quality Rating

1-5 star rating based on licensing compliance, qualifications, environment, family engagement,

outcomes.

40.5 Provider Reimbursement

(a) Rates at 75th percentile, rising to 85th by Year 5;

(b) Payment within 14 days;

(c) Quality bonuses 10-20% for 4-5 star;

(d) Rural supplement 15%.

40.6 Workforce Development

40.6.1 Compensation

- Lead teachers: minimum 80% of entry-level K-12 salary
- Assistants: minimum 60%
- Benefits: Care Without Fear, retirement, PTO, professional development

40.6.2 Education

Scholarships, apprenticeships, \$50,000 loan forgiveness for 5+ years.

40.7 Employer Partnerships

Tax benefits for employer contributions, workplace childcare support, backup care networks.

40.8 Before/After School and Summer

Available at all public schools: homework help, enrichment, physical activity, healthy meals,

field trips.

40.9 Special Needs Inclusion

- (a) All providers serve children with disabilities;
- (b) Inclusion support specialists;
- (c) Enhanced reimbursement for high support needs;
- (d) Training on inclusion;
- (e) Coordination with early intervention.

40.10 Access and Equity

- (a) Geographic access in all communities;
- (b) Non-traditional hours support;
- (c) Language access;
- (d) Cultural responsiveness training.

40.11 Budget

Estimated annual cost: \$500-750 million

SECTION 41: COLORADO TECHNOLOGY ASSISTANCE SERVICES

41.1 Purpose and Legislative Intent

(a) The General Assembly finds that:

- (1) Technology should make government services more accessible, not less;
 - (2) Many Coloradans struggle to navigate complex government programs and find resources;
 - (3) Artificial intelligence can help connect people to services while maintaining human connection;
 - (4) No Coloradan should struggle to access services due to lack of technology or digital literacy;
 - (5) Technology should supplement, not replace, human assistance.
- (b) This section establishes technology assistance ensuring no

Coloradan struggles to find or
access CESA resources.

41.2 AI-Powered Resource Navigator

41.2.1 Establishment

CESA shall provide an AI-powered Resource Navigator available 24/7/365 through: -
Colorado

Services Portal - Mobile app - Phone (voice) - Text message

41.2.2 Capabilities

The Navigator shall:

- (a) Answer questions about all CESA programs in natural language;
- (b) Check eligibility for programs;
- (c) Explain benefits and coverage;
- (d) Guide users through applications step-by-step;
- (e) Provide status updates on applications and claims;
- (f) Connect users to human assistance immediately upon request;
- (g) Provide information in English and Spanish (additional languages phased in).

41.2.3 AI Transparency

- (a) Users clearly informed when interacting with AI;
- (b) Option to request human assistance at any time;
- (c) Complex determinations reviewed by humans;
- (d) AI does not make final decisions on benefits or denials.

41.3 Human Connection Guarantee

41.3.1 Immediate Access

- (a) One-click or one-press transfer to live CESA representative during business hours;
- (b) Callback scheduling for after-hours with next-business-day guarantee;
- (c) Average hold time target: under 5 minutes.

41.3.2 In-Person Assistance

- (a) In-person help available at all CESA offices;

(b) Mobile CESA Offices (Section 35);

(c) Regional Service Hubs;

(d) Community partners.

41.4 Resource Finding Service

41.4.1 Comprehensive Directory

System helps locate: - Healthcare providers - Mental health services - Childcare providers - Job

training programs - Housing assistance - Food assistance - Legal services - Disability services -

Benefits programs

41.4.2 Integration

(a) Integration with 211 Colorado;

(b) Provider ratings and reviews;

(c) Real-time availability when possible;

(d) Appointment scheduling assistance.

41.5 Digital Equity Program

41.5.1 Free Internet Access

(a) Free internet for households below 200% CCLS;

(b) Subsidized access for 200-400% CCLS.

41.5.2 Device Lending

(a) Tablets and laptops available for lending;

(b) Long-term loans for eligible households;

(c) No-cost repairs and replacements.

41.5.3 Digital Literacy Training

(a) Free training on basic computer skills;

(b) Training on navigating CESA services;

(c) Cybersecurity basics;

(d) Available online and in-person.

41.5.4 Tech Support

(a) Tech support hotline for CESA service access issues;

(b) Remote assistance;

(c) In-home visits for seniors and people with disabilities.

41.6 Public Access Points

41.6.1 Locations

Technology access at: - Public libraries - Community centers - Senior centers - CESA offices -

Schools (after hours) - Municipal buildings

41.6.2 Features

- (a) Computers with internet;
- (b) Printing and scanning;
- (c) Private telehealth rooms;
- (d) Assistance available.

41.7 Senior and Disability Tech Support

41.7.1 Specialized Assistance

- (a) Tech support trained in senior and disability needs;
- (b) Home visits for tech setup;
- (c) Ongoing support;
- (d) Simplified interfaces and large text options.

41.7.2 Assistive Technology

- (a) Screen readers;
- (b) Voice control;
- (c) Adaptive devices;
- (d) Training on assistive technology.

41.8 Technology Training Centers

41.8.1 Establishment

Technology Training Center in each Innovation District (Section 33).

41.8.2 Programs

- (a) Free courses on digital skills;
- (b) Job-relevant technology training;
- (c) Cybersecurity awareness;
- (d) Certification programs;
- (e) Partnership with employers.

41.9 Privacy and Security

- (a) End-to-end encryption for all communications;
- (b) No sale of user data;
- (c) Compliance with Section 38 (Data Privacy);
- (d) Regular security audits;
- (e) User control over AI interaction data;
- (f) Option to delete interaction history.

41.10 Performance Standards

41.10.1 Metrics

- (a) User satisfaction rates;
- (b) Average response times;
- (c) Successful service connections;
- (d) Issue resolution rates;
- (e) Technology access rates by demographic.

41.10.2 Reporting

Annual public report on technology assistance performance with recommendations.

41.11 Coordination

This section coordinates with: - Section 19.8: Colorado Services Portal - Section 35: Rural

Implementation - Section 36: Disability Services - All CESA programs

41.12 Budget

Estimated annual cost: \$25-35 million

PART IX: FINANCIAL INFRASTRUCTURE

SECTION 42: TABOR COMPLIANCE AND ENTERPRISE FUND

FRAMEWORK

42.1 Purpose and Legislative Declaration

- (a) The General Assembly declares that this Act is designed to comply fully with Article X, Section 20 of the Colorado Constitution (TABOR).
- (b) The General Assembly finds that:

- (1) TABOR requires voter approval for tax increases but exempts enterprise funds that provide services in exchange for fees;
- (2) Colorado successfully operates multiple enterprise funds including Unemployment Insurance, Workers' Compensation, and the Colorado Lottery without requiring voter approval for their funding mechanisms;
- (3) CESA programs are structured as fee-for-service enterprises where contributors receive specific, quantifiable benefits in exchange for their contributions;
- (4) This structure allows CESA to provide comprehensive economic security without requiring voter approval for new taxes, while protecting taxpayers through the enterprise fund model's self-sustaining requirements.

42.2 Enterprise Fund Qualification

42.2.1 Legal Requirements

Each CESA enterprise fund shall meet the following requirements to qualify for TABOR

exemption:

- (a) Business Activity: The fund operates as a government-owned business providing goods or services;
- (b) Fee-for-Service: Revenue comes primarily from charges for goods or services, not taxes;
- (c) 10% Limit: Less than 10% of annual revenue comes from grants from Colorado state and local governments combined;
- (d) Authority to Issue Bonds: The fund has authority to issue its own revenue bonds;
- (e) Self-Sustaining: The fund operates on a self-sustaining basis without requiring General

Fund support.

42.2.2 Annual Certification

- (a) Each CESA enterprise fund shall submit annual certification to the State Controller demonstrating continued compliance with TABOR enterprise requirements.
- (b) The State Controller shall review certifications and publish findings.
- (c) If any fund fails to meet enterprise requirements, CESA Administration shall take immediate corrective action to restore qualification.

42.3 TABOR Compliance Monitoring

42.3.1 CESA TABOR Compliance Office

There is established within CESA Administration a TABOR Compliance Office responsible for:

- (a) Monitoring all CESA funding mechanisms for TABOR compliance;
- (b) Ensuring enterprise funds maintain qualification;
- (c) Advising CESA leadership on any actions that might affect TABOR status;
- (d) Coordinating with the State Attorney General on legal compliance;
- (e) Publishing annual TABOR Compliance Report.

42.3.2 Legal Defense Fund

- (a) CESA shall maintain a Legal Defense Reserve of not less than \$10 million to defend against any legal challenges to the enterprise fund structure.
- (b) The Attorney General shall defend CESA's TABOR compliance in any legal proceeding.

42.4 Backup Revenue Provisions

42.4.1 TABOR Vote Contingency

- (a) If any court of competent jurisdiction rules that any CESA enterprise fund does not qualify

for TABOR exemption, CESA Administration shall:

- (1) Within 90 days, prepare a ballot measure for voter approval of the affected funding mechanism;
 - (2) Place the measure on the next general election ballot;
 - (3) Continue operations using reserves and other compliant funding sources pending the vote.
- (b) Ballot measures under this section shall clearly describe:
- (1) The specific funding mechanism requiring approval;
 - (2) The services funded;
 - (3) The comparison to current costs (demonstrating savings to contributors);
 - (4) The consequences of voter rejection.

42.4.2 Phased Ballot Measures

If voter approval is required for any revenue provisions, CESA shall pursue phased ballot measures:

- (a) Phase 1 (First Available Election): Most essential and popular programs
- (b) Phase 2 (Following Election): Additional programs based on Phase 1 success
- (c) Phase 3 (Third Election if Needed): Remaining programs

42.5 Revenue Classification

42.5.1 Enterprise Fund Revenue (No TABOR Vote Required)

The following are classified as enterprise fund fees, not taxes:

- (a) Care Without Fear individual and employer contributions
- (b) Life Security Program contributions
- (c) AI Workforce Protection employer contributions
- (d) Childcare For All parent and employer contributions
- (e) Provider and insurer assessments

42.5.2 Fees (No TABOR Vote Required)

The following are classified as fees, not taxes:

(a) Tourism impact fees (lodging, ski, parks, short-term rentals)

Enforcement penalties and

civil fines (c) Program user fees (d) Licensing and certification fees

42.5.3 Revenue Reallocation (Reallocation Vote May Be Required)

(a) Cannabis revenue dedication may require voter approval to

reallocate from current uses.

(b) Any reallocation vote is NOT a vote for new taxes, but a vote on priorities for existing

revenue.

42.5.4 Backup Provisions (TABOR Vote Required If Triggered)

The following provisions require voter approval and are held in reserve:

(a) Income tax rate adjustments (Section 49) (b) Any new taxes not structured as enterprise

fees (c) Any provision ruled by courts to be a tax rather than a fee

42.6 Constitutional Core Protection

(a) The enterprise fund structure for Constitutional Core programs (Section 31) shall not be

modified except by 68% supermajority vote of both chambers.

(b) Any proposal to convert enterprise fees to taxes or to seek

TABOR voter approval for core

programs requires 68% supermajority.

SECTION 43: COLORADO STATE BANK

43.1 Purpose

This section establishes the Colorado State Bank to:

(a) Retain Colorado deposits within Colorado rather than sending them to out-of-state financial institutions;

(b) Generate revenue for CESA programs through banking operations;

(c) Provide low-interest financing for state infrastructure and CESA

programs;

- (d) Support Colorado small businesses and agricultural operations;
- (e) Create a more resilient state financial system less dependent on Wall Street.

43.2 Establishment

43.2.1 Creation

There is hereby established the Colorado State Bank (CSB) as a state-owned financial institution.

43.2.2 Legal Structure

(a) CSB shall be a body corporate and politic, constituting a public corporation and instrumentality of the State of Colorado.

(b) CSB is not a state agency but a separate legal entity.

(c) CSB shall have perpetual existence until dissolved by act of the General Assembly.

43.3 Governance

43.3.1 Board of Directors

(a) CSB shall be governed by a Board of Directors consisting of:

(1) State Treasurer (Chair)

(2) CESA Director

(3) One member appointed by the Governor with banking experience

(4) One member appointed by the Senate President with small business experience

(5) One member appointed by the Speaker of the House with agricultural experience

(6) Two members appointed by the Governor representing the public interest

(b) Appointed members serve four-year staggered terms.

(c) Board members receive no compensation but may be reimbursed for expenses.

43.3.2 Bank President

- (a) The Board shall hire a Bank President with demonstrated banking experience.
- (b) The President serves at the pleasure of the Board.
- (c) The President is responsible for day-to-day operations.

43.4 Capital and Deposits

43.4.1 Initial Capitalization

- (a) CSB shall be initially capitalized with \$100 million from the Colorado Economic Resilience Fund.

- (b) Additional capitalization may come from: (1) Appropriations by the General Assembly (2) Prosperity Partner contributions designated for CSB (3) Bond issuances

Retained earnings

43.4.2 State Deposits

- (a) All state agencies shall deposit operating funds in CSB unless:
 - Federal law requires otherwise
 - (2) Specific programmatic requirements necessitate other arrangements
 - (3) The State Treasurer determines an exception is in the state's financial interest
- (b) Local governments and school districts may voluntarily deposit funds in CSB.

- (c) CESA enterprise funds shall maintain primary accounts at CSB.

43.4.3 Deposit Insurance

- (a) CSB deposits backed by state funds shall be guaranteed by the full faith and credit of the State of Colorado.
- (b) CSB shall seek membership in the Federal Deposit Insurance Corporation (FDIC) for any retail banking operations.

43.5 Banking Operations

43.5.1 Permitted Activities

CSB may engage in:

- (a) Accepting deposits from state agencies, local governments, and CESA programs;
- (b) Making loans to: (1) Colorado small businesses (2) Colorado agricultural operations (3) Colorado infrastructure projects (4) Affordable housing development (5) Renewable energy projects (6) Student loans (in partnership with education institutions)
- (c) Participating in loan programs with other financial institutions;
- (d) Purchasing and holding government securities;
- (e) Providing letters of credit and other banking services to state agencies;
- (f) Operating a payment processing system for CESA programs.

43.5.2 Prohibited Activities

CSB shall NOT:

- (a) Engage in retail consumer banking (checking accounts for individuals);
- (b) Engage in speculative trading or derivatives;
- (c) Make loans to out-of-state entities except as part of participation arrangements;
- (d) Pay dividends or distribute profits except as provided in this section;
- (e) Make political contributions or engage in lobbying.

43.6 Loan Programs

43.6.1 Small Business Loan Program

- (a) CSB shall establish a Colorado Small Business Loan Program offering:
 - (1) Interest rates at or below prime rate
 - (2) Flexible terms up to 10 years
 - (3) Technical assistance for borrowers

(4) Priority for businesses in underserved communities

(b) Loan limits: (1) Microloans: Up to \$50,000 (2) Small business:
Up to \$500,000 (3)

Expansion loans: Up to \$2 million

43.6.2 Agricultural Loan Program

(a) CSB shall establish a Colorado Agricultural Loan Program
offering:

(1) Operating loans for seasonal needs

(2) Equipment financing

(3) Land purchase loans

(4) Emergency drought/disaster loans

(b) Interest rates shall not exceed prime rate for agricultural
loans.

43.6.3 Infrastructure Loan Program

(a) CSB may provide low-interest financing for:

(1) CESA facility construction

(2) State infrastructure projects

(3) Local government infrastructure (water, sewer, roads)

(4) Renewable energy installations

(5) Broadband expansion

(b) Infrastructure loans shall be at or below municipal bond rates.

43.7 Revenue Distribution

43.7.1 Profit Allocation

After maintaining adequate reserves, CSB net income shall be distributed:

(a) 50% to CESA Economic Resilience Fund (b) 30% to CESA General
Operations (c) 20% to

CSB capital reserves for growth

43.7.2 Projected Revenue

Based on the Bank of North Dakota model (serving a state with 1/8 Colorado's
population):

Year Projected Net Income to CESA

Year 1-2 \$0 (startup)

Year 3 \$25 million

Year 4 \$75 million

Year 5 \$150 million

Year 6-10 \$200-400 million annually

Year 10+ \$400-600 million annually

43.8 Implementation Timeline

(a) Year 1: Hire leadership, obtain charter, establish operations

Year 2: Begin accepting state deposits, launch loan programs (c) Year 3: Full operations, first revenue distribution (d)

Year 4+: Expansion and revenue growth

43.9 Oversight and Reporting

(a) CSB shall be audited annually by an independent auditor.

(b) CSB shall publish quarterly financial reports.

(c) CSB shall submit annual report to General Assembly.

(d) State Banking Commissioner shall have examination authority over CSB.

SECTION 44: HEALTHCARE ADMINISTRATIVE SAVINGS CAPTURE

44.1 Purpose

This section establishes mechanisms to capture administrative savings from transitioning to

Care Without Fear and redirect those savings to healthcare services.

44.2 Administrative Savings Sources

44.2.1 Identified Savings

Care Without Fear generates administrative savings by eliminating:

(a) Insurance company overhead (currently 15-25% of premiums) (b)

Multiple billing systems

(each provider currently maintains systems for dozens of insurers) (c) Prior authorization

bureaucracy (d) Claims denial and appeal processes (e) Insurance marketing and sales costs

(f) Insurance executive compensation (g) Provider credentialing

duplication (h) Utilization

management bureaucracy

44.2.2 Estimated Savings

Category	Current Cost	CESA Cost	Annual Savings
----------	--------------	-----------	----------------

Insurance	\$3.0-4.0 billion	\$500 million (5% overhead admin cap)	\$2.5-3.5 billion
-----------	-------------------	---------------------------------------	-------------------

Provider billing	\$500 million	\$100 million	\$400 million
staff			

Prior auth	\$200 million	\$0	\$200 million
processing			

Denial/appeal	\$150 million	\$0	\$150 million
admin			

Total \$3.2-4.2 billion

44.3 Savings Capture Mechanisms

44.3.1 Administrative Cost Cap

(a) Care Without Fear administrative costs shall not exceed 5% of total program expenditures.

(b) Any expenditure above 5% requires specific justification and approval from CESA Board.

(c) Administrative cost percentage shall be publicly reported quarterly.

44.3.2 Provider Billing Simplification

(a) Care Without Fear shall implement a single, standardized billing system for all providers.

(b) Providers shall receive payments within 14 days of clean claim submission (compared to current 30-90 days).

(c) Providers are expected to reduce billing staff as a result; savings may be reflected in reimbursement rate negotiations.

44.3.3 Insurance Transition Assessment

(a) During the transition period (Years 1-5), insurance companies operating in Colorado shall pay a Transition Assessment equal to 1% of Colorado premiums collected.

(b) Assessment revenue shall be deposited in the Care Without Fear Enterprise Fund.

(c) Assessment shall phase out as insurance market transitions to supplemental-only.

44.4 Savings Allocation

Administrative savings captured shall be allocated:

(a) 60% to expanded healthcare services (reduce wait times, increase access) (b) 20% to provider reimbursement rate adequacy (c) 10% to mental health services expansion (d) 10% to reserves

44.5 Verification and Reporting

(a) CESA shall publish annual Administrative Savings Report documenting:

- (1) Actual administrative costs
 - (2) Comparison to private insurance administrative costs
 - (3) Savings captured and allocated
 - (4) Recommendations for additional efficiencies
- (b) Independent actuaries shall verify savings calculations every three years.

SECTION 45: FEDERAL FUNDING MAXIMIZATION AND INDEPENDENCE

45.1 Purpose

This section establishes a strategy to maximize federal funding for Colorado while maintaining

CESA's independence and preparing for eventual self-sufficiency.

