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Partnership Announces Dynamic Econometric Modeling Initiative for Colorado
Econometric Model to Provide In-Depth Analysis on the Economic Impacts of Public Policy

DENVER, Colo., July 16, 2013—A partnership of public and private organizations today announced a collaboration to provide Colorado lawmakers, policymakers, and business leaders greater insight into the economic impact of public policy decisions that face the state and surrounding regions.

The partnership will use an econometric model developed by Regional Economic Models Inc., or REMI, for the multi-year project.

“Colorado is facing many significant issues that will undoubtedly have substantial impacts on jobs and our economy,” said Earl Wright, Chairman of the Board of Directors of Common Sense Policy Roundtable. “REMI will provide us with accurate analysis and long-term economic impacts of these actions and the data we need to make informed decisions.”

Conducted by the Business Research Division at the University of Colorado Boulder’s Leeds School of Business, the dynamic econometric modeling will be overseen by an Oversight Committee with representatives of the Leeds School of Business, the Common Sense Policy Roundtable (CSPR), the Denver South Economic Development Partnership (Denver South EDP) and the Metro Denver Economic Development Corporation (Metro Denver EDC).

“We are excited to enter this partnership bringing REMI’s capability to Colorado,” said Rich Wobbekind, executive director of CU-Boulder’s Business Research Division and senior associate dean for academic programs at the Leeds School. “REMI will allow us to provide unbiased third-party research to state and local government, residents, businesses and other key constituencies about the economic impacts related to policy decisions and economic events in Colorado.”

The REMI model is unique in that it provides in-depth analysis of the impacts public policy has on the economy. The REMI model has the ability to analyze complex economic questions by considering thousands of variables in response to policy changes as opposed to traditional econometric models that take only input/output into account.

“The REMI model will aid Colorado decision makers in debating and weighing the impacts of the largest public policy decisions facing our state,” said Tom Clark, CEO of the Metro Denver EDC. “REMI will allow us to weigh the full impacts of legislation, ballot initiatives and other projects on Colorado’s economy. It will be a valuable tool for our state.”

The REMI Oversight Board will put this new tool to use by first analyzing the impact of Initiative 22 that is expected to be on the ballot in November 2013. Initiative 22 would ask voters to increase the income tax rate for taxable income of \$75,000 or less from 4.63 percent to 5 percent. Earnings above \$75,000 would be taxed at 5 percent up to the first \$75,000 and 5.9 percent for income above that.

“Initiative 22 is a perfect opportunity to provide an unbiased and complex analysis on the economic impact of a significant public policy proposal,” said Mike Fitzgerald, President and CEO of Denver South EDP. “We are convinced that the REMI model can help determine, with independent analysis, long- and short-term strategies as well as the difference between government expenditures and government investments. The capacity and reputation of the Leeds School of Business will provide a clearer perspective of the short and long-term costs and benefits of major projects and public policy issues such as Initiative 22.”

The first report from the REMI model analyzing the impact of Initiative 22 is expected to be released in August.

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