

My name is Herb Homan with the Colorado Senior