45.2 Federal Funding Maximization Office

45.2.1 Establishment

There is established within CESA the Federal Funding Maximization Office (FFMO).

45.2.2 Mission

FFMO shall:

- (a) Identify all federal funding opportunities applicable to CESA programs;
- (b) Aggressively pursue federal grants, matching funds, and reimbursements;
- (c) Coordinate with state agencies to avoid duplicate applications;
- (d) Monitor federal policy changes affecting Colorado funding;
- (e) Prepare for transition to self-sufficiency if federal funding is reduced.

45.3 Acceptable Federal Funding

45.3.1 Funding Without Conditions

CESA shall accept federal funding that comes without conditions that conflict with CESA principles.

45.3.2 Medicaid Matching

- (a) Care Without Fear shall be structured to maximize Medicaid federal matching funds (approximately 50% federal share for most populations).
- (b) Estimated federal Medicaid contribution: \$2.0-3.0 billion annually.

45.3.3 Other Federal Programs

CESA shall pursue funding from:

- (a) Child Care Development Block Grant (b) Community Development Block Grants (c) FEMA disaster preparedness and response (d) Department of Energy climate/energy grants (e) Department of Transportation infrastructure grants (f) Department of Labor workforce

development grants (g) HUD housing and homelessness grants (h) HRSA healthcare workforce

grants (i) SAMHSA mental health and substance abuse grants

45.4 Unacceptable Federal Conditions

45.4.1 CESA shall NOT accept federal funding conditioned on:

- (a) Discrimination against any protected class;
- (b) Cooperation with immigration enforcement beyond Colorado law;
- (c) Restrictions on reproductive healthcare access;
- (d) Restrictions on LGBTQ+ healthcare access;
- (e) Privatization of CESA services;
- (f) Work requirements for healthcare coverage;
- (g) Drug testing for benefit eligibility (except where directly job-related);
- (h) Any condition that conflicts with CESA Constitutional Core provisions.

45.4.2 Review Process

- (a) FFMO shall review all federal funding conditions before acceptance.
- (b) Funding with problematic conditions shall be referred to CESA Director and Attorney General for determination.
- (c) CESA Board shall have final authority on accepting conditioned funding.

45.5 Independence Preparation

45.5.1 Federal Dependency Tracking

CESA shall track and publicly report:

- (a) Total federal funding received by program;
- (b) Federal funding as percentage of total program funding;
- (c) Vulnerability assessment if federal funding reduced.

45.5.2 Self-Sufficiency Planning

- (a) For each program receiving federal funding, CESA shall develop a

Self-Sufficiency Plan

identifying:

- (1) Alternative funding sources if federal funding is eliminated
 - (2) Program modifications to reduce costs
 - (3) Timeline for transition to independence
 - (4) Impact assessment of various federal reduction scenarios
- (b) Self-Sufficiency Plans shall be updated annually.

45.5.3 Economic Resilience Fund Allocation

- (a) A portion of the Economic Resilience Fund (Section 6.4) shall be designated for federal funding contingency.
- (b) Target: Reserves sufficient to cover 2 years of federal funding at current levels by Year 10.

45.6 Federal Advocacy

45.6.1 Protection of State Interests

CESA shall advocate to federal policymakers for:

- (a) Maintaining state flexibility in implementing federal programs;
- (b) Protecting Medicaid and other healthcare funding;
- (c) Opposing unfunded mandates;
- (d) Supporting state innovation waivers.

45.6.2 Interstate Coordination

CESA shall coordinate with other states to:

- (a) Protect shared federal funding interests;
- (b) Share best practices in federal funding maximization;
- (c) Present united front against harmful federal policy changes.

SECTION 46: SETTLEMENT AND RECOVERY FUND DEDICATION

46.1 Purpose

This section dedicates lawsuit settlements, legal recoveries, and related revenue to CESA

programs.

46.2 Dedicated Settlement Revenue

46.2.1 Opioid Settlement Funds

(a) All Colorado opioid settlement funds shall be dedicated to CESA as follows:

- 50% to Mental Health Services (Section 2.12)
- 30% to Care Without Fear substance use treatment
- 20% to Zero Homeless Colorado (addiction often linked to homelessness)

(b) Estimated annual revenue: \$40-60 million (over 15+ year settlement period)

46.2.2 Tobacco Master Settlement Agreement

(a) Colorado's annual tobacco settlement revenue shall be dedicated to CESA:

- 60% to Care Without Fear (smoking-related illness treatment)
- 25% to public health prevention programs
- 15% to rural healthcare services

(b) Estimated annual revenue: \$100 million

46.2.3 Future Technology Settlements

(a) Any future settlements from technology companies (AI harm, data privacy violations, antitrust, etc.) shall be dedicated:

- 70% to affected program areas (AI Workforce Protection, Data Privacy, etc.)
- 30% to Economic Resilience Fund

46.2.4 Healthcare Fraud Recoveries

(a) CESA shall aggressively pursue healthcare fraud.

(b) Recovered funds shall be deposited in Care Without Fear Enterprise Fund.

(c) Estimated annual recovery: \$10-20 million

46.3 Settlement Fund Administration

46.3.1 Settlement Fund Account

(a) There is established the CESA Settlement Fund Account within the State Treasury.

(b) All dedicated settlement funds shall be deposited in this account.

(c) Funds shall be distributed to designated programs according to this section.

46.3.2 Reporting

(a) CESA shall publish quarterly reports on settlement fund receipts and distributions.

(b) Annual report shall include use of funds and program outcomes achieved.

46.4 Total Estimated Settlement Revenue

Source Annual Amount

Opioid settlements \$40-60 million

Tobacco MSA \$100 million

Future tech settlements Variable

Fraud recoveries \$10-20 million

Total \$150-180 million +

PART X: IMPLEMENTATION AND ACCOUNTABILITY

SECTION 47: THIRTEEN-YEAR PHASED IMPLEMENTATION PLAN

47.1 Purpose

This section establishes a realistic, phased implementation timeline for CESA over thirteen

years, with built-in checkpoints, evaluation requirements, and adaptive capacity.

47.2 Implementation Philosophy

(a) CESA shall be implemented incrementally, with each phase building on the success of previous phases.

(b) Implementation shall proceed only after: (1) Required actuarial analysis confirms viability

(Section 48) (2) Administrative infrastructure is operational (3) Funding mechanisms are

functional (4) Workforce is trained and ready

(c) Timelines may be adjusted based on real-world conditions while maintaining commitment to full implementation.

47.3 Phase 1: Foundation (Years 1-3)

Year 1 (2027) - Infrastructure Building

Administrative: - Establish CESA Administration (Section 18) - Hire core leadership team -

Launch Colorado Services Portal (Section 19.8) - Create CESA Benefits Card system (Section 19) -

Establish TABOR Compliance Office (Section 42) - Begin Colorado State Bank charter process

(Section 43)

Programs Launched: - Whistleblower Protections active (Section 24) - Climate Research

Protection enacted (Section 37.12) - Digital Likeness Protection Office opens (Section 34) -

Strategic Foresight Office established (Section 32) - Data Privacy Act enforcement begins

(Section 38) - Worker Classification protections active (Section 39)

Healthcare Preparation: - Complete independent actuarial analysis (Section 48) - Design Care

Without Fear contribution system - Begin provider network development - Launch community

education campaign

Budget: \$200-300 million (administrative startup)

Year 2 (2028) - Program Pilots

Programs Launched: - Life Security Program opens for voluntary enrollment (Section 5) -

Care Without Fear pilot in 3 regions (uninsured/underinsured) - Mental Health Crisis

Response pilots in Denver metro (Section 30.8) - Zero Homeless Colorado pilot in Denver

(Section 8) - AI Workforce Protection tracking begins (Section 4) - Colorado State Bank begins

operations (Section 43)

Healthcare Expansion: - Care Without Fear enrollment for small businesses - Provider

contracts finalized - Claims processing system operational

Budget: \$500-750 million

Year 3 (2029) - Statewide Foundation

Programs Expanded: - Care Without Fear statewide enrollment for uninsured - Mental

Health Services expansion (Section 2.12) - Life Security Program full enrollment - Rural

Implementation Standards active (Section 35) - Community Policing Standards statewide

(Section 30) - Disability programs launch (Section 36) - Innovation Districts designated (Section

Evaluation Checkpoint: - Independent assessment of Phase 1 programs - Actuarial update on

healthcare costs - Public report on outcomes achieved - Adjustment recommendations

Budget: \$2-3 billion

Phase 1 Success Metrics

Metric Target

CESA Portal active users 500,000

Life Security enrollees 200,000

Metric Target

Care Without Fear enrollees 300,000

Mental health crisis diversions 10,000

Homeless individuals housed (pilot) 2,000

State Bank loans issued \$100 million

47.4 Phase 2: Expansion (Years 4-7)

Year 4 (2030) - Major Rollout

Healthcare Expansion: - Care Without Fear default for new employees - All small businesses

(under 50 employees) eligible - State and local government employee transition - Provider

reimbursement rate stabilization

New Programs: - Childcare For All pilot programs (Section 40) - Climate Resilience Fund

operational (Section 37) - Colorado Shield enhanced capability (Section 7) - Technology

Assistance Services statewide (Section 41)

Financial: - State Bank full operations, first CESA revenue - Enterprise funds self-sustaining -

Economic Resilience Fund at \$1 billion

Budget: \$5-7 billion

Year 5 (2031) - Universal Access Push

Healthcare: - Care Without Fear: 75% of population covered - Mental health parity fully

implemented - Substance use treatment expanded - Rural healthcare access 90% compliance

Programs Expanded: - Zero Homeless Colorado statewide - Childcare For All income-based

rollout - AI Workforce Protection full benefits available - Education Independence programs

active (Section 15)

Evaluation Checkpoint: - Comprehensive Phase 2 mid-point review - Healthcare cost comparison to projections - Employment and economic impact assessment - International

benchmarking

Budget: \$8-10 billion

Year 6 (2032) - Employer Transition

Healthcare: - Care Without Fear: All employers under 500 employees transitioned - Large

employer transition begins - Private insurance moves to supplemental model - Administrative

savings fully realized

Programs Matured: - Childcare For All: Universal access for income-eligible - AI displacement

benefits at full capacity - Clean Energy targets: 80% renewable achieved

Budget: \$10-12 billion

Year 7 (2033) - Full Coverage Achievement

Healthcare: - Care Without Fear: 95%+ population covered - Employer transition complete -

Supplemental insurance market stabilized - Healthcare outcomes improvement documented

All Programs: - All CESA programs fully operational - Economic Resilience Fund at \$3 billion -

Federal funding independence plan updated - Global partnerships active (Section 23)

Evaluation Checkpoint: - Comprehensive Phase 2 assessment - Cost-benefit analysis (7-year

retrospective) - Recommendations for Phase 3 optimization - Public satisfaction survey

Budget: \$12-15 billion

Phase 2 Success Metrics

Metric Target

Care Without Fear covered 5+ million

Uninsured rate Below 2%

Healthcare admin cost Below 5%

Chronic homelessness Reduced 75%

Childcare access 80%+ of families

AI-displaced workers assisted 50,000

Economic Resilience Fund \$3 billion

47.5 Phase 3: Maturity (Years 8-13)

Years 8-9 (2034-2035) - Optimization

Focus: - System efficiency improvements - Cost optimization based on 7+ years of data -

Outcome quality enhancement - Innovation integration

Targets: - Healthcare costs 15%+ below national average - Zero functional homelessness

achieved - 100% renewable electricity - Federal funding reduced to <25% of CESA budget

Years 10-11 (2036-2037) - Self-Sufficiency

Focus: - Economic Resilience Fund at \$5 billion target - Federal funding contingency plans

tested - Colorado model documentation for other states - Long-term sustainability confirmed

Targets: - Full federal funding independence capability - State Bank generating \$300+ million

annually - All enterprise funds with 2+ years reserves - International recognition of CESA

model

Years 12-13 (2038-2039) - Legacy

Focus: - System refinement based on decade+ of experience - Knowledge transfer to other

states - Next-generation planning - 15-year strategic vision development

Final Success Metrics: | Metric | Target | |———|———| | All Coloradans covered by Care

Without Fear | 100% | | Healthcare cost vs. national average | 20%+ savings | | Life expectancy

improvement | +2 years | | Child poverty rate | Below 5% | | Homelessness | Functional zero | |

Economic Resilience Fund | \$5+ billion | | CESA administrative efficiency | 95%+ |

47.6 Adaptive Implementation

47.6.1 Annual Reviews

(a) CESA Administration shall conduct annual implementation reviews

assessing: (1) Progress

against timeline (2) Budget versus actual spending (3) Outcome achievement (4) Emerging

challenges (5) Recommended adjustments

(b) Reviews shall be public and presented to General Assembly.

47.6.2 Timeline Adjustments

(a) Implementation timelines may be accelerated if: (1) Programs

exceed performance

expectations (2) Funding exceeds projections (3) Public demand supports faster rollout (4)

Efficiencies are identified

(b) Implementation timelines may be extended if: (1) Funding falls

short of projections (2)

Administrative capacity is insufficient (3) Quality would be compromised by speed (4) External

factors (recession, pandemic, etc.) require caution

(c) Timeline changes require: (1) Public explanation (2) CESA Board

approval (3) Report to

General Assembly

47.6.3 Contingency Planning

CESA shall maintain contingency plans for: (a) Economic recession (revenue reduction

scenarios) (b) Federal funding elimination (c) Legal challenges to enterprise fund structure

(d) Natural disaster requiring emergency response (e) Public health emergency

SECTION 48: INDEPENDENT ACTUARIAL ANALYSIS REQUIREMENTS

48.1 Purpose

This section requires independent actuarial analysis before implementation of major CESA

programs to ensure fiscal responsibility and program viability.

48.2 Required Analyses

48.2.1 Care Without Fear Actuarial Study

(a) Before Care Without Fear enrollment begins, CESA shall complete an independent actuarial

analysis including:

(1) Colorado-specific healthcare cost projections

- (2) Enrollment estimates by population segment
- (3) Revenue adequacy assessment
- (4) Administrative cost modeling
- (5) Provider reimbursement rate analysis
- (6) 10-year cost projection with sensitivity analysis
- (7) Comparison to current system costs
- (8) Risk identification and mitigation strategies
- (b) Analysis shall be conducted by a qualified actuarial firm with healthcare experience, selected through competitive procurement.
- (c) Analysis shall be completed no later than 6 months before Care Without Fear enrollment opens.
- (d) Analysis shall be made public in full.

48.2.2 Life Security Actuarial Study

- (a) Before Life Security Program enrollment begins, CESA shall complete an independent actuarial analysis including:
 - (1) Mortality rate projections for Colorado population
 - (2) Benefit cost modeling at each contribution level
 - (3) Reserve adequacy requirements
 - (4) Investment return assumptions
 - (5) 25-year program sustainability projection
- (b) Analysis shall be conducted by a qualified actuarial firm with life insurance experience.

48.2.3 Childcare Cost Study

- (a) Before Childcare For All expands beyond pilots, CESA shall complete a cost study including:
 - (1) Provider cost modeling
 - (2) Enrollment projections

- (3) Facility capacity assessment
- (4) Workforce availability analysis
- (5) 10-year cost projection

48.3 Actuarial Standards

48.3.1 Qualifications

- (a) Actuarial analyses shall be conducted by: (1) Firms or individuals holding appropriate actuarial credentials (2) Entities with no financial interest in CESA outcomes (3) Analysts with relevant experience in the program area

48.3.2 Independence

- (a) Actuaries shall operate independently of CESA Administration.
- (b) CESA shall not influence actuarial conclusions.
- (c) Actuaries shall disclose any potential conflicts of interest.

48.3.3 Standards of Practice

Analyses shall comply with Actuarial Standards of Practice promulgated by the Actuarial Standards Board.

48.4 Implementation Contingency

48.4.1 Go/No-Go Decision

- (a) Final implementation contingent upon completion of independent actuarial analysis confirming program viability.
- (b) If actuarial analysis identifies significant concerns:
 - (1) CESA Administration shall develop response plan
 - (2) Response may include program modifications, timeline adjustments, or funding changes
 - (3) Modified program shall receive updated actuarial review
 - (4) Implementation proceeds only when actuaries confirm viability of modified program

48.4.2 Viability Standard

(a) A program is considered viable if:

(1) Projected revenue is sufficient to cover projected costs with 10% margin

(2) Reserves can be established at required levels

(3) No structural deficit is projected within 10 years

(4) Risks are manageable with identified mitigation strategies

(b) If viability cannot be confirmed, program shall not proceed until modifications achieve viability.

48.5 Ongoing Actuarial Review

48.5.1 Triennial Review

(a) After implementation, enterprise fund programs shall receive independent actuarial review every three years.

(b) Reviews shall assess: (1) Actual versus projected costs (2) Reserve adequacy (3) Emerging risks (4) Recommended adjustments

48.5.2 Annual Reporting

(a) CESA Chief Actuary (internal position) shall publish annual actuarial reports for each enterprise fund.

(b) Reports shall be reviewed by external actuary for reasonableness.

48.6 University Partnership for Preliminary Analysis

48.6.1 Authorization

(a) CESA is authorized to partner with Colorado universities for preliminary actuarial and economic analysis.

(b) Recommended partners: (1) Colorado Health Institute (healthcare

analysis) (2) CU Denver

School of Public Affairs (policy analysis) (3) CU Anschutz Colorado School of Public Health

(health economics) (4) CSU Economics Department (economic impact)

48.6.2 Graduate Research

(a) CESA may sponsor graduate research projects on CESA topics.

(b) University analysis may inform program design but does not substitute for required

professional actuarial analysis before implementation.

SECTION 49: BACKUP REVENUE PROVISIONS

49.1 Purpose

This section establishes backup revenue provisions that may be activated only if: (a) Enterprise

fund revenue is insufficient; OR (b) Courts rule enterprise fund structure is not TABOR-

compliant; OR (c) Voter approval is otherwise required for CESA funding.

49.2 Backup Status

(a) The provisions in this section are NOT active upon passage of CESA.

(b) These provisions are held in reserve and activate ONLY upon: (1) CESA Board

determination that backup revenue is necessary; AND (2) Voter approval at a general election

49.3 Backup Revenue Option A: Income Tax Adjustment

49.3.1 Structure

If voter approval is required, CESA shall propose:

(a) Tax reduction for 98% of Coloradans: | Income | Current Rate

| Proposed Rate | Change | |

———|—————|—————|———| | Under \$50,000 | 4.4% | 4.0% | -0.4% | |
\$50,000-

\$100,000 | 4.4% | 4.2% | -0.2% | | \$100,000-\$200,000 | 4.4% | 4.4% | No change |

(b) Tax increase for top 2% of earners: | Income | Current Rate |

Proposed Rate | Change | |

—————|—————|—————|—————| | \$200,000-\$500,000 | 4.4% | 5.0% | +0.6% | |
\$500,000-

\$1,000,000 | 4.4% | 6.0% | +1.6% | | Over \$1,000,000 | 4.4% | 7.0% | +2.6% |

49.3.2 Estimated Revenue

Net new revenue from graduated structure: \$800 million - \$1.5 billion annually

49.3.3 Ballot Language Requirement

If this provision is activated, ballot language must clearly state: (1) Taxes go DOWN for [X]% of

Coloradans (2) Taxes go UP only for incomes over \$200,000 (3) Specific use of funds (CESA

programs) (4) Comparison to current healthcare/insurance costs

49.4 Backup Revenue Option B: Healthcare Enterprise Fee Confirmation

49.4.1 Structure

If courts rule Care Without Fear contributions require voter approval, CESA shall propose:

(a) Ballot measure confirming healthcare contribution structure as described in Section 3.3

(b) Ballot language emphasizing: (1) Contributions REPLACE insurance premiums (2) Most

Coloradans pay LESS than current premiums (3) No deductibles, no copays, no coverage gaps

(4) Comparison to current family healthcare costs

49.5 Ballot Measure Strategy

49.5.1 Timing

(a) If backup revenue is needed, ballot measures shall be placed on the next general election

(even-numbered year November).

(b) Special elections shall not be used for CESA revenue measures.

49.5.2 Phasing

(a) If multiple backup measures are needed, CESA shall prioritize:

First election: Healthcare

funding (most popular, clearest savings) (2) Second election: Additional programs if needed

49.5.3 Campaign

(a) CESA Administration may educate the public on ballot measures using factual information.

(b) CESA shall not use state funds for advocacy, but may present factual comparisons.

(c) Prosperity Partners and supporters may independently advocate for measures.

49.6 Alternative Revenue Contingencies

If backup measures fail, CESA shall:

(a) Continue operating programs funded by non-contested revenue sources

(b) Reduce scope of programs that required voter-rejected funding

(c) Develop alternative program designs that may be more acceptable to voters

(d) Re-present modified measures at subsequent election

PART XI: STATEWIDE HUB NETWORKS [NEW IN v8.0]

SECTION 50: CESA STATEWIDE SERVICE HUB NETWORK

[NEW IN VERSION 8.0]

50.1 Purpose

This section establishes a comprehensive network of CESA Service Hubs distributed across all regions of Colorado to ensure no geographic concentration and equitable access to all CESA programs for every Coloradan.

50.2 Statewide Distribution Requirements

CESA Service Hubs shall be distributed across all regions of Colorado. The following regions shall each have a minimum of one full-service hub:

(1) Front Range North (Fort Collins, Greeley, Loveland area)

(2) Front Range Central (Denver Metro, Aurora, Lakewood)

(3) Front Range South (Colorado Springs, Pueblo)

(4) Eastern Plains North (Sterling, Fort Morgan, Yuma area)

(5) Eastern Plains South (Lamar, La Junta, Springfield area)

- (6) San Luis Valley (Alamosa, Monte Vista, Del Norte area)
- (7) Western Slope North (Grand Junction, Montrose, Delta area)
- (8) Western Slope South / Four Corners (Durango, Cortez, Pagosa Springs area)
- (9) Northwest Colorado (Craig, Steamboat Springs, Meeker area)
- (10) Central Mountains (Glenwood Springs, Aspen, Leadville, Summit County area)

50.3 Hub Services

Each Service Hub shall provide:

- Care Without Fear enrollment and navigation
- Life Security Program enrollment and claims processing
- AI Displacement claims processing and support
- Benefits Card issuance and support
- Job placement and retraining referrals
- Housing assistance and Zero Homeless Colorado enrollment
- Mental health referrals and crisis support
- Legal assistance referrals
- Small business support connections
- Digital likeness complaint filing
- Childcare For All enrollment
- Food assistance and WIC enrollment
- Technology assistance services

50.4 Mobile CESA Units

A minimum of 15 Mobile CESA Units shall serve frontier and rural communities not within 30 miles of a fixed hub.

- (b) Every county shall receive mobile service at least monthly.
- (c) Mobile units shall provide all services available at fixed hubs.
- (d) Schedules shall be published 90 days in advance.

50.5 Tele-CESA Access

All hub services shall be accessible via telehealth/teleservice platforms.

Community Tele-CESA access points shall be established in libraries, community centers, and senior centers.

Equipment assistance (tablets, hotspots) shall be available for residents lacking technology.

All Tele-CESA services shall function on connections as low as 10

Mbps.

50.6 Front Range Concentration Cap

No more than 40% of total Service Hubs may be located within the Front Range corridor.

The Director shall report annually on geographic distribution and access equity.

If at any time the 40% cap is exceeded, no additional Front Range hubs may be established until the ratio is restored.

50.7 Budget

Estimated annual cost: \$75-100 million for full hub network operation

ENHANCED RURAL IMPLEMENTATION PROVISIONS

(Add to Section 50: CESA Statewide Service Hub Network)

50.12 Rural Priority and Equity

(a) Legislative Declaration:

The General Assembly recognizes that rural Colorado has historically been underserved by state programs and commits to ensuring CESA reaches every corner of the state.

(b) Rural Service Standards:

No Colorado resident shall be required to travel more than 60 miles to access in-person CESA services;

Mobile service units shall serve communities without fixed Service Hubs;

Telehealth and virtual services shall be available for all programs where appropriate;

Broadband access shall be treated as essential infrastructure for CESA delivery.

(c) Rural Hub Requirements:

Minimum of 15 Service Hubs in rural counties (population under 50,000);

Rural hubs shall offer full CESA services, not reduced offerings;

Rural hubs shall be staffed by local residents where possible;

Hours shall accommodate agricultural schedules and rural lifestyles.

(d) Mobile Services:

A fleet of mobile service units shall bring CESA services to remote areas;

Mobile units shall visit each rural community at least monthly;

Mobile units shall provide enrollment, benefits access, healthcare screenings, and technology assistance;

Schedule shall be published and consistent so residents can plan.

(e) Rural Healthcare:

Care Without Fear shall maintain or expand rural healthcare facilities, not consolidate;

Telehealth reimbursement shall be equal to in-person rates;

Loan forgiveness enhanced for healthcare providers serving rural areas (Section 2.12);

Community health workers shall be deployed in rural areas.

(f) Rural Economic Development:

CESA Business Hubs shall prioritize rural economic development;

Rural businesses shall receive enhanced support and lower fee thresholds;

Agricultural businesses shall receive specialized support;
Remote work infrastructure shall be developed to bring jobs to rural areas.

(g) Rural Metrics:

CESA shall track program participation rates by rural/urban status;
Rural participation rates shall be compared to urban rates;
Disparities shall trigger corrective action;
Annual rural report shall be published.

(h) Rural Advisory Committee:

A Rural Advisory Committee shall be established with representatives from each rural region;
The Committee shall advise on rural implementation challenges and solutions;
The Committee shall review the annual rural report and make recommendations.

50.13 Rural Broadband as CESA Infrastructure

(a) Recognizing that broadband internet is essential for CESA service delivery:
CESA shall coordinate with Colorado Broadband Office to prioritize connectivity in underserved areas;
CESA Service Hubs shall provide free public WiFi and computer access;
Technology Assistance Services (Section 41) shall be prioritized in rural areas;
No CESA program shall be “online only” without accommodations for those without internet access.

ENHANCED SECTION 18: CESA ADMINISTRATION STAFFING

SECTION 51: CESA ECONOMIC & BUSINESS GROWTH HUB NETWORK

[NEW IN VERSION 8.0]

51.1 Purpose

Economic & Business Growth Hubs shall attract businesses to Colorado, align displaced workers with available jobs, reduce unemployment duration, and support rapid rehire pipelines. CESA is not only care—it is economic infrastructure.

51.2 Statewide Distribution Requirements

Economic & Business Growth Hubs shall be established across all regions of Colorado, with specializations aligned to regional economic strengths:

(1) Denver Metro Tech Hub — Technology, cybersecurity, financial services

(2) Aurora Bioscience Hub — Medical technology, biotechnology, pharmaceuticals

(3) Boulder Innovation Hub — Creative industries, digital media, gaming, aerospace startups

(4) Colorado Springs Aerospace & Defense Hub — Aerospace, defense

technology, military transition employment

(5) Fort Collins Clean Energy & AgTech Hub — Renewable energy, agricultural technology, food systems innovation

(6) Eastern Plains Agricultural Innovation Hub — Agricultural technology, food processing, AI-assisted farming

(7) Grand Junction Western Slope Energy Transition Hub — Clean energy transition, solar/wind manufacturing, workforce retraining

(8) Durango / Four Corners Tourism & Outdoor Industry Hub — Outdoor recreation, sustainable tourism, tribal economic partnerships

(9) San Luis Valley Agricultural & Solar Hub — Agricultural innovation, solar energy production, rural broadband

(10) Northwest Colorado Energy Transition Hub — Coal workforce transition, clean energy jobs, outdoor recreation

(11) Pueblo Manufacturing & Infrastructure Hub — Advanced manufacturing, infrastructure development, steel modernization

(12) Central Mountains Recreation & Remote Work Hub — Outdoor industry, remote work infrastructure, seasonal workforce

51.3 Hub Functions

Each Economic & Business Growth Hub shall:

- Maintain a Business Success Team liaison
- Provide expedited permits and regulatory navigation
- Connect displaced workers with employers actively hiring
- Offer skills matching and rapid retraining programs
- Partner with local colleges, universities, and trade schools
- Host job fairs and employer recruitment events
- Support startups and small business expansion
- Coordinate with Innovation Districts established under Section 33

51.4 Young Innovator Program

Each hub shall include a Young Innovator Program component providing mentorship, startup support, and connections to capital for Coloradans ages 18-35.

Annual Innovation Challenge with \$100,000 in prizes for Colorado-based innovations.

51.5 Front Range Concentration Cap

No more than 40% of Economic & Business Growth Hubs may be located within the Front Range corridor.

51.6 Coordination

Service Hubs and Economic & Business Growth Hubs may be co-located where practical.

All hub locations shall coordinate to ensure seamless referrals.

51.7 Budget

Estimated annual cost: \$50-75 million

PART XII: EXPANDED PROTECTIONS [NEW IN v8.0]

SECTION 52: COLORADO COMPREHENSIVE NON-DISCRIMINATION IN EMPLOYMENT

[NEW IN VERSION 8.0]

52.1 Purpose

This section establishes comprehensive non-discrimination protections in employment that apply statewide to all employers, ensuring that employment decisions are based on job performance and safety, not on characteristics unrelated to work.

52.2 Applicability

This section applies to ALL employers operating in Colorado, public and private, regardless of size.

This section applies to all terms and conditions of employment including hiring, firing, promotion, compensation, scheduling, benefits, training, and assignments.

52.3 Protected Classes

No employer shall discriminate on the basis of:

- (1) Race
- (2) Color
- (3) Ethnicity
- (4) National origin
- (5) Immigration or visa status (including J-1, seasonal, and temporary workers)
- (6) Religion or belief (including lack of belief)
- (7) Sex
- (8) Gender identity
- (9) Sexual orientation

- (10) Pregnancy or reproductive health decisions
- (11) Disability (physical, mental, intellectual, developmental, sensory)
- (12) Neurodivergence
- (13) Age
- (14) Height, weight, or body type
- (15) Medical condition (including HIV/AIDS status, genetic information)
- (16) Employment status (including unemployment history)
- (17) Housing status
- (18) Military or veteran status
- (19) Any other characteristic unrelated to job performance or workplace safety

52.4 Permitted Standards

Employers may establish and enforce legitimate, job-related performance and safety standards applied consistently to all employees.

Employers may not use blanket policies to exclude entire categories of individuals from employment consideration. Individualized assessment is required.

52.6 Federal Preemption Savings Clause

This section shall be enforced to the fullest extent permitted by law.

Where federal law requires specific employment practices, employers shall comply with federal requirements while extending all additional protections provided herein to the maximum extent permissible.

52.7 Enforcement

Violations may be reported to CESA or the Colorado Civil Rights Division.

Remedies include back pay, reinstatement, compensatory damages, and civil penalties up to \$25,000 per violation.

52.8 Budget

Estimated annual cost: \$5-10 million

SECTION 53: MEDICAL CANNABIS AS THERAPEUTIC SUPPORT

[NEW IN VERSION 8.0]

53.1 Purpose

This section establishes medical cannabis as a covered therapeutic support under Care Without Fear and provides employment protections for individuals using medically authorized cannabis.

53.2 Coverage Under Care Without Fear

Medical cannabis shall be a covered therapeutic support when authorized by a licensed healthcare provider for:

- Chronic pain management
- Mental health stability
- Trauma recovery
- Neurological regulation
- Other conditions where cannabis supports the individual's ability

to maintain employment, housing, and daily functioning

53.3 Benefit Structure

- (a) Monthly benefit capped at \$200
- (b) Issued via CESA Benefits Card
- (c) Non-cash benefit
- (d) Redeemable only at licensed Colorado medical dispensaries
- (e) Classified as medical assistance, not taxable income

53.4 Employment Protections

General Protection: No employer shall terminate, refuse to hire, or discipline an employee solely for the presence of medically authorized cannabis in their system when:

- (1) The employee holds a valid medical cannabis authorization, AND
- (2) Job performance is not impaired

53.5 Interactive Process for Alleged Impairment

If an employer alleges impairment:

- (1) The employer must engage in a documented, good-faith interactive process
- (2) In coordination with the employee and, where appropriate, their medical provider
- (3) To explore adjustments to dosage timing, job duties, schedules, or other reasonable accommodations
- (4) Termination is permitted only after the interactive process fails to resolve the concern

53.6 Safety-Sensitive Position Carve-Out

Employers may maintain cannabis-free requirements for positions

where federal law requires drug testing or where impairment poses direct, immediate risk to safety, including:

- DOT-regulated positions
- Positions requiring federal security clearance
- Positions involving operation of heavy machinery, commercial vehicles, or aircraft
- Healthcare positions involving direct patient care and controlled substances

53.7 No Preemption of Federal Law

Nothing in this section requires an employer to violate federal law or risk loss of federal contracts or funding.

53.8 Budget

Estimated annual cost: \$15-25 million (included in Care Without Fear projections)

SECTION 54: EXPANDED ELIGIBILITY — RESIDENCY AND VISA STATUS

[NEW IN VERSION 8.0]

54.1 Purpose and Policy Statement

Colorado's public health, workforce stability, and economic continuity depend on all workers present in the state having access to essential services. No person physically present and contributing to Colorado's economy shall be excluded from CESA coverage solely on the basis of immigration or visa status.

54.2 Covered Individuals

The following are eligible for CESA services:

- (1) Colorado residents (domiciled in Colorado)
- (2) Seasonal residents maintaining a Colorado home
- (3) Dual-home owners with significant Colorado presence
- (4) J-1 visa holders employed in Colorado
- (5) Seasonal and temporary workers physically present in Colorado
- (6) Any worker contributing to Colorado's economy through employment, taxes, or economic activity

54.3 Tiered Coverage

Emergency and Care Without Fear Services: Accessible to all individuals while physically present in Colorado, regardless of residency duration or visa status.

Long-term Benefits (Life Security, AI Displacement, CRSP): May require minimum presence thresholds (e.g., 6 months residency or 500 hours worked in Colorado) and may be prorated based on Colorado presence.

54.4 No Sole-Basis Exclusion

No individual shall be denied coverage solely on the basis of immigration or visa status. Eligibility shall be determined by presence, contribution, and program-specific requirements.

54.5 Framing

This section is enacted to protect public health, ensure workforce stability, and maintain economic continuity throughout Colorado.

SECTION 55: DECLARATION OF THE RIGHT TO HUMAN DIGNITY

[NEW IN VERSION 8.0]

55.1 Declaration

The people of Colorado possess an inherent and inalienable right to humanity, dignity, bodily autonomy, and humane treatment.

55.2 Commitment

No person within the State of Colorado shall be denied access to essential services, economic stability, or equal treatment under law on the basis of identity, status, circumstance, or any characteristic unrelated to legitimate state interests.

55.3 Interpretation

This declaration shall guide the interpretation and implementation of all provisions of this Act. Where ambiguity exists, provisions shall be construed in favor of preserving human dignity and expanding access to essential services.

SECTION 56: AGENCY CONSOLIDATION AND FUNDING TRANSFER AUTHORITY

[NEW IN VERSION 8.0]

56.1 Purpose

This section authorizes the consolidation of duplicative state agency functions into CESA to improve efficiency without increasing overall state spending.

56.2 Consolidation Authority

Where an existing state agency performs functions substantially duplicated by CESA, the Governor, in consultation with the CESA Director, may transfer those functions to CESA.

56.3 Funding Transfer

Upon transfer of functions, all associated funding, positions, and resources shall be transferred to CESA.

This constitutes reorganization of existing state resources, not

expansion of state government.

56.4 No Net Increase

Consolidation shall be implemented to achieve administrative efficiency.

Total state expenditure shall not increase as a result of consolidation absent separate appropriation.

56.5 Employee Protections

State employees whose functions are transferred shall be offered equivalent positions within CESA at equivalent compensation.

No employee shall be terminated solely as a result of consolidation.

Employees shall retain accrued benefits, seniority, and retirement credits.

SECTION 57: CESA RAPID REHIRE & STABILIZATION PROGRAM

[NEW IN VERSION 8.0]

57.1 Purpose

To eliminate gaps in support when unemployment insurance benefits are exhausted, maintain workforce attachment, and prevent economic destabilization.

57.2 Rapid Rehire Requirement

When an individual's UI benefits are exhausted:

- (1) CESA shall offer any available job reasonably near the individual's residence
- (2) The job need not match the individual's prior occupation, experience level, or wage
- (3) The purpose is to maintain employment, housing stability, and economic connection while transition continues

57.3 Career Transition Support

While employed in a rapid rehire position, individuals shall receive:

- (1) Continued job placement assistance for better-fit employment
- (2) Skills matching and gap analysis
- (3) Training and credential support
- (4) Priority referral to positions matching their skills and experience

57.4 Temporary Cash Assistance

Small, capped cash assistance may be provided during the transition period:

- (1) Assistance is explicitly temporary and non-renewable
- (2) Tied to active participation in employment or job search
- (3) Maximum duration: 90 days
- (4) Maximum amount: \$500/month

57.5 Automatic Food Benefit Eligibility

Upon exhaustion of UI benefits, individuals are automatically eligible for:

- (1) EBT/SNAP benefits
- (2) CESA food assistance programs
- (3) No gap period between UI exhaustion and food benefit activation
- (4) No re-verification required for 6 months

57.6 Framing

This program is enacted for cost avoidance, workforce retention, and economic stabilization. Preventing homelessness and food insecurity is more cost-effective than remediation.

57.7 Budget

Estimated annual cost: \$25-40 million

ENHANCED SECTION 42: TABOR COMPLIANCE [v8.0 ADDITIONS]

42.X TABOR Firewall Provisions [NEW IN v8.0]

42.X.1 No New Taxes

This Act does not impose, and shall not be interpreted to authorize, any new tax.

42.X.2 No Tax Increases

This Act does not increase, and shall not be interpreted to authorize any increase to, any existing tax rate.

42.X.3 Voluntary Participation

All premium, fee, and contribution structures under this Act are voluntary. No individual or employer is required to participate in CESA programs.

42.X.4 No Automatic Escalators

No fee, premium, contribution, or revenue mechanism under this Act shall increase automatically. Any increase requires affirmative action by the General Assembly or, where required by TABOR, voter approval.

42.X.5 Voter Referral Required

Any provision that would convert voluntary participation to mandatory participation, or that would impose any new tax or fee increase, shall be referred to voters as required by Article X, Section 20 of the Colorado Constitution.

42.X.6 Severability

If any provision of this Act is determined to violate TABOR, that provision shall be severed.

The Director shall identify alternative funding mechanisms that achieve the same purpose without TABOR conflict, subject to legislative approval.

ENHANCED SECTION 45: FEDERAL FUNDING LIMITATIONS [v8.0 ADDITIONS]

45.X Federal Funding Independence [NEW IN v8.0]

45.X.1 Startup and Transition

Federal funds may be accepted and utilized for CESA startup, infrastructure development, and transition costs.

45.X.2 Operational Independence

Once CESA is fully operational (defined as Year 5 or upon certification by the Director, whichever is later):

(1) CESA shall not rely on ongoing federal funding for core operations

(2) The program shall be self-sustaining through:

- Voluntary premiums
- Enterprise fund revenue
- Existing voter-approved state funds
- Administrative savings from consolidation
- Voluntary employer participation fees

45.X.3 Federal Funding Cap

After operational independence, no federal funds shall constitute more than 15% of annual CESA operating budget.

Permissible federal funds after the 15% cap:

(1) Federal matching funds for Medicaid-eligible services

(2) Federal grants for specific, time-limited projects

(3) Federal disaster or emergency funds

45.X.4 State Sovereignty Protection

CESA shall not accept federal funds that impose conditions conflicting with Colorado law, CESA's mission, or the rights of Coloradans.

45.X.5 Annual Reporting

The Director shall report annually on federal funding sources, amounts, and percentage of total budget, with a plan for reducing federal dependence if thresholds are exceeded.

SECTION 58: PHASED ACTIVATION FRAMEWORK

58.1 Purpose and Legislative Intent

The General Assembly finds that:

- (1) Comprehensive economic security programs of the scope and ambition of CESA require careful, deliberate implementation to ensure sustainability, effectiveness, and public confidence;
- (2) Other states' attempts at comprehensive reform have failed in part due to rushed implementation without adequate preparation, funding verification, or administrative capacity building;
- (3) Colorado's Taxpayer's Bill of Rights (TABOR) requires careful attention to funding structures and voter approval requirements that necessitate phased implementation;
- (4) The diverse geographic, economic, and demographic characteristics of Colorado require flexible implementation that can adapt to regional conditions;
- (5) Public trust in government programs depends on demonstrated competence, which requires building capacity before expanding services;
- (6) Healthcare providers, employers, and other stakeholders need predictable timelines and clear milestones to prepare for participation in CESA programs;
- (7) Independent oversight of implementation protects taxpayers, program participants, and the long-term viability of CESA;
- (8) The COVID-19 pandemic demonstrated both the need for comprehensive economic security systems and the challenges of implementing complex programs under pressure.

The purpose of this section is to establish a phased activation framework that:

- (1) Ensures no CESA program activates without verified readiness and sustainable funding;
- (2) Prioritizes programs that address the most urgent needs and provide the clearest path to sustainability;
- (3) Provides transparency to the public, stakeholders, and the General Assembly regarding implementation progress;
- (4) Creates accountability mechanisms that prevent premature activation while avoiding unnecessary delays;
- (5) Allows flexibility to respond to changing circumstances while maintaining core implementation standards;
- (6) Protects program participants from disruption due to premature activation or inadequate funding.

58.2 General Activation Principles

No Automatic Activation

- (1) Notwithstanding any other provision of this Act, no CESA program shall activate automatically upon passage, enactment, or any specified date;
- (2) Each program requires affirmative certification from the Implementation Oversight Board established under Section 60 before activation;
- (3) The General Assembly's appropriation of funds for a program does not constitute authorization for activation absent Board certification;

- (4) Administrative preparation activities, including hiring staff, developing systems, and promulgating regulations, may proceed without activation certification, but services to the public may not commence without certification.

Certification Requirements

Certification requires verification of:

- (i) Administrative readiness as defined in Section 58.5;
 - (ii) Sustainable funding as defined in Section 58.6;
 - (iii) Adequate infrastructure as defined in Section 58.7;
 - (iv) Legal compliance as defined in Section 58.8;
 - (v) Public readiness as defined in Section 58.9.
- (2) The Board shall develop detailed certification standards for each requirement area within 180 days of the effective date of this Act;
 - (3) Certification standards shall be publicly available and subject to public comment before adoption;
 - (4) The Board may modify certification standards based on experience, provided that modifications do not reduce accountability or transparency.

Individual Program Activation

- (1) Programs may be activated individually as readiness is achieved;
- (2) Activation of one program does not require or preclude activation of other programs;
- (3) The Board may certify partial activation of a program, such as:
 - (i) Geographic limitation to specific regions;
 - (ii) Enrollment limitation to specific populations;
 - (iii) Service limitation to specific benefits;
 - (iv) Timeline limitation requiring re-certification at specified intervals.

Partial activation shall include a clear plan and timeline for full activation.

58.3 Program Prioritization

Phase I Priority Programs

The following programs are designated as Phase I priorities and shall receive first consideration for activation due to their foundational importance and potential for early sustainability:

Care Without Fear (Section 2)

Universal healthcare coverage is designated as the highest priority program due to:

- (A) The immediate and ongoing need for comprehensive healthcare among Colorado residents;
- (B) The potential for administrative cost savings that can fund other CESA programs;
- (C) The competitive advantage healthcare security provides in attracting workers and businesses to Colorado;
- (D) The demonstrated viability of single-payer systems in other jurisdictions.

Care Without Fear activation may proceed in phases:

- (A) Phase 1A: Enrollment of uninsured and underinsured Coloradans;
- (B) Phase 1B: Small business transition;
- (C) Phase 1C: Large employer transition;
- (D) Phase 1D: Medicare/Medicaid integration.

CESA Rapid Rehire & Stabilization Program (Section 57)

Employment security support is designated as a Phase I priority due to:

- (A) Increasing economic disruption from AI and automation displacement;
- (B) The program's relatively lower startup costs compared to healthcare;

(C) Synergies with Care Without Fear that reduce barriers to employment transitions;

(D) The urgent need to demonstrate CESA's value to working Coloradans. Rapid Rehire activation shall be coordinated with Care Without Fear to ensure displaced workers have continuous healthcare coverage.

Mental Health Crisis Response Integration (Section 30.8)

Mental health services are designated as a Phase I priority due to:

- (A) Colorado's ongoing mental health crisis, including high suicide rates and inadequate treatment capacity;
- (B) The integration of mental health services with law enforcement reform objectives;
- (C) Cost savings from diverting individuals from incarceration and emergency departments;
- (D) The foundation mental health services provide for success in other CESA programs.

Mental Health Crisis Response may activate independently or as a component of Care Without Fear.

Phase II Programs

The following programs are designated as Phase II priorities, to be activated after Phase I programs demonstrate operational stability:

- (1) Life Security Program (Section 5);
- (2) Zero Homeless Colorado (Section 8);
- (3) Colorado Childcare for All Act (Section 40);
- (4) Colorado Education Independence (Section 15).

Phase III Programs

All remaining programs are designated as Phase III, to be activated as funding and administrative capacity permit, with prioritization based on:

- (1) Demonstrated need and demand;
- (2) Revenue generation potential;
- (3) Synergies with activated programs;
- (4) Stakeholder readiness;
- (5) Legislative and gubernatorial priorities.

Reprioritization Authority

The Implementation Oversight Board may recommend reprioritization of programs based on:

- (i) Changed circumstances affecting need or feasibility;
- (ii) Funding availability or constraints;
- (iii) Stakeholder input and public demand;
- (iv) Experience with activated programs.
- (2) Reprioritization recommendations require approval by a majority of the Board;
- (3) The General Assembly may direct reprioritization through legislation;
- (4) The Governor may request reprioritization review by the Board.

58.4 Activation Request Process

Submission of Activation Request

- (1) When the CESA Administration believes a program is ready for activation, it shall submit an activation request to the Implementation Oversight Board;
- (2) The activation request shall include:
 - (i) A detailed certification statement addressing each requirement in Section 58.5 through 58.9;
 - (ii) Supporting documentation for each certification element;

- (iii) A proposed activation date, which shall be no earlier than 90 days after submission;
- (iv) A proposed activation scope (full or partial);
- (v) A risk assessment identifying potential challenges and mitigation strategies;
- (vi) Letters of support or concern from key stakeholders;
- (vii) An implementation timeline for the first 12 months of operation;
- (viii) Key performance indicators and evaluation criteria.

The activation request shall be published on the CESA Administration website upon submission to the Board.

Public Comment Period

- (1) Upon receipt of an activation request, the Board shall open a 30-day public comment period;
- (2) Public comments shall be accepted through:
 - (i) The CESA Administration website;
 - (ii) Written submissions to the Board;
 - (iii) Public hearings held in at least three geographic regions of the state.
- (3) All public comments shall be compiled and made available to the Board before its decision;
- (4) The Board may extend the public comment period by up to 30 additional days if significant public interest warrants additional input.

Board Review Process

- (1) The Board shall complete its review within 60 days of the close of the public comment period;
- (2) The Board may:
 - (i) Request additional information from the CESA Administration;
 - (ii) Conduct independent verification of certification claims;
 - (iii) Engage independent experts to review technical aspects of the request;
 - (iv) Hold executive sessions to discuss confidential business information or personnel matters.
- (3) The CESA Administration shall respond to Board requests for additional information within 15 days;
- (4) The 60-day review period may be extended by up to 30 days if the Board requests additional information.

Board Decision

The Board shall issue a written decision that:

- (i) Approves activation as requested;
- (ii) Approves activation with conditions or modifications;
- (iii) Denies activation with specific deficiencies identified; or
- (iv) Defers decision pending additional information or circumstances.

Approval decisions shall include:

- (i) Findings of fact supporting each certification element;
- (ii) Any conditions or limitations on activation;
- (iii) Required reporting during the first year of operation;
- (iv) Criteria for evaluating initial performance.

Denial decisions shall include:

- (i) Specific deficiencies for each certification element not satisfied;
- (ii) Recommendations for addressing deficiencies;
- (iii) Timeline for resubmission of the activation request.

All Board decisions shall be published on the CESA Administration and Board websites within 7 days of issuance.

Appeal Process

- (1) The CESA Administration may appeal a denial decision to the Governor within 30 days of issuance;
- (2) The Governor may:
 - (i) Affirm the Board's denial;
 - (ii) Remand to the Board for reconsideration with specific instructions;
 - (iii) Override the Board's denial and authorize activation.

Override of a Board denial requires the Governor to issue a written statement explaining:

- (i) The basis for disagreement with the Board's findings;
- (ii) The compelling public interest in activation despite identified deficiencies;
- (iii) Mitigation measures to address the deficiencies.
- (4) Gubernatorial overrides shall be reported to the General Assembly within 7 days;
- (5) The General Assembly may, by joint resolution, reverse a gubernatorial override.

58.5 Administrative Readiness Requirements

Staffing

The CESA Administration must demonstrate that it has:

- (i) Hired or contracted with sufficient staff to administer the program;
- (ii) Completed required training for all staff;
- (iii) Established clear lines of authority and accountability;
- (iv) Developed succession plans for key positions;
- (v) Implemented performance management systems.

Staffing adequacy shall be evaluated based on:

- (i) Industry benchmarks for similar programs;
- (ii) Projected enrollment and utilization;
- (iii) Geographic distribution of services;
- (iv) Complexity of program administration.

Systems and Technology

The CESA Administration must demonstrate that it has:

- (i) Implemented enrollment and eligibility determination systems;
- (ii) Established claims processing and payment systems (for applicable programs);
- (iii) Developed customer service and support systems;
- (iv) Created data management and reporting systems;
- (v) Implemented security and privacy protections compliant with applicable laws.

Systems must have completed:

- (i) User acceptance testing;
- (ii) Security testing and certification;
- (iii) Load testing demonstrating capacity for projected volumes;
- (iv) Integration testing with external systems.
- (v) Policies and Procedures

The CESA Administration must demonstrate that it has:

- (i) Developed comprehensive policies and procedures for program administration;
- (ii) Created participant handbooks and informational materials;
- (iii) Established quality assurance protocols;
- (iv) Implemented complaint and appeal procedures;
- (v) Developed fraud prevention and detection protocols.

Policies and procedures must be:

- (i) Documented in writing;
- (ii) Approved by appropriate authority;
- (iii) Communicated to staff and stakeholders;
- (iv) Consistent with applicable laws and regulations.

58.6 Sustainable Funding Requirements

Revenue Verification

The CESA Administration must demonstrate that:

- (i) Identified revenue sources are legally established and collectible;
- (ii) Revenue projections are based on reasonable assumptions with documented methodology;
- (iii) Revenue sources are diversified to reduce risk of shortfall;
- (iv) Revenue collection systems are operational and tested.

Revenue projections must be reviewed and validated by:

- (i) The Office of State Planning and Budgeting;
- (ii) An independent actuarial or financial analysis (for programs with actuarial components);
- (iii) The Implementation Oversight Board or its designated reviewer.

Reserve Requirements

Before activation, the program must have:

- (i) Operating reserves equal to at least 90 days of projected expenses;
- (ii) Contingency reserves equal to at least 10% of first-year projected expenses;
- (iii) A plan for building reserves to target levels within three years.

Reserve requirements may be modified by the Board based on:

- (i) Program-specific risk characteristics;
- (ii) Federal funding backstops or guarantees;
- (iii) Integration with other CESA programs that share reserves.
- (iv) Five-Year Sustainability Projections

The CESA Administration must provide five-year financial projections demonstrating:

- (i) Revenue sufficient to cover expenses in each year;
- (ii) Reserve maintenance at required levels;
- (iii) No reliance on deficit spending or borrowing for operations;
- (iv) Sensitivity analysis showing sustainability under adverse scenarios.

Projections must include:

- (i) Enrollment growth assumptions;
- (ii) Utilization and cost trends;
- (iii) Economic assumptions (inflation, wage growth, etc.);
- (iv) Regulatory and policy change impacts.
- (v) TABOR Compliance Verification

For programs funded through enterprise funds:

- (i) Confirmation of enterprise fund designation;
- (ii) Documentation that fees meet the 10% threshold for enterprise qualification;
- (iii) Analysis demonstrating that fee structures do not constitute taxes.

For any program elements requiring voter approval:

- (i) Documentation of voter approval obtained;
- (ii) Confirmation that revenue and spending limits are being observed.

58.7 Infrastructure Adequacy Requirements

Physical Facilities

The CESA Administration must demonstrate that:

- (i) Office space is adequate for staff;

- (ii) Service delivery locations are accessible and compliant with ADA requirements;
- (iii) Equipment and furnishings are in place;
- (iv) Security measures are implemented.

For programs with statewide service delivery:

- (i) Facilities must be available in all designated service regions;
- (ii) Mobile or virtual service options must be available for underserved areas;
- (iii) Accessibility analysis must address rural and frontier areas.

Provider Networks (for applicable programs)

Care Without Fear and other healthcare programs must demonstrate:

- (i) Adequate provider participation across all service categories;
- (ii) Geographic distribution meeting access standards;
- (iii) Provider readiness for program participation;
- (iv) Reimbursement rates set and communicated to providers.

Network adequacy standards shall include:

- (i) Time and distance standards for primary care, specialty care, and emergency services;
- (ii) Appointment availability standards;
- (iii) Language access and cultural competency requirements.
- (iv) Partner Readiness

For programs relying on partner organizations (employers, local governments, community organizations):

- (i) Partner agreements must be executed;
- (ii) Partner training must be completed;
- (iii) Partner systems must be integrated as needed;
- (iv) Partner feedback must indicate readiness.

58.8 Legal Compliance Requirements

Regulatory Framework

The CESA Administration must demonstrate that:

- (i) All necessary regulations have been promulgated through proper rulemaking procedures;
- (ii) Regulations have survived any legal challenge or challenges are adequately addressed;
- (iii) Regulatory guidance has been issued to stakeholders;
- (iv) Compliance monitoring systems are in place.

Federal Coordination

For programs affecting federal programs or requiring federal approval:

- (i) All necessary waivers, approvals, or agreements have been obtained;
- (ii) Coordination agreements with federal agencies are in place;
- (iii) Federal funding (if any) has been secured;
- (iv) Federal reporting requirements are understood and systems are in place.
- (v) Legal Challenge Status

The CESA Administration must disclose:

- (i) All pending legal challenges to the program or its enabling provisions;
- (ii) Assessment of litigation risk and potential impacts;
- (iii) Contingency plans if legal challenges succeed.

The Board may:

- (i) Approve activation despite pending challenges if risk is assessed as low;
- (ii) Require additional reserves or contingency plans as a condition of activation;
- (iii) Defer activation until legal challenges are resolved.

58.9 Public Readiness Requirements

Public Education

The CESA Administration must demonstrate that:

- (i) Public education campaigns have been conducted statewide;
- (ii) Materials are available in English, Spanish, and other languages as appropriate;
- (iii) Outreach has reached underserved communities and populations;
- (iv) Public awareness metrics meet established thresholds.

Public education must include:

- (i) Program eligibility and benefits;
- (ii) Enrollment processes and timelines;
- (iii) Rights and responsibilities of participants;
- (iv) Comparison with current programs or systems being replaced.

Enrollment Systems

The CESA Administration must demonstrate that:

- (i) Enrollment systems are operational and tested;
- (ii) Multiple enrollment channels are available (online, phone, in-person);
- (iii) Enrollment assistance is available for those who need help;
- (iv) Enrollment capacity is adequate for projected demand.
- (v) Customer Service

The CESA Administration must demonstrate that:

- (i) Customer service systems are operational;
- (ii) Wait times and response times meet established standards;
- (iii) Staff are trained to answer common questions;
- (iv) Escalation procedures are in place for complex issues.

58.10 Emergency Activation Authority

Declaration Requirement

- (1) In the event of a declared state emergency, the Governor may authorize accelerated activation of CESA programs relevant to the emergency response;
- (2) The Governor's authorization must:
 - (i) Identify the specific emergency and its relation to CESA programs;
 - (ii) Specify which programs or program elements are being activated;
 - (iii) Identify which certification requirements are being waived or modified;
 - (iv) Establish a timeline for emergency activation.

Scope of Emergency Activation

Emergency activation may include:

- (i) Enrollment of affected populations without normal eligibility verification;
- (ii) Provision of benefits without full administrative systems in place;
- (iii) Temporary provider participation without formal credentialing;
- (iv) Expedited rulemaking and policy implementation.

Emergency activation shall prioritize:

- (i) Life and safety of affected populations;
 - (ii) Continuity of essential services;
 - (iii) Prevention of additional harm.
 - (iv) Duration and Extension
- (1) Emergency activation shall be temporary, lasting no more than 180 days from the date of authorization;
 - (2) The Governor may extend emergency activation for additional 90-day periods with written justification;

- (3) Emergency activation lasting more than 270 days total requires approval by the General Assembly;
- (4) At the conclusion of emergency activation, programs must either:
 - (i) Achieve full certification for permanent operation; or
 - (ii) Wind down operations in an orderly manner with adequate notice to participants.

(iii) Reporting During Emergency

During emergency activation, the CESA Administration shall provide weekly reports to the Board including:

- (i) Enrollment and utilization data;
- (ii) Expenditures and revenue;
- (iii) Operational challenges and responses;
- (iv) Progress toward full certification.

The Board shall provide oversight reports to the General Assembly monthly during emergency activation.

58.11 Deactivation and Suspension Authority

Grounds for Deactivation or Suspension

The Board may recommend program deactivation or suspension if:

- (i) The program experiences significant operational failures affecting participant services;
- (ii) Funding shortfalls threaten program sustainability;
- (iii) Legal developments prohibit or significantly impair program operation;
- (iv) Fraud or corruption undermines program integrity.

Significant operational failures include:

- (i) Inability to process claims or provide benefits within established timeframes;
- (ii) System failures lasting more than 72 hours;
- (iii) Provider network inadequacy affecting access to care;
- (iv) Customer service failures affecting participant rights.

Suspension Process

Before recommending suspension, the Board shall:

- (i) Notify the CESA Administration of concerns and provide opportunity to respond;
 - (ii) Conduct a hearing on the proposed suspension;
 - (iii) Consider alternatives to suspension.
- (2) The Governor may suspend program operations for up to 90 days upon Board recommendation;
- (3) During suspension:
- (i) No new enrollments shall be accepted;
 - (ii) Existing participants shall receive notice of suspension and its effects;
 - (iii) Essential services shall continue to the extent feasible;
 - (iv) The CESA Administration shall develop a remediation plan.
- (v) Extended Suspension and Deactivation
- (1) Suspension lasting more than 90 days requires General Assembly approval;
 - (2) Permanent deactivation requires legislation;
 - (3) Participants shall receive at least 60 days notice before any suspension affecting their benefits;
 - (4) The CESA Administration shall assist participants in transitioning to alternative services.

58.12 Reporting and Transparency

Implementation Status Reports

The CESA Administration shall publish quarterly implementation status reports including:

- (i) Progress toward activation certification for each program;
- (ii) Key milestones achieved and upcoming;
- (iii) Challenges encountered and mitigation strategies;
- (iv) Timeline projections for activation.

Reports shall be published on the CESA Administration website and submitted to the Board and General Assembly.

Post-Activation Performance Reports

For each activated program, the CESA Administration shall publish:

- (i) Monthly operational reports during the first year;
- (ii) Quarterly operational reports thereafter.

Operational reports shall include:

- (i) Enrollment and utilization data;
- (ii) Financial performance against projections;
- (iii) Customer service metrics;
- (iv) Quality and outcome measures.
- (v) Public Dashboard

The CESA Administration shall maintain a public dashboard showing:

- (i) Real-time status of each CESA program;
- (ii) Key metrics for activated programs;
- (iii) Progress toward activation for pending programs;
- (iv) Links to detailed reports and documentation.

SECTION 59: DUE PROCESS AND SAFE HARBOR FRAMEWORK

59.1 Purpose and Legislative Intent

The General Assembly finds that:

- (1) Effective regulation requires both meaningful enforcement and fair treatment of those subject to regulation;
- (2) The complexity of CESA programs creates genuine challenges for compliance, particularly for small employers and individuals unfamiliar with regulatory requirements;
- (3) Punitive enforcement without opportunity for correction discourages good faith compliance efforts and generates unnecessary litigation;
- (4) Technical violations that cause no harm should be treated differently from willful violations that harm program participants or the public;
- (5) Due process protections are fundamental rights that apply to administrative enforcement as well as judicial proceedings;
- (6) Access to technical assistance and compliance guidance promotes voluntary compliance and reduces enforcement costs;
- (7) Small employers and individuals often lack the resources to navigate complex regulatory requirements without assistance;
- (8) Fair enforcement enhances public trust in CESA programs and encourages participation.

The purpose of this section is to establish:

- (1) Safe harbor correction periods that allow good faith correction of violations before penalties are imposed;
- (2) Technical assistance programs that help employers and individuals achieve compliance;

- (3) Due process protections that ensure fair treatment in enforcement proceedings;
- (4) Proportionate penalties that reflect the severity of violations and the circumstances of violators;
- (5) Special protections for small employers and individuals with limited resources;
- (6) Clear procedures for appeals and judicial review.

Application

This section applies to all enforcement actions under this Act, including but not limited to:

- (i) Employer requirements under Sections 4, 25, 39, 52, and other provisions;
- (ii) Business certification requirements under Section 26;
- (iii) Provider participation requirements under Section 2;
- (iv) Individual obligations under any CESA program.

This section does not apply to:

- (i) Criminal prosecutions, which are governed by the Colorado Rules of Criminal Procedure;
- (ii) Actions by federal agencies;
- (iii) Private civil actions not brought by the CESA Administration.

59.2 Safe Harbor Correction Periods

59.2.1 Purpose of Safe Harbor

Safe harbor correction periods serve to:

- (1) Encourage voluntary compliance with CESA requirements;
- (2) Reduce adversarial enforcement actions;
- (3) Provide opportunity to correct violations without permanent consequences;
- (4) Allow the CESA Administration to focus resources on willful and repeated violations;
- (5) Build cooperative relationships between the CESA Administration and regulated entities.

Safe harbor is available for:

- (1) First-time violations by any employer, business, or individual;
- (2) Technical violations that do not result in harm to program participants;
- (3) Violations discovered through self-audit or voluntary disclosure;
- (4) Violations resulting from good faith misunderstanding of requirements.

Safe harbor is NOT available for:

- (1) Violations involving fraud, intentional misrepresentation, or bad faith;
- (2) Violations causing significant harm to program participants;
- (3) Repeated violations of the same requirement within 24 months;
- (4) Violations committed after receiving technical assistance specifically addressing the requirement violated;
- (5) Violations involving discrimination, harassment, or retaliation.

59.2.2 Initial Violation Response

Notice Requirements

Upon identifying a first-time violation, the CESA Administration shall provide written notice to the respondent that includes:

- (i) A clear description of the specific violation, including the regulatory requirement violated;
- (ii) The date(s) on which the violation occurred or was identified;
- (iii) The specific corrective action required to cure the violation;
- (iv) The deadline for correction (not less than 30 calendar days from notice);

- (v) Information about available technical assistance;
- (vi) A statement that correction within the safe harbor period will result in no penalty and no record of violation;
- (vii) Contact information for questions about the notice or correction requirements;
- (viii) Information about extended safe harbor availability if applicable.

Notice shall be provided by:

- (i) Certified mail, return receipt requested;
- (ii) Personal service; or
- (iii) Electronic delivery if the respondent has consented to electronic service.

Notice shall be provided in English and Spanish, and in other languages upon request.

Correction Period

- (1) The respondent shall have 30 calendar days from receipt of notice to cure the violation;
- (2) Cure is demonstrated by:
 - (i) Ceasing the violating conduct;
 - (ii) Implementing required policies, procedures, or practices;
 - (iii) Providing required notices, payments, or benefits to affected persons;
 - (iv) Submitting documentation of correction to the CESA Administration.

The correction period may be extended by up to 15 additional days upon request if:

- (i) The respondent demonstrates good faith efforts toward correction;
- (ii) Circumstances beyond the respondent's control delay correction;
- (iii) Correction requires action by third parties.
- (iv) Technical Assistance During Correction Period

- (1) Upon request, the CESA Administration shall provide technical assistance to help the respondent achieve correction;
- (2) Technical assistance may include:
 - (i) Clarification of requirements;
 - (ii) Review of proposed corrective actions;
 - (iii) Templates, forms, or sample policies;
 - (iv) Referrals to outside resources.
- (3) Technical assistance during the correction period shall be provided at no cost;
- (4) The provision of technical assistance does not extend the correction period unless the extension is specifically granted.

Verification of Correction

Upon receiving documentation of correction, the CESA Administration shall:

- (i) Review the documentation within 15 days;
- (ii) Conduct verification as appropriate, which may include site visits, document review, or interviews;
- (iii) Issue a written determination of whether correction has been achieved.

If correction is verified:

- (i) No penalty shall be imposed;
- (ii) No record of violation shall be maintained in publicly available databases;
- (iii) The matter shall be closed.

If correction is not verified:

- (i) The CESA Administration shall identify the specific deficiencies;
- (ii) The respondent shall have 15 additional days to address deficiencies;
- (iii) If deficiencies are not addressed, the matter shall proceed to enforcement.

59.2.3 Extended Safe Harbor for Complex Violations

Availability

Extended safe harbor is available for violations that:

Require substantial operational changes to correct, such as:

- (i) Implementation of new employment policies or practices;
- (ii) Modification of information systems;
- (iii) Training of multiple employees;
- (iv) Negotiation of contracts or agreements.
- (2) Require capital investment or facility modification;
- (3) Require regulatory approval or third-party action.

Extended Safe Harbor Period

- (1) Extended safe harbor provides up to 60 calendar days from receipt of initial notice to cure the violation;
- (2) Requests for extended safe harbor must be submitted within 10 days of receiving initial violation notice;
- (3) Requests must include:
 - (i) Explanation of why extended time is needed;
 - (ii) A proposed correction plan with milestones;
 - (iii) Commitment to provide progress reports as required.
- (iv) Conditions of Extended Safe Harbor

During extended safe harbor, the respondent must:

- (i) Demonstrate good faith progress toward correction;
- (ii) Provide progress reports at least every 15 days;
- (iii) Immediately notify the CESA Administration of any barriers to correction;
- (iv) Not commit additional violations of the same or related requirements.

Extended safe harbor may be revoked if:

- (i) The respondent fails to demonstrate good faith progress;
- (ii) The respondent commits additional violations;
- (iii) The respondent fails to provide required progress reports.
- (iv) Technical Assistance During Extended Safe Harbor

- (1) Respondents in extended safe harbor shall receive priority access to technical assistance resources;
- (2) The CESA Administration may assign a dedicated compliance advisor to assist with correction;
- (3) Technical assistance during extended safe harbor shall be provided at no cost to employers with fewer than 100 employees.

59.2.4 Good Faith Compliance Recognition

Definition of Good Faith

Good faith compliance is demonstrated by:

- (1) Prompt acknowledgment of identified violations;
- (2) Cooperation with the CESA Administration in investigating and correcting violations;
- (3) Implementation of corrective actions within required timeframes;
- (4) Voluntary disclosure of additional violations discovered during correction;
- (5) Investment in compliance infrastructure (training, systems, policies);
- (6) Consultation with legal counsel, compliance professionals, or the CESA Administration before taking actions of uncertain legality.

Benefits of Good Faith Compliance

Respondents who demonstrate good faith compliance shall receive:

- (i) Presumption of eligibility for safe harbor;
- (ii) Reduced penalties if penalties are ultimately imposed;
- (iii) Priority access to technical assistance;

- (iv) Consideration in any enforcement proceeding.

Good faith compliance may mitigate penalties even for violations not eligible for safe harbor.

Good Faith Compliance Record

The CESA Administration shall maintain confidential records of:

- (i) Respondents' compliance history;
- (ii) Good faith efforts demonstrated;
- (iii) Participation in technical assistance programs.

Good faith compliance records shall be considered in:

- (i) Determining penalty amounts;
- (ii) Deciding whether to pursue enforcement actions;
- (iii) Granting extended safe harbor or other accommodations.

59.3 Technical Assistance Program

59.3.1 Establishment

- (a) The CESA Administration shall establish a Technical Assistance Program providing compliance guidance to employers, businesses, and individuals subject to CESA requirements.
- (b) The Technical Assistance Program shall:
 - (1) Be administratively separate from enforcement functions;
 - (2) Maintain confidentiality of technical assistance interactions except as required by law;
 - (3) Provide guidance in good faith without creating liability for the CESA Administration;
 - (4) Continuously improve based on common compliance challenges identified.

Technical assistance communications shall not be used as evidence of violation in enforcement proceedings, except:

- (1) Where the respondent affirmatively misrepresented facts to obtain guidance;
- (2) Where the respondent violated a requirement after receiving specific guidance on that requirement.

59.3.2 Services Provided

Free Compliance Guidance

The following services shall be provided at no cost:

For employers with fewer than 100 employees:

- (i) Telephone and email consultations on compliance questions;
- (ii) Review of policies and procedures for CESA compliance;
- (iii) On-site compliance assessments upon request;
- (iv) Training for human resources and management staff;
- (v) Assistance with voluntary disclosures and correction plans.

For all regulated entities:

- (i) Written guidance documents explaining CESA requirements;
- (ii) Frequently asked questions and answers;
- (iii) Model policies, forms, and templates;
- (iv) Webinars and online training modules;
- (v) Compliance checklists and self-audit tools.

Subsidized Compliance Guidance

The following services shall be provided at subsidized rates:

For employers with 100-500 employees:

- (i) On-site compliance assessments at 50% of market rate;
- (ii) Customized training programs at 50% of market rate;

(iii) Policy and procedure review at 50% of market rate.
Subsidized rates shall be set annually based on market surveys.

Full-Cost Services

- (1) Employers with more than 500 employees may access technical assistance services at full cost;
- (2) Full-cost services shall be priced to recover the CESA Administration's costs without generating profit;
- (3) Full-cost services shall not be prioritized over free or subsidized services.

59.3.3 Industry-Specific Guidance

The CESA Administration shall develop industry-specific compliance guidance for:

- (1) Healthcare providers;
- (2) Construction and trades employers;
- (3) Retail and hospitality employers;
- (4) Agricultural employers;
- (5) Technology and professional services employers;
- (6) Manufacturing employers;
- (7) Nonprofit organizations;
- (8) Other industries as needs are identified.

Industry-specific guidance shall address:

- (1) Common compliance challenges in the industry;
- (2) Best practices for the industry context;
- (3) Integration with industry-specific regulations;
- (4) Seasonal and workforce variation issues.

Industry guidance shall be developed in consultation with:

- (1) Industry associations and trade groups;
- (2) Labor organizations representing workers in the industry;
- (3) CESA Administration enforcement staff;
- (4) Employers and workers with industry experience.

59.3.4 Pre-Compliance Review

Availability

- (1) Employers may request pre-compliance review of proposed policies, practices, or transactions before implementation;
- (2) Pre-compliance review is available for:
 - (i) New employment policies or procedures;
 - (ii) Proposed workforce restructuring or AI implementation;
 - (iii) Business transactions affecting CESA obligations;
 - (iv) Novel situations not clearly addressed by existing guidance.

Process

Requests for pre-compliance review shall include:

- (i) Detailed description of the proposed policy, practice, or transaction;
- (ii) The specific CESA requirements the employer believes apply;
- (iii) The employer's analysis of how the proposal complies;
- (iv) Questions or concerns about compliance.

The CESA Administration shall respond within 30 days with:

- (i) A determination that the proposal complies with CESA requirements;
- (ii) A determination that the proposal does not comply, with explanation;
- (iii) A request for additional information needed to make a determination.
- (iv) Safe Harbor Effect

Policies or practices approved in pre-compliance review receive safe harbor protection from enforcement for 24 months, provided:

- (i) The employer accurately represented the facts in the request;
- (ii) The employer implements the policy as described;
- (iii) The applicable CESA requirements have not changed.
- (2) Safe harbor protection may be extended beyond 24 months upon request if requirements remain unchanged.
- (3) If the CESA Administration later determines that pre-compliance guidance was in error:
 - (i) The employer shall receive notice and reasonable time to come into compliance;
 - (ii) No penalties shall be imposed for the period of reliance on the guidance;
 - (iii) The employer may continue the practice during a transition period.

59.4 Due Process Protections

59.4.1 Constitutional and Statutory Basis

The due process protections in this section are grounded in:

- (1) The Due Process Clauses of the United States Constitution (Fifth and Fourteenth Amendments);
- (2) The Colorado Constitution, Article II, Sections 6 and 25;
- (3) The Colorado Administrative Procedure Act, C.R.S. Title 24, Article 4;
- (4) Principles of fundamental fairness.

These protections apply to all CESA enforcement proceedings, including:

- (1) Civil penalty proceedings;
- (2) License, certification, or registration actions;
- (3) Debarment or exclusion proceedings;
- (4) Any other action that may deprive a person or entity of property, liberty, or livelihood.

59.4.2 Notice Requirements

Content of Notice

Before any penalty or adverse action is imposed, the CESA Administration shall provide written notice that includes:

A clear statement of the alleged violation(s), including:

- (i) The specific statutory or regulatory provision violated;
- (ii) The facts alleged to constitute the violation;
- (iii) The date(s) on which the violation occurred.
- (2) The proposed penalty or adverse action;
- (3) The statutory or regulatory basis for the proposed penalty;
- (4) The factors considered in determining the proposed penalty;
- (5) Information on the right to request a hearing;
- (6) The deadline for requesting a hearing (not less than 20 days);
- (7) Information on the right to counsel;
- (8) Information on available resources for unrepresented parties;
- (9) Contact information for questions about the notice.

Timing of Notice

- (1) Notice shall be provided at least 30 days before the proposed penalty takes effect;
- (2) For ongoing violations, notice shall specify the date by which the violation must be cured to avoid penalties;
- (3) For retroactive penalties, notice shall specify the period covered.

Method of Notice

Notice shall be provided by:

- (i) Certified mail, return receipt requested;
- (ii) Personal service; or
- (iii) Electronic delivery if the respondent has consented to electronic service.
- (2) Notice shall be in English and Spanish, with translation available in other languages upon request;
- (3) Notice to entities shall be provided to the registered agent or principal place of business.

59.4.3 Right to Administrative Hearing

Request for Hearing

- (1) Any person or entity subject to proposed penalties has the right to request an administrative hearing;
- (2) Hearing requests must be submitted in writing within 20 days of receiving notice;
- (3) Hearing requests may be submitted:
 - (i) By mail to the address specified in the notice;
 - (ii) Electronically through the CESA Administration portal;
 - (iii) In person at any CESA service location.

Late hearing requests may be accepted for good cause shown.

Hearing Procedures

- (1) Hearings shall be conducted by an administrative law judge (ALJ) employed by or contracted with the Office of Administrative Courts;
- (2) The CESA Administration shall not have authority to select or remove hearing officers in individual cases;
- (3) Hearings shall be conducted in accordance with:
 - (i) The Colorado Administrative Procedure Act;
 - (ii) Rules promulgated by the Office of Administrative Courts;
 - (iii) Supplemental rules promulgated by the CESA Administration.

The respondent shall have the right to:

- (i) Receive reasonable advance notice of the hearing date;
- (ii) Request postponement for good cause;
- (iii) Appear at the hearing in person, by video, or by telephone;
- (iv) Present evidence and call witnesses;
- (v) Cross-examine witnesses presented by the CESA Administration;
- (vi) Be represented by counsel or other authorized representative;
- (vii) Make opening and closing statements;
- (viii) Receive a transcript or recording of the hearing.
- (ix) Burden of Proof
 - (1) The CESA Administration bears the burden of proving violations by a preponderance of the evidence;
 - (2) The respondent may raise affirmative defenses, including:
 - (i) Good faith compliance efforts;
 - (ii) Reliance on official guidance;
 - (iii) Impossibility or impracticability of compliance;
 - (iv) Constitutional or statutory defenses.
 - (v) Evidence

The rules of evidence shall be relaxed, but:

- (i) Irrelevant, immaterial, or unduly repetitious evidence may be excluded;
- (ii) Hearsay may be admitted but shall not be the sole basis for findings.

The respondent shall have access to:

- (i) All evidence the CESA Administration intends to present;

- (ii) Investigative files, subject to privileges and confidentiality protections;
- (iii) Exculpatory evidence in the CESA Administration's possession.

Decision

- (1) The ALJ shall issue a written decision within 60 days of the hearing;
- (2) The decision shall include:
 - (i) Findings of fact;
 - (ii) Conclusions of law;
 - (iii) The penalty or action imposed, if any;
 - (iv) The basis for the penalty determination;
 - (v) Information on appeal rights.

Decisions shall be based solely on:

- (i) Evidence presented at the hearing;
- (ii) Matters officially noticed;
- (iii) Applicable law.

59.4.4 Stay of Penalties

Automatic Stay

- (1) Upon timely request for a hearing, proposed penalties shall be automatically stayed pending completion of the hearing;
- (2) The automatic stay shall continue until:
 - (i) A final decision is issued; or
 - (ii) The respondent withdraws the hearing request.

Exceptions to Automatic Stay

The CESA Administration may seek to lift the automatic stay if:

- (1) Immediate enforcement is necessary to prevent imminent harm to program participants;
- (2) The respondent is dissipating assets to avoid payment;
- (3) The respondent has a history of non-compliance with enforcement orders.

Lifting the Stay

- (1) Requests to lift the stay shall be heard on an expedited basis;
- (2) The CESA Administration bears the burden of showing:
 - (i) The specific harm that will occur if the stay continues;
 - (ii) That the harm outweighs the burden on the respondent.

If the stay is lifted, the respondent may seek interlocutory appeal.

59.4.5 Judicial Review

Right to Appeal

- (1) Administrative decisions may be appealed to the Colorado district court;
- (2) Appeals must be filed within 30 days of the final administrative decision;
- (3) Appeals shall be filed in:
 - (i) The district court for the county where the respondent resides or has its principal place of business; or
 - (ii) The Denver District Court.

Standard of Review

- (1) The court shall review the administrative record;
- (2) Findings of fact shall be upheld if supported by substantial evidence;
- (3) Conclusions of law shall be reviewed de novo;
- (4) Penalty determinations shall be reviewed for abuse of discretion.

Stay During Appeal

- (1) Penalties shall remain stayed during judicial appeal unless the court orders otherwise;

- (2) The CESA Administration may request lifting of the stay under the standards in Section 59.4.4(b);
- (3) The court may require the respondent to post a bond as a condition of continued stay.

Remedies

The court may:

- (1) Affirm the administrative decision;
- (2) Reverse the decision in whole or in part;
- (3) Modify the penalty;
- (4) Remand for further proceedings;
- (5) Award attorney fees to a prevailing respondent if the CESA Administration's position was not substantially justified.

59.5 Penalty Proportionality

59.5.1 Civil Penalty Principles

Civil penalties shall be proportionate to:

- (1) The severity of the violation;
- (2) The size and resources of the respondent;
- (3) The harm caused by the violation;
- (4) The respondent's compliance history;
- (5) The respondent's good faith efforts to comply;
- (6) The need for deterrence.

Penalty schedules shall provide:

- (1) Ranges for each type of violation;
- (2) Factors that warrant penalties at the high or low end of ranges;
- (3) Criteria for per-violation vs. per-day calculations;
- (4) Aggregation rules for multiple violations.

59.5.2 Small Employer Penalty Reductions

For employers with fewer than 50 employees:

- (1) Maximum civil penalties shall be reduced to 50% of the standard maximum;
- (2) Per-day penalties shall be calculated weekly rather than daily;
- (3) Payment plans shall be available for all penalties;
- (4) Penalty waivers may be granted for first-time violations corrected within extended safe harbor.

59.5.3 Criminal Penalty Limitations

Criminal penalties under this Act are reserved for:

Willful violations committed with knowledge of illegality, defined as:

- (i) Continuing a practice after receiving notice of violation;
- (ii) Intentionally evading CESA requirements;
- (iii) Deliberately falsifying records or statements.
- (2) Repeated violations, defined as three or more violations of the same requirement within 36 months;
- (3) Fraud or intentional misrepresentation to obtain benefits, payments, or favorable treatment;
- (4) Violations causing significant harm, defined as:
 - (i) Physical injury to persons;
 - (ii) Financial harm exceeding \$50,000;
 - (iii) Deprivation of essential benefits to vulnerable populations.

No criminal penalty shall be imposed for:

- (1) Good faith compliance errors;

- (2) Technical violations without harm;
- (3) First-time offenses eligible for safe harbor;
- (4) Violations based on ambiguous regulatory requirements.

Prosecution Requirements

- (1) Criminal prosecutions require referral from the CESA Administration to the appropriate district attorney;
- (2) The CESA Administration shall develop criteria for criminal referral;
- (3) Criminal prosecution does not preclude civil penalties, but shall be credited against any civil penalty for the same conduct.

59.6 Whistleblower Coordination

This section does not limit:

- (1) Whistleblower protections under Section 24;
- (2) Protection for employees who report violations;
- (3) Investigation of complaints filed by employees or the public.

Investigations initiated by whistleblower complaints shall:

- (1) Protect whistleblower confidentiality to the extent permitted by law;
- (2) Proceed on standard enforcement timelines unless expedited review is warranted;
- (3) Result in notification to the whistleblower of the outcome.

Respondents shall not be permitted to:

- (1) Retaliate against whistleblowers as defined in Section 24;
- (2) Require employees to waive whistleblower rights;
- (3) Interfere with employee cooperation in investigations.

SECTION 60: IMPLEMENTATION OVERSIGHT BOARD

60.1 Purpose and Legislative Intent

The General Assembly finds that:

- (1) The scope and complexity of CESA requires independent oversight to ensure effective implementation, protect taxpayers, and maintain public confidence;
- (2) Experience with large-scale government programs demonstrates that independent oversight improves outcomes by providing accountability, identifying problems early, and ensuring transparency;
- (3) The potential for political pressure to rush implementation or overlook deficiencies necessitates an independent body with authority to certify readiness before program activation;
- (4) Stakeholders including workers, employers, healthcare providers, and taxpayers deserve representation in oversight of programs that affect them;
- (5) The CESA Administration, while competent and well-intentioned, benefits from external review and accountability, just as other public agencies benefit from independent audit and oversight;
- (6) Transparency in implementation decisions builds public trust and allows for informed public participation;
- (7) The Integration of diverse perspectives improves decision-making and reduces blind spots;
- (8) Colorado's TABOR requirements demand particular attention to fiscal accountability and transparency.

The purpose of this section is to establish an Implementation Oversight Board that:

- (1) Provides independent oversight of CESA implementation;
- (2) Certifies program activation under Section 58;

- (3) Reviews and monitors program performance after activation;
- (4) Ensures transparency through regular public reporting;
- (5) Recommends improvements to the CESA Administration and General Assembly;
- (6) Protects program participants, taxpayers, and stakeholders from premature or deficient implementation.

60.2 Establishment

- (a) There is hereby established the CESA Implementation Oversight Board as an independent body within state government.
- (b) The Board shall be a body corporate with perpetual succession and the power to:
 - (1) Sue and be sued in its own name;
 - (2) Enter into contracts;
 - (3) Employ staff;
 - (4) Acquire property necessary for its functions;
 - (5) Promulgate rules governing its proceedings;
 - (6) Exercise all powers necessary to carry out its duties under this Act.

The Board is not a division, department, or agency of the CESA Administration and shall operate independently of the CESA Administration in all respects.

60.3 Composition

Board Membership

The Board shall consist of eleven voting members as follows:

Governor's Appointments (3 members)

The Governor shall appoint three members, including:

- (A) At least one member with substantial expertise in healthcare administration, public health, or health policy, such as a former healthcare executive, public health official, or health policy academic;
- (B) At least one member with substantial expertise in public finance, budgeting, or actuarial science, such as a former state budget director, fiscal analyst, or actuary;
- (C) Members with expertise in program administration, technology, or other relevant fields.

Governor's appointments shall be made within 60 days of the effective date of this Act.

Senate Appointments (2 members)

The President of the Senate shall appoint two members, with:

- (A) One member appointed upon recommendation of the Senate Majority Leader;
- (B) One member appointed upon recommendation of the Senate Minority Leader.

Senate appointments shall reflect geographic diversity.

House Appointments (2 members)

The Speaker of the House of Representatives shall appoint two members, with:

- (A) One member appointed upon recommendation of the House Majority Leader;
- (B) One member appointed upon recommendation of the House Minority Leader.

House appointments shall reflect geographic diversity.

Organized Labor Representative (1 member)

- (i) The Colorado AFL-CIO shall nominate three qualified candidates;
- (ii) The Governor shall appoint one of the nominated candidates within 30 days of receiving nominations;
- (iii) The member shall have experience representing workers' interests in healthcare, employment, or economic security.

Business Community Representative (1 member)

- (i) The Colorado Chamber of Commerce shall nominate three qualified candidates;
- (ii) The Governor shall appoint one of the nominated candidates within 30 days of receiving nominations;
- (iii) The member shall have experience with employer-provided benefits, workforce management, or business operations in Colorado.

Healthcare Provider Representative (1 member)

- (i) The Colorado Medical Society, in consultation with the Colorado Hospital Association and Colorado Community Health Network, shall jointly nominate three qualified candidates;
- (ii) The Governor shall appoint one of the nominated candidates within 30 days of receiving nominations;
- (iii) The member shall be a licensed healthcare provider or healthcare administrator with experience in healthcare delivery, reimbursement, or health system administration.

Consumer and Patient Advocate (1 member)

- (i) Colorado consumer advocacy organizations, as identified by the Attorney General's Consumer Protection Division, shall collectively nominate three qualified candidates;
- (ii) The Governor shall appoint one of the nominated candidates within 30 days of receiving nominations;
- (iii) The member shall have experience advocating for consumer or patient interests, with preference for experience in healthcare, insurance, or economic security.

Diversity and Representation

Appointing authorities shall consider diversity in:

- (i) Geographic representation, including rural, suburban, and urban areas;
 - (ii) Race, ethnicity, and gender;
 - (iii) Professional background and expertise;
 - (iv) Age and generational perspective;
 - (v) Experience with underserved communities.
- (2) No more than six members shall be affiliated with the same political party;
 - (3) At least two members shall reside outside the Denver metropolitan area.

60.4 Qualifications

General Qualifications

All Board members must:

- (1) Be residents of Colorado;
- (2) Be at least 25 years of age;
- (3) Not be a current employee of the CESA Administration;
- (4) Not be a current elected official or candidate for elected office;
- (5) Not have been convicted of a felony involving dishonesty or breach of trust within the preceding 10 years;
- (6) Not have a substantial financial interest in entities that contract with or are regulated by CESA programs, unless the interest is disclosed and a recusal policy is applied.

Disclosure Requirements

Before appointment, nominees must disclose:

- (1) Current employment and business interests;
- (2) Sources of income exceeding \$5,000 annually;

- (3) Investments in entities that contract with or are regulated by CESA;
- (4) Positions held with organizations that have advocated for or against CESA;
- (5) Any other matters that could create actual or apparent conflicts of interest.

Conflict of Interest Policies

- (1) The Board shall adopt a conflict of interest policy within 90 days of its first meeting;
- (2) The policy shall address:
 - (i) Circumstances requiring recusal from specific matters;
 - (ii) Prohibition on participation in decisions affecting financial interests;
 - (iii) Cooling-off periods for employment with regulated entities;
 - (iv) Disclosure of communications with interested parties.

Board members shall certify compliance with conflict of interest policies annually.

60.5 Terms and Vacancies

Term Length

- (1) Board members shall serve four-year terms;
- (2) Terms shall be staggered so that no more than three terms expire in any single year;
- (3) Initial terms shall be:
 - (i) Three members serving two-year terms;
 - (ii) Four members serving three-year terms;
 - (iii) Four members serving four-year terms.

Initial term assignments shall be determined by lot at the first Board meeting.

Term Limits

- (1) Board members may be reappointed for one additional term (maximum of eight years of service);
- (2) Service of a partial term of less than two years does not count toward term limits;
- (3) Members who have served two full terms are ineligible for reappointment for at least four years.

Holdover

A member whose term has expired may continue to serve until a successor is appointed, for a maximum of 180 days.

Vacancies

- (1) Vacancies shall be filled by the original appointing authority within 60 days;
- (2) Members appointed to fill vacancies shall serve the remainder of the unexpired term;
- (3) If the original appointing authority fails to fill a vacancy within 60 days:
 - (i) For Governor's appointments: the vacancy may be filled by the Chief Justice of the Colorado Supreme Court;
 - (ii) For legislative appointments: the vacancy may be filled by the presiding officer of the opposite chamber;
 - (iii) For stakeholder nominations: the Governor may select from any qualified candidate.

Removal

Board members may be removed only for cause, including:

- (i) Neglect of duty;
- (ii) Malfeasance in office;
- (iii) Conviction of a felony;
- (iv) Violation of conflict of interest policies;
- (v) Incapacity to perform duties.

Removal requires:

- (i) Written charges specifying the grounds for removal;
- (ii) An opportunity to be heard before the appointing authority;
- (iii) A two-thirds vote of the original appointing body (for legislative appointments) or a determination by the Governor (for executive appointments).

Removal decisions may be appealed to the Colorado Court of Appeals.

60.6 Organization

Officers

- (1) The Board shall elect a Chair and Vice Chair from among its members annually;
- (2) The Chair shall:
 - (i) Preside at Board meetings;
 - (ii) Set meeting agendas in consultation with Board members;
 - (iii) Serve as the Board's primary spokesperson;
 - (iv) Sign documents on behalf of the Board;
 - (v) Appoint committee chairs and members.

The Vice Chair shall:

- (i) Perform the Chair's duties in the Chair's absence;
- (ii) Assume the Chair position if the Chair resigns or is removed.

Officers may be removed by a two-thirds vote of the Board.

Committees

- (1) The Board may establish standing and ad hoc committees;
- (2) Recommended standing committees include:
 - (i) Activation Certification Committee;
 - (ii) Finance and Budget Committee;
 - (iii) Performance Review Committee;
 - (iv) Public Engagement Committee.
- (3) Committees may include non-Board members with relevant expertise as advisory members;
- (4) Committee recommendations require full Board approval for final action.

Executive Director

- (1) The Board shall employ an Executive Director to manage day-to-day operations;
- (2) The Executive Director shall:
 - (i) Hire and supervise Board staff;
 - (ii) Prepare materials for Board meetings;
 - (iii) Coordinate with the CESA Administration and other agencies;
 - (iv) Manage the Board's budget;
 - (v) Implement Board policies and decisions.
- (3) The Executive Director serves at the pleasure of the Board;
- (4) The Executive Director shall not be a current or former employee of the CESA Administration within the preceding two years.

60.7 Powers and Duties

Program Activation Certification

The Board shall certify program activation under Section 58, including:

- (i) Reviewing activation requests from the CESA Administration;
- (ii) Conducting independent verification of certification claims;
- (iii) Holding public hearings on activation requests;
- (iv) Issuing written decisions with findings and conclusions.

Activation certification decisions require a majority vote of the Board.

Budget Review

The Board shall review and comment on the CESA Administration's budget requests, including:

- (i) Operating budgets for each program;
- (ii) Capital budgets for facilities and systems;
- (iii) Reserve and contingency fund levels;
- (iv) Multi-year financial projections.

Budget comments shall be submitted to the Governor and General Assembly.

Performance Review

The Board shall conduct annual performance reviews of all activated CESA programs, including:

- (i) Review of enrollment, utilization, and outcome data;
- (ii) Analysis of customer service metrics and complaints;
- (iii) Assessment of financial performance against projections;
- (iv) Evaluation of compliance with statutory requirements;
- (v) Comparison with benchmarks and best practices.

Performance reviews shall identify:

- (i) Areas of success and exemplary performance;
- (ii) Areas needing improvement;
- (iii) Recommendations for program modifications;
- (iv) Recommendations for legislative action.
- (v) Investigation Authority

The Board may investigate complaints regarding CESA Administration:

- (i) Waste, fraud, or abuse;
- (ii) Mismanagement or inefficiency;
- (iii) Violations of law or policy;
- (iv) Failure to comply with Board directives.

Investigations may be initiated:

- (i) Upon complaint from any person;
- (ii) Upon referral from the General Assembly or Governor;
- (iii) On the Board's own motion.

The Board may refer findings to:

- (i) The Governor for executive action;
- (ii) The General Assembly for legislative action;
- (iii) The Attorney General for legal action;
- (iv) Law enforcement for criminal investigation.

Subpoena Authority

The Board may subpoena:

- (i) Documents and records in the possession of the CESA Administration;
- (ii) Documents and records in the possession of CESA contractors;
- (iii) Testimony from CESA Administration employees and contractors.
- (2) Subpoenas shall be enforceable in district court;
- (3) Subpoena authority shall not extend to:
 - (i) Individual program participants' protected health information;
 - (ii) Matters protected by attorney-client privilege;
 - (iii) Matters protected by other legal privileges.

Recommendation Authority

The Board may recommend:

- (i) Program modifications to the CESA Administration;
- (ii) Regulatory changes to the CESA Administration;

- (iii) Legislative changes to the General Assembly;
- (iv) Budget adjustments to the Governor and General Assembly.

The CESA Administration shall respond to Board recommendations within 60 days, indicating:

- (i) Acceptance and implementation plan;
- (ii) Partial acceptance with explanation;
- (iii) Rejection with explanation.

Recommendations and responses shall be included in Board annual reports.

60.8 Meetings and Transparency

Regular Meetings

- (1) The Board shall meet at least quarterly at regularly scheduled times and places;
- (2) At least one meeting per year shall be held outside the Denver metropolitan area;
- (3) Additional meetings may be called by the Chair or upon request of three Board members.

Open Meetings

- (1) All Board meetings shall be open to the public except as provided in subsection (c);
- (2) Meeting agendas shall be published at least seven days in advance on the Board's website;
- (3) Meeting materials shall be published at least three days in advance;
- (4) Meetings shall be accessible by:
 - (i) In-person attendance;
 - (ii) Live video and audio streaming;
 - (iii) Telephone participation for public comment.

Meetings shall be recorded and recordings made available within 48 hours.

Executive Sessions

The Board may hold executive sessions closed to the public only for:

- (i) Personnel matters involving specific individuals;
- (ii) Confidential business information provided by CESA contractors;
- (iii) Legal strategy regarding pending or threatened litigation;
- (iv) Security matters where public disclosure would compromise safety.

Executive sessions require:

- (i) Announcement in open session of the specific reason for the session;
- (ii) A two-thirds vote to enter executive session;
- (iii) No final action during executive session.

General discussion of policy matters, program performance, or Board operations shall not be conducted in executive session.

Public Participation

- (1) Each regular meeting shall include an opportunity for public comment;
- (2) Public comment periods shall be:
 - (i) At least 30 minutes in duration;
 - (ii) Scheduled at a time accessible to working people (evening or weekend);
 - (iii) Open to comment on any matter within the Board's jurisdiction.

Written public comments shall be accepted and made part of the record.

Minutes and Records

- (1) Meeting minutes shall be published within 14 days of each meeting;
- (2) Minutes shall include:
 - (i) Members present and absent;

- (ii) Summary of discussion;
- (iii) Full text of motions and votes;
- (iv) Summary of public comments.

All Board records are public records subject to the Colorado Open Records Act.

60.9 Written Decisions

All Board decisions shall be accompanied by written explanations that include:

- (1) The issue or question decided;
 - (2) The relevant facts considered;
 - (3) The applicable legal or policy standards;
 - (4) The Board's analysis and reasoning;
 - (5) The decision and any conditions or limitations;
 - (6) Dissenting views, if any member wishes to record dissent.
- (b) Written decisions shall be published on the Board's website within seven days of issuance.
- (c) Decisions on activation certification shall additionally include:
- (1) Findings on each certification element;
 - (2) Conditions or limitations on activation;
 - (3) Reporting requirements for the activated program;
 - (4) Criteria for early performance review.

60.10 Annual Report

Content

By March 1 of each year, the Board shall publish an annual report including:

Status of each CESA program:

- (i) Planning phase programs: progress toward activation and projected timelines;
- (ii) Activation pending programs: status of certification review;
- (iii) Active programs: operational status and performance summary;
- (iv) Suspended programs: status and path to restoration.

Financial performance of each active program:

- (i) Revenue collected vs. projected;
- (ii) Expenses incurred vs. budgeted;
- (iii) Reserve fund levels;
- (iv) Five-year financial outlook.

Enrollment and utilization data:

- (i) Total enrollment by program;
- (ii) Enrollment by demographic characteristics;
- (iii) Utilization rates for key services;
- (iv) Trends and projections.

Customer satisfaction metrics:

- (i) Survey results;
- (ii) Complaint volumes and resolution;
- (iii) Call center performance;
- (iv) Service delivery timeliness.

Identified deficiencies:

- (i) Operational challenges;
- (ii) Compliance concerns;
- (iii) Financial risks;
- (iv) Stakeholder concerns.

Recommended corrective actions:

- (i) Administrative actions within CESA Administration authority;
- (ii) Regulatory changes;

- (iii) Legislative modifications;
- (iv) Resource needs.

Recommendations for legislative action:

- (i) Statutory changes to improve program effectiveness;
- (ii) Funding adjustments;
- (iii) New program authorizations;
- (iv) Program modifications or consolidations.

TABOR compliance verification:

- (i) Confirmation of enterprise fund status;
- (ii) Revenue and spending limit compliance;
- (iii) Voter approval requirements satisfied;
- (iv) Any compliance concerns and remediation.

Distribution

The annual report shall be:

- (1) Published on the Board's website;
- (2) Transmitted to the Governor;
- (3) Transmitted to the General Assembly (President of the Senate and Speaker of the House);
- (4) Made available in print upon request;
- (5) Summarized in press release and social media.

Legislative Review

- (1) The General Assembly shall hold a joint hearing on the Board's annual report within 60 days of publication;
- (2) The Board Chair and Executive Director shall testify at the hearing;
- (3) The CESA Administration Director shall be invited to respond.

60.11 Independence Protections

Organizational Independence

- (1) The Board shall operate independently of the CESA Administration;
- (2) The CESA Administration shall not:
 - (i) Direct or supervise Board staff;
 - (ii) Determine Board meeting schedules or agendas;
 - (iii) Influence Board hiring or personnel decisions;
 - (iv) Limit Board access to information or facilities.
- (3) Board staff shall be employed by the Board, not detailed from the CESA Administration;
- (4) Board facilities shall be separate from CESA Administration facilities.

Legal Independence

The Board shall have its own legal counsel, either:

- (i) An attorney employed directly by the Board; or
- (ii) Outside counsel retained by the Board.

The Attorney General's Office shall not represent both the Board and CESA Administration in any matter where their interests may conflict.

Fiscal Independence

- (1) The Board shall prepare and submit its own budget request;
- (2) Board funds shall be maintained in a separate account;
- (3) The CESA Administration shall not control Board expenditures.

Protection from Retaliation

No adverse action shall be taken against Board members or staff for:

- (i) Votes or positions taken in official capacity;
- (ii) Statements made in Board proceedings;

(iii) Reports or recommendations critical of the CESA Administration.
Retaliation is grounds for removal of the retaliating official.

60.12 Funding

Funding Sources

- (1) The Board shall be funded through an administrative allocation from each CESA enterprise fund, not to exceed 0.5% of fund revenues;
- (2) During the pre-activation period before enterprise funds are generating revenue:
 - (i) The Board shall be funded through General Fund appropriations;
 - (ii) General Fund appropriations shall be adequate to perform all Board functions.

The Board may not receive:

- (i) Grants or contributions from entities regulated by CESA;
- (ii) Donations from entities with pending matters before the Board;
- (iii) Funding conditioned on specific Board actions or positions.

Budget

The Board shall prepare an annual budget including:

- (i) Personnel costs;
- (ii) Facility and equipment costs;
- (iii) Consultant and contractor costs;
- (iv) Travel and meeting costs;
- (v) Public engagement and communications costs.
- (2) The budget shall be submitted to the General Assembly through the normal appropriations process;
- (3) The Governor may not reduce Board budget requests by more than 10% without General Assembly approval.

Compensation

Board members shall receive:

- (i) Per diem compensation of \$200 for each day engaged in Board business;
- (ii) Reimbursement for travel and lodging at state rates;
- (iii) No salary or benefits.
- (2) The Executive Director shall receive compensation comparable to senior state agency officials;
- (3) Board staff shall be compensated according to state personnel rules or Board-adopted compensation schedules.

60.13 Relationship to Other Oversight

State Auditor

- (1) The State Auditor retains full authority to audit CESA programs and the Board;
- (2) The Board shall cooperate fully with State Auditor reviews;
- (3) The Board may request specific audits from the State Auditor.

General Assembly

- (1) The General Assembly retains full authority over CESA programs through legislation and appropriation;
- (2) Board recommendations do not bind the General Assembly;
- (3) Legislative committees may direct the Board to investigate specific matters.

Governor

- (1) The Governor retains executive authority over the CESA Administration;
- (2) The Governor may override Board activation denials as provided in Section 58;
- (3) The Governor may request the Board to review specific matters.

Joint Review with Other Bodies

The Board may conduct joint reviews with:

- (1) The Joint Budget Committee;
- (2) Legislative audit committees;
- (3) Other state oversight bodies as appropriate.

60.14 Sunset Review

- (a) This section shall be reviewed pursuant to the Colorado Sunset Law, C.R.S. § 24-34-104;
- (b) The initial sunset review shall occur in the tenth year after the effective date of this Act;
- (c) The sunset review shall evaluate:
 - (1) Whether the Board has effectively fulfilled its statutory duties;
 - (2) Whether the Board's independence has been maintained;
 - (3) Whether Board recommendations have improved CESA implementation;
 - (4) Whether the Board's costs are proportionate to its benefits;
 - (5) Whether modifications to Board structure or authority are warranted.

SIGNATURE AND ATTESTATION

This Colorado Economic Security & AI Workforce Transition Act (CESA), Version 9.0, represents a comprehensive legislative framework designed to provide economic security for all Colorado residents through enterprise fund mechanisms fully compliant with TABOR.

This legislation ensures:

- All programs operate through voluntary participation fees, not mandatory taxes
 - No automatic tax increases under any provision
 - Phased implementation contingent upon verified readiness
 - Due process protections for all affected parties
 - Independent oversight through Implementation Oversight Board
-

Author and Sponsor

Candidate, Colorado State House District 23

what matters is where you finish and the journey along the way.”## SECTION 62:
COLORADO OFFICE OF INCLUSION, EQUITY & CIVIL RIGHTS

62.1 Establishment

There is hereby established the Colorado Office of Inclusion, Equity & Civil Rights (COIECR), as a division within CESA Administration, to protect and promote civil rights, diversity, equity, and inclusion throughout Colorado.

62.2 Legislative Declaration

The General Assembly finds and declares that:

- (a) The federal government has retreated from its historic commitment to civil rights enforcement, diversity initiatives, and equal opportunity programs;
- (b) Colorado has an obligation to its residents to fill this gap and ensure that all Coloradans are treated with dignity and have equal access to opportunity;

- (c) Diversity, equity, and inclusion are not merely aspirational values but essential components of a thriving economy and healthy society;
- (d) State-level leadership on civil rights is necessary to protect vulnerable populations and maintain Colorado's reputation as a welcoming state.

62.3 Mission

The mission of COIECR shall be to:

- (a) Protect the civil rights of all Colorado residents;
- (b) Enforce state non-discrimination laws;
- (c) Promote diversity, equity, and inclusion in state government, state contracting, and throughout Colorado's economy;
- (d) Provide resources and guidance to employers, organizations, and communities;
- (e) Serve as a refuge for civil rights work abandoned by the federal government.

62.4 Powers and Duties

COIECR shall have the authority and responsibility to:

(a) Enforcement:

Investigate complaints of discrimination in employment, housing, public accommodations, and state services;
Issue findings and recommendations;
Refer cases for prosecution when criminal violations are found;
Impose administrative penalties for violations of state civil rights laws;
Coordinate with the Colorado Civil Rights Division and Attorney General's office.

(b) State Government Oversight:

Monitor diversity in state government hiring, promotion, and retention;
Review state agency policies for equity impacts;
Audit state contracting for minority, women-owned, veteran-owned, and disadvantaged business participation;
Publish annual diversity report card for all state agencies;
Provide training and resources to state employees.

(c) CESA Program Equity:

Ensure all CESA programs are accessible to all eligible residents regardless of race, ethnicity, gender, disability, sexual orientation, gender identity, religion, national origin, or other protected characteristics;
Monitor CESA program outcomes for disparities;
Recommend corrective actions when disparities are identified;
Review CESA hiring and contracting for diversity.

(d) Community Engagement:

Conduct outreach to underserved communities;
Provide education on civil rights and available protections;
Support community organizations working on equity issues;
Host annual Colorado Inclusion Summit;
Maintain multilingual resources and services.

(e) Policy Development:

Recommend legislation to strengthen civil rights protections;
Develop model policies for employers and organizations;
Provide guidance on best practices for diversity and inclusion;
Track emerging civil rights issues and trends.

62.5 Director and Staffing

(a) Director:

COIECR shall be headed by a Director appointed by the Governor with consent of the Senate;

The Director shall serve a four-year term and may be reappointed;

The Director shall have demonstrated experience in civil rights, equity work, or related fields;

The Director shall report to the CESA Administrator.

(b) Staffing:

Initial staffing: 25 FTEs in Year 1, growing to 75 FTEs by Year 5;

Staff shall include investigators, policy analysts, community liaisons, trainers, and administrative support;

COIECR shall prioritize hiring staff who reflect the diversity of Colorado;

Regional offices shall be established in coordination with CESA Service Hubs.

62.6 Advisory Council

(a) A Colorado Inclusion Advisory Council shall be established consisting of 15 members:

Three appointed by the Governor;

Three appointed by the Senate President;

Three appointed by the House Speaker;

Six representing specific communities: African American, Latino/Hispanic, Asian American/Pacific Islander, Native American, LGBTQ+, and disability communities.

(b) The Advisory Council shall:

Advise COIECR on priorities and policies;

Provide community perspective on civil rights issues;

Review annual reports and make recommendations;

Meet at least quarterly.

62.7 Reporting

(a) Annual Report:

COIECR shall publish an annual report including:

Number and types of complaints received and resolved;

Findings of discrimination and actions taken;

State government diversity statistics;

State contracting diversity statistics;

CESA program equity analysis;

Recommendations for improvement.

(b) Public Dashboard:

A public online dashboard shall display real-time diversity metrics for state government and CESA programs.

62.8 Budget

(a) Initial budget: \$5 million (Year 1); **(b)** Projected budget at full operation: \$15 million annually (Year 5+); **(c)** Funding source: CESA Administration general budget.

62.9 Federal Coordination and Independence

(a) COIECR shall coordinate with federal civil rights agencies where such agencies are actively engaged in enforcement;

(b) Where federal agencies have reduced or eliminated civil rights activities, COIECR shall independently perform those functions to the extent permitted by state law;

(c) COIECR shall maintain its own investigation and enforcement capacity independent of federal cooperation.

SECTION 62: COLORADO OFFICE OF INCLUSION, EQUITY & CIVIL RIGHTS (NEW v11.3)

62.1 Establishment

There is hereby established the Colorado Office of Inclusion, Equity & Civil Rights (COIECR), as a division within CESA Administration, to protect and promote civil rights, diversity, equity, and inclusion throughout Colorado.

62.2 Legislative Declaration

The General Assembly finds and declares that:

- (a) The federal government has retreated from its historic commitment to civil rights enforcement, diversity initiatives, and equal opportunity programs;
- (b) Colorado has an obligation to its residents to fill this gap and ensure that all Coloradans are treated with dignity and have equal access to opportunity;
- (c) Diversity, equity, and inclusion are not merely aspirational values but essential components of a thriving economy and healthy society;
- (d) State-level leadership on civil rights is necessary to protect vulnerable populations and maintain Colorado's reputation as a welcoming state.

62.3 Mission

The mission of COIECR shall be to:

- (a) Protect the civil rights of all Colorado residents;
- (b) Enforce state non-discrimination laws;
- (c) Promote diversity, equity, and inclusion in state government, state contracting, and throughout Colorado's economy;
- (d) Provide resources and guidance to employers, organizations, and communities;
- (e) Serve as a refuge for civil rights work abandoned by the federal government.

62.4 Powers and Duties

COIECR shall have the authority and responsibility to:

(a) Enforcement:

Investigate complaints of discrimination in employment, housing, public accommodations, and state services;

Issue findings and recommendations;

Refer cases for prosecution when criminal violations are found;

Impose administrative penalties for violations of state civil rights laws;
Coordinate with the Colorado Civil Rights Division and Attorney General's office.

(b) State Government Oversight:

Monitor diversity in state government hiring, promotion, and retention;
Review state agency policies for equity impacts;
Audit state contracting for minority, women-owned, veteran-owned, and disadvantaged business participation;
Publish annual diversity report card for all state agencies;
Provide training and resources to state employees.

(c) CESA Program Equity:

Ensure all CESA programs are accessible to all eligible residents regardless of race, ethnicity, gender, disability, sexual orientation, gender identity, religion, national origin, or other protected characteristics;
Monitor CESA program outcomes for disparities;
Recommend corrective actions when disparities are identified;
Review CESA hiring and contracting for diversity.

(d) Community Engagement:

Conduct outreach to underserved communities;
Provide education on civil rights and available protections;
Support community organizations working on equity issues;
Host annual Colorado Inclusion Summit;
Maintain multilingual resources and services.

(e) Policy Development:

Recommend legislation to strengthen civil rights protections;
Develop model policies for employers and organizations;
Provide guidance on best practices for diversity and inclusion;
Track emerging civil rights issues and trends.

62.5 Director and Staffing

(a) Director:

COIECR shall be headed by a Director appointed by the Governor with consent of the Senate;
The Director shall serve a four-year term and may be reappointed;
The Director shall have demonstrated experience in civil rights, equity work, or related fields;
The Director shall report to the CESA Administrator.

(b) Staffing:

Initial staffing: 25 FTEs in Year 1, growing to 75 FTEs by Year 5;
Staff shall include investigators, policy analysts, community liaisons, trainers, and administrative support;
COIECR shall prioritize hiring staff who reflect the diversity of Colorado;
Regional offices shall be established in coordination with CESA Service Hubs.

62.6 Advisory Council

(a) A Colorado Inclusion Advisory Council shall be established consisting of 15 members:

Three appointed by the Governor;
Three appointed by the Senate President;
Three appointed by the House Speaker;

Six representing specific communities: African American, Latino/Hispanic, Asian American/Pacific Islander, Native American, LGBTQ+, and disability communities.

(b) The Advisory Council shall:

Advise COIECR on priorities and policies;

Provide community perspective on civil rights issues;

Review annual reports and make recommendations;

Meet at least quarterly.

62.7 Reporting

(a) Annual Report:

COIECR shall publish an annual report including:

Number and types of complaints received and resolved;

Findings of discrimination and actions taken;

State government diversity statistics;

State contracting diversity statistics;

CESA program equity analysis;

Recommendations for improvement.

(b) Public Dashboard:

A public online dashboard shall display real-time diversity metrics for state government and CESA programs.

62.8 Budget

(a) Initial budget: \$5 million (Year 1); **(b)** Projected budget at full operation: \$15 million annually (Year 5+); **(c)** Funding source: CESA Administration general budget.

62.9 Federal Coordination and Independence

(a) COIECR shall coordinate with federal civil rights agencies where such agencies are actively engaged in enforcement;

(b) Where federal agencies have reduced or eliminated civil rights activities, COIECR shall independently perform those functions to the extent permitted by state law;

(c) COIECR shall maintain its own investigation and enforcement capacity independent of federal cooperation.

SECTION 63: CESA STEWARDSHIP AND REVIEW COUNCIL (NEW v12.0)

63.1 Establishment and Purpose

63.1.1 Establishment

There is hereby established the CESA Stewardship and Review Council ("the Council"), an independent, permanent body responsible for ensuring CESA's legal soundness, fiscal responsibility, and rights-respecting implementation over time.

63.1.2 Purpose

The Council exists to:

- (a) Ensure CESA programs remain legally and constitutionally compliant;
- (b) Monitor fiscal sustainability and prevent cost overruns;
- (c) Protect individual rights and due process;
- (d) Prevent mission creep and scope expansion beyond legislative intent;
- (e) Provide independent, non-partisan oversight separate from program administration.

63.1.3 Independence

- (a) The Council is NOT part of CESA Administration and does not report to the CESA Administrator;
- (b) The Council operates independently of the executive branch agencies it oversees;
- (c) Council members may not be removed except for cause (malfeasance, incapacity, or neglect of duty);
- (d) The Council shall have independent legal counsel and staff.

63.2 Composition

63.2.1 Membership

The Council shall consist of 11 members with staggered six-year terms:

Position

Appointed By

Qualifications

1. Chair

Governor (with Senate confirmation)

Constitutional law expertise

2. Vice Chair

Chief Justice of Colorado Supreme Court

Public finance or actuarial expertise

3. Member

Senate President

Civil liberties / individual rights expertise

4. Member

House Speaker

Healthcare systems expertise

5. Member

Senate Minority Leader

Labor or workforce economics expertise

6. Member

House Minority Leader

Small business or employer perspective

7. Member

Governor

Rural or regional representation

8. Member

Governor

At-large public member

9. Member

Attorney General

Legal / regulatory expertise

10. Member

State Auditor

Fiscal oversight expertise

11. Member

Jointly by legislative leadership

Consumer or patient advocacy

63.2.2 Balance Requirements

- (a) No single appointing authority may control a majority of Council members;
- (b) No more than 6 members may be registered with the same political party;
- (c) At least 2 members must reside in rural Colorado (counties under 50,000 population);
- (d) Members may not be current employees of CESA Administration or any CESA contractor.

63.2.3 Terms and Vacancies

- (a) Members serve six-year terms, staggered so that no more than 2 terms expire in any year;

- (b) Members may serve a maximum of two terms;
- (c) Vacancies shall be filled within 90 days by the original appointing authority;
- (d) Members continue to serve until successors are confirmed.

63.2.4 Compensation

Members shall receive per diem compensation and expense reimbursement for Council service but shall not be full-time employees.

63.3 Powers and Duties

63.3.1 Annual Legal and Constitutional Compliance Review

The Council shall conduct annual reviews assessing:

- (a) Compliance with federal constitutional requirements;
- (b) Compliance with Colorado constitutional requirements, including TABOR;
- (c) Compliance with federal statutory requirements (ERISA, ADA, etc.);
- (d) Compliance with CESA statutory requirements;
- (e) Status of any pending legal challenges and their implications.

63.3.2 Biennial Fiscal Sustainability Audit

Every two years, the Council shall:

- (a) Commission independent actuarial analysis of each activated CESA program;
- (b) Assess whether revenue projections remain accurate;
- (c) Assess whether cost projections remain accurate;
- (d) Identify any programs at risk of fiscal instability;
- (e) Recommend corrective actions if needed.

63.3.3 Civil Liberties and Due Process Assessment

The Council shall annually assess:

- (a) Whether CESA programs respect individual rights;
- (b) Whether due process protections are adequate;
- (c) Whether appeals and grievance procedures function effectively;
- (d) Whether any populations are disproportionately burdened;
- (e) Complaint patterns that may indicate systemic problems.

63.3.4 Performance and Outcome Evaluation

The Council shall assess:

- (a) Whether CESA programs achieve stated objectives;
- (b) Outcome metrics compared to projections;
- (c) Efficiency of program administration;
- (d) Beneficiary satisfaction;
- (e) Areas for improvement.

63.3.5 Scope Discipline Monitoring

The Council shall specifically monitor for mission creep by:

- (a) Reviewing any proposed expansions of program scope;
- (b) Assessing whether administrative actions exceed statutory authority;
- (c) Flagging any activities that exceed original legislative intent;

- (d) Recommending legislative clarification when scope questions arise.

63.4 Mandatory Review Triggers

63.4.1 Automatic Review Events

The Council SHALL conduct immediate review when any of the following occur:

- (a) **Cost Overrun:** Actual costs exceed projected costs by more than 15% for any program;
- (b) **Complaints Threshold:** Rights-based complaints exceed 1,000 in any calendar year for any program;
- (c) **Legal Challenge:** A federal court issues a preliminary injunction against any CESA provision;
- (d) **Federal Law Change:** Federal legislation or regulation materially affects CESA operations;
- (e) **Constitutional Amendment:** Colorado constitutional amendment affects CESA authority.

63.4.2 Council Authority Upon Triggered Review

Upon triggered review, the Council may:

- (a) Recommend suspension of affected program pending legislative action;
- (b) Require modification of administrative practices;
- (c) Trigger re-certification of program funding and operations;
- (d) Refer findings to the General Assembly for statutory revision;
- (e) Require CESA Administration to appear and provide testimony.

63.5 Five-Year Sunset Reviews

63.5.1 Requirement

Each activated CESA program module shall undergo comprehensive sunset review five years after activation and every five years thereafter.

63.5.2 Sunset Review Scope

Sunset reviews shall assess:

- (a) Whether the program achieves its statutory purposes;
- (b) Whether the program remains fiscally sustainable;
- (c) Whether the program should continue, be modified, or be terminated;
- (d) Whether original cost and benefit projections were accurate;
- (e) Stakeholder input on program effectiveness.

63.5.3 Sunset Review Outcomes

Following sunset review, the Council shall recommend one of the following:

- (a) **Continuation:** Program continues with no changes;
- (b) **Continuation with Modifications:** Program continues with specified changes;
- (c) **Probationary Continuation:** Program continues for limited period pending specified improvements;
- (d) **Termination:** Program should be ended (requires legislative action).

63.6 Transparency and Public Accountability

63.6.1 Public Reports

The Council shall publish:

- (a) Annual compliance report (within 90 days of fiscal year end);
- (b) Biennial fiscal sustainability report;
- (c) Sunset review reports for each program reviewed;
- (d) Special reports when triggered reviews occur.

63.6.2 Plain Language Requirement

All Council reports shall be written in plain English accessible to the general public, with technical appendices for detailed analysis.

63.6.3 Public Hearings

- (a) The Council shall hold at least two public hearings per year;
- (b) At least one hearing shall be held outside the Denver metropolitan area;
- (c) Public comment shall be accepted on all pending reports;
- (d) Hearings shall be recorded and made publicly available.

63.6.4 Dissenting Opinions

Council reports shall include any dissenting or minority opinions from Council members who disagree with majority findings.

63.6.5 Recommendation Tracking

The Council shall maintain a public log of:

- (a) All recommendations made to CESA Administration;
- (b) All recommendations made to the General Assembly;
- (c) Status of each recommendation (implemented, pending, rejected);
- (d) Reasons given for any rejected recommendations.

63.7 Administrative Provisions

63.7.1 Staff

The Council shall have independent staff sufficient to conduct its duties, including:

- (a) Executive Director;
- (b) Legal counsel;
- (c) Fiscal analysts;
- (d) Administrative support.

63.7.2 Budget

The Council shall have a dedicated budget appropriated by the General Assembly, separate from CESA Administration's budget.

63.7.3 Access to Information

- (a) CESA Administration shall provide the Council with any information requested;

- (b) The Council shall have access to all CESA records, data, and personnel;
- (c) Failure to provide requested information shall be reported to the General Assembly.

63.8 Limitations

63.8.1 What the Council May NOT Do

The Council:

- (a) May NOT administer CESA programs;
- (b) May NOT make individual benefit determinations;
- (c) May NOT expand CESA's scope beyond statutory authorization;
- (d) May NOT override legislative intent;
- (e) May NOT interfere with day-to-day program operations.

63.8.2 Advisory Nature

Council recommendations are advisory. Implementation requires:

- (a) Action by CESA Administration (for administrative changes);
 - (b) Action by the General Assembly (for statutory changes);
 - (c) Action by voters (for constitutional changes).
-

APPENDIX A: COMPREHENSIVE BUDGET SUMMARY (ENTERPRISE

MODEL)

A.1 Revenue Overview

A.1.1 Enterprise Fund Revenue

Fund Revenue Source Annual Amount TABOR Status

Care Individual contributions \$2.5-3.5B Enterprise - Exempt

Withou

t Fear

Employer contributions \$4.0-5.0B Enterprise - Exempt

Fund Revenue Source Annual Amount TABOR Status

Provider assessments \$500M-1.0B Enterprise - Exempt

Admin savings capture \$1.5-2.0B Savings - N/A

Federal Medicaid match \$2.0-3.0B Federal - N/A

Subtotal \$10.5-14.5B

Life Employee contributions \$400-600M Enterprise - Exempt

Securit

Employer contributions \$100-150M Enterprise - Exempt

Subtotal \$500-750M

AI Employer automation fees \$300-500M Enterprise - Exempt
Workfo

Childca Parent contributions \$200-400M Enterprise - Exempt

Employer contributions \$150-250M Enterprise - Exempt

Federal funding \$400-550M Federal - N/A

Subtotal \$750M-1.2B

Enterpr \$12.0-17.0B

Total

A.1.2 Fee-Based Revenue (Non-Enterprise)

Source Annual Amount TABOR Status

Tourism lodging fee \$180M Fee - Exempt

Tourism ski fee \$210M Fee - Exempt

Tourism parks fee \$200M Fee - Exempt

Short-term rental fee \$100M Fee - Exempt

Convention fee \$30M Fee - Exempt

Enforcement penalties \$10-20M Penalty - Exempt

Fee Total \$730-740M

A.1.3 Dedicated Revenue

Source Annual Amount Status

Cannabis reallocation \$425M May need vote to
reallocate

Opioid settlements \$40-60M Dedicated by settlement

Tobacco MSA \$100M Dedicated by statute

Fraud recoveries \$10-20M Recovery - N/A

Source Annual Amount Status

Dedicated Total \$575-605M

A.1.4 Generated Revenue (Growing Over Time)

Source Year 3 Year 5 Year 10

State Bank \$25M \$150M \$400M

returns

Investment \$25M \$100M \$250M

returns

Federal \$100M \$300M \$500M

maximization

Generated Total \$150M \$550M \$1.15B

A.1.5 Total Revenue by Year

Year Enterprise Fees Dedicated Generated Total

Year 1 \$500M \$730M \$575M \$0 \$1.8B

Year 3 \$5.0B \$735M \$590M \$150M \$6.5B

Year 5 \$10.0B \$740M \$600M \$550M \$11.9B

Year 7 \$14.0B \$745M \$605M \$850M \$16.2B

Year 10 \$16.0B \$750M \$605M \$1.15B \$18.5B

Year 13 \$17.0B \$760M \$605M \$1.5B \$19.9B

A.2 Expenditure Overview

A.2.1 Healthcare (Care Without Fear)

Category Year 3 Year 7 Year 13

Direct medical \$3.5B \$9.0B \$11.0B

services

Mental health \$200M \$500M \$600M

services

Prescription \$400M \$1.0B \$1.2B

drugs

Dental/Vision \$100M \$300M \$400M

Administration \$200M \$550M \$650M

(5% cap)

Reserves \$100M \$400M \$500M

Healthcare \$4.5B \$11.75B \$14.35B

Total

A.2.2 Worker Protection

Program Year 3 Year 7 Year 13

AI Workforce \$150M \$400M \$500M

Protection

Life Security \$100M \$400M \$500M

benefits

Life Security \$150M \$200M \$100M

reserves

Worker \$10M \$15M \$20M

Classification

Worker Total \$410M \$1.0B \$1.12B

A.2.3 Family and Social Programs

Program Year 3 Year 7 Year 13

Childcare For All \$300M \$700M \$800M

Zero Homeless \$150M \$350M \$300M

Colorado

Elder Care \$50M \$100M \$150M

Education \$50M \$150M \$200M

Independence

Family Total \$550M \$1.3B \$1.45B

A.2.4 Safety and Resilience

Program Year 3 Year 7 Year 13

Colorado Shield \$100M \$200M \$250M

Climate \$75M \$150M \$175M

Resilience

Climate Research \$15M \$20M \$25M

Protection

Mental Health \$25M \$35M \$40M

Crisis Response

Community \$20M \$30M \$35M

Policing

Safety Total \$235M \$435M \$525M

A.2.5 Economic Development

Program Year 3 Year 7 Year 13

Innovation \$30M \$75M \$100M

Districts

Business Success \$15M \$25M \$30M

Team

Program Year 3 Year 7 Year 13

Clean Energy \$50M \$100M \$75M

Global \$5M \$15M \$20M

Partnership

State Bank \$10M \$5M \$0

operations

Economic Total \$110M \$220M \$225M

A.2.6 Administration and Infrastructure

Category Year 3 Year 7 Year 13

CESA \$75M \$125M \$150M

Administration

Technology/ \$50M \$75M \$100M

Portal

Rural \$40M \$60M \$75M

Implementation

Technology \$25M \$35M \$40M

Assistance

Disability \$50M \$90M \$100M

Programs

Data Privacy \$10M \$15M \$15M

Digital Likeness \$5M \$8M \$10M

Admin Total \$255M \$408M \$490M

A.2.7 Rights and Other Programs

Program Year 3 Year 7 Year 13

Sanctuary State \$10M \$15M \$15M

implementation

Human \$10M \$15M \$20M

Trafficking

enforcement

Tribal \$10M \$15M \$20M

Partnership

Food programs \$50M \$75M \$100M

Circular Economy \$10M \$20M \$25M

Democracy \$5M \$10M \$10M

Protection

Other programs \$20M \$30M \$40M

Rights Total \$115M \$180M \$230M

A.2.8 Reserves and Contingencies

Reserve Year 3 Year 7 Year 13

Economic \$200M \$400M \$300M

Resilience Fund

Operating \$100M \$200M \$250M

contingency

Legal defense \$10M \$10M \$10M

Reserves Total \$310M \$610M \$560M

A.2.9 Total Expenditures by Year

Yea Healthcar Work Famil Econom Adm Reserve

r e er y Safety ic in Rights s Total

Yea \$200M \$50M \$50M \$75M \$50M \$150 \$30M \$50M \$655M

r1 M

Yea \$4.5B \$410 \$550 \$235 \$110M \$255 \$115M \$310M \$6.5B

r3 M M M M

Yea \$8.0B \$700 \$900 \$335 \$165M \$330 \$145 \$460M \$11.0B

r5 M M M M M

Yea \$11.75B \$1.0B \$1.3B \$435 \$220M \$408 \$180 \$610M \$15.9B

r7 M M M

Yea \$13.5B \$1.1B \$1.4B \$485 \$225M \$460 \$210 \$580M \$18.0B

r 10 M M M

Yea \$14.35B \$1.12B \$1.45B \$525 \$225M \$490 \$230 \$560M \$19.0B

r 13 M M M

A.3 Net Position

Year Revenue Expenditures Net

Year 1 \$1.8B \$655M +\$1.1B (startup
reserve building)

Year 3 \$6.5B \$6.5B Balanced

Year 5 \$11.9B \$11.0B +\$900M

Year 7 \$16.2B \$15.9B +\$300M

Year 10 \$18.5B \$18.0B +\$500M

Year 13 \$19.9B \$19.0B +\$900M

Note: Surpluses flow to Economic Resilience Fund until \$5 billion target achieved.

A.4 Economic Resilience Fund Projection

Year Beginning Contributions Target

Year 1 \$0 \$1.0B Building

Year 3 \$1.2B \$200M Building

Year 5 \$2.0B \$400M Building

Year 7 \$3.0B \$400M Building

Year 10 \$4.5B \$300M Near target

Year 13 \$5.0B+ Maintenance Target achieved

APPENDIX C: FAMILY AND EMPLOYER SAVINGS CALCULATIONS

C.1 Individual/Family Savings Analysis

C.1.1 Current System Costs (Average Colorado Family)

Expense Individual Family of 4
 Monthly premium \$450 \$1,200
 (employer share)
 Monthly premium \$150 \$400
 (employee share)
 Annual employee \$1,800 \$4,800
 premium cost
 Annual deductible \$1,500 \$3,000
 Average annual out-of- \$1,200 \$2,500
 pocket
 Total Annual \$4,500 \$10,300

Healthcare Cost

Private life insurance \$600 \$1,200
 Grand Total Current \$5,100 \$11,500

C.1.2 CESA Costs

Incom Total

e Healthcare (%) Life Security (1%) CESA Current Cost Savings

\$35,00 \$700 (2%) \$350 \$1,050 \$5,100 \$4,050
 \$50,00 \$2,000 (4%) \$500 \$2,500 \$5,100 \$2,600
 \$75,00 \$3,750 (5%) \$750 \$4,500 \$10,300 \$5,800
 \$100,0 \$6,000 (6%) \$1,000 \$7,000 \$11,500 \$4,500

Incom Total

e Healthcare (%) Life Security (1%) CESA Current Cost Savings

\$150,0 \$10,500 (7%) \$1,500 \$12,000 \$13,000 \$1,000
 \$200,0 \$14,000 (7%) \$2,000 \$16,000 \$14,500 -\$1,500*

*Higher earners pay modestly more but receive: no deductibles, no copays, no
 coverage gaps, no
 pre-existing condition worries, portable coverage.

C.1.3 Key Family Benefits Under CESA

Benefit Current System CESA

Annual deductible \$1,500-6,000 \$0

Out-of-pocket maximum \$8,000-16,000 \$0

Can be denied coverage Yes No

Coverage gap between Common Never
jobs

Pre-existing condition Possible Prohibited
penalty

Paperwork/bills Constant Minimal

Surprise bills Common Prohibited

Network restrictions Strict Any CO provider

C.2 Employer Savings Analysis

C.2.1 Current Employer Costs

Employee HR

Company Size s Avg Salary Annual Health Insurance Admin Total

Very Small 10 \$50,000 \$70,000 \$10,000 \$80,000

Small 25 \$55,000 \$175,000 \$25,000 \$200,000

Medium 50 \$60,000 \$350,000 \$50,000 \$400,000

Large 100 \$65,000 \$700,000 \$75,000 \$775,000

Very Large 500 \$70,000 \$3,500,000 \$200,000 \$3,700,00

0

C.2.2 CESA Employer Costs

Company Size Payroll CESA Rate CESA Cost Current Cost Savings

Very Small (10) \$500,000 0% \$0 \$80,000 \$80,000

(exempt)

Small (25) \$1,375,00 6% \$82,500 \$200,000 \$117,500

Company Size Payroll CESA Rate CESA Cost Current Cost Savings

0

Medium (50) \$3,000,00 8% \$240,000 \$400,000 \$160,000

0

Large (100) \$6,500,00 8% \$520,000 \$775,000 \$255,000

0

Very Large \$35,000,0 9% \$3,150,000 \$3,700,000 \$550,000

(500) 00

C.2.3 Additional Employer Benefits

Benefit Value

No insurance negotiations Saves 20+ hours annually

No benefits administration Reduces HR needs
complexity

No COBRA administration Eliminated

Healthier workforce (preventive care) Reduced absenteeism

Recruitment advantage Healthcare not a negotiation

No coverage disputes with employees Eliminated

Predictable costs Fixed percentage of payroll

C.3 Statewide Economic Impact

C.3.1 Total Savings Redistribution

Category	Current Spending	CESA Spending	Savings
----------	------------------	---------------	---------

Private insurance premiums	\$18 billion	\$0	\$18 billion
----------------------------	--------------	-----	--------------

Out-of-pocket costs	\$4 billion	\$0	\$4 billion
---------------------	-------------	-----	-------------

CESA contributions	\$0	\$8 billion	-\$8 billion
--------------------	-----	-------------	--------------

Administrative overhead	\$4 billion	\$500 million	\$3.5 billion
-------------------------	-------------	---------------	---------------

Net Statewide Savings	\$17.5 billion		
-----------------------	----------------	--	--

C.3.2 Where Savings Go

Recipient	Annual Benefit
-----------	----------------

Colorado families (direct savings)	\$8-10 billion
------------------------------------	----------------

Colorado employers (direct savings)	\$3-5 billion
-------------------------------------	---------------

Healthcare system (reinvested)	\$3-4 billion
--------------------------------	---------------

Recipient Annual Benefit

Economic Resilience Fund \$500 million

C.3.3 Economic Multiplier Effects

Effect Estimate

Consumer spending increase \$5-7 billion

Small business growth \$1-2 billion

Healthcare job creation 25,000-35,000 jobs

CESA administration jobs 5,000-8,000 jobs

Reduced bankruptcy (medical debt) 50% reduction

New business formation 15% increase

C.4 Comparison to Other Systems

C.4.1 Per Capita Healthcare Costs

System Per Capita Cost Colorado CESA

United States (current) \$13,000 —

Colorado (current) \$11,500 —

Colorado (CESA — \$7,500

projected)

Canada \$6,800 —

Germany \$7,400 —

France \$6,000 —

United Kingdom \$5,400 —

C.4.2 Administrative Cost Comparison

System Admin % of Total

US Private Insurance 18-25%

US Medicare 2-3%

US Medicaid 5-7%

Colorado CESA (capped) 5%

Canada 2-3%

Taiwan 2%

C.5 Data Sources and Methodology Notes

C.5.1 Data Classification

VERIFIED DATA: - Colorado population (~5.8 million) - US Census - Average employer health

insurance costs - Kaiser Family Foundation - Current Colorado tax rates - Colorado Department

of Revenue - Medicare/Medicaid administrative costs - CMS

ESTIMATED DATA: - CESA contribution rates and thresholds - Policy design - Enrollment

projections - Based on similar programs - Administrative savings - Based on single-payer

studies (PERI, GAO) - Employer behavioral response - Projected

REQUIRES ACTUARIAL ANALYSIS: - Final healthcare cost projections - Life Security mortality

and benefit costs - Long-term sustainability modeling

C.5.2 Conservative Assumptions

Throughout these projections: - Revenue estimates use LOWER end of ranges - Cost estimates

use HIGHER end of ranges - Behavioral changes (reduced consumption) are assumed -

Implementation delays are factored in - Contingency reserves are maintained

C.5.3 Limitations

These projections are estimates. Actual results will depend on: - Economic conditions -

Enrollment rates - Healthcare cost trends - Implementation effectiveness - Federal policy

changes - Legal challenges

Independent actuarial analysis is REQUIRED before implementation (Section 48).

APPENDIX D: DATA SOURCES AND METHODOLOGY

D.1 Government Data Sources

Source Data Used URL

US Census Bureau Population, [census.gov](https://www.census.gov)

demographics

Bureau of Economic Personal income [bea.gov](https://www.bea.gov)

Analysis

Bureau of Labor Employment, wages [bls.gov](https://www.bls.gov)

Statistics

Centers for Medicare & Healthcare costs [cms.gov](https://www.cms.gov)

Medicaid

Colorado Dept of Tax data cdor.colorado.gov

Revenue

Colorado Dept of Labor Employment data cdle.colorado.gov

D.2 Research Sources

Source Data Used

Kaiser Family Foundation Employer health benefits survey

PERI (UMass) Single-payer cost studies

Colorado Health Institute State health data

Commonwealth Fund Healthcare system comparisons

Urban Institute Healthcare modeling

D.3 Methodology Summary

Healthcare Cost Modeling: - Started with current Colorado healthcare spending (~\$35 billion

total) - Applied administrative savings estimates from peer-reviewed studies - Adjusted for

CESA-specific design features - Added contingency for uncertainty

Revenue Projections: - Based contribution rates on California single-payer proposal model -

Adjusted for Colorado income distribution - Applied conservative enrollment assumptions -

Included ramp-up period in early years

Economic Impact: - Used standard economic multipliers (1.5-2.0x) - Referenced similar

program implementations - Consulted academic economic impact studies

D.4 What Needs Further Analysis

Item Required Analysis Recommended Provider

Care Full actuarial study Milliman or similar

Without

Fear costs

Life Life actuarial analysis Life insurance actuary

Security

Program

Economic Economic study CU Leeds School

impact

Legal TABOR compliance review Attorney General

structure

Impleme Operational study Healthcare consultants

ntation

planning

This budget summary will be updated as independent analysis is completed and implementation

proceeds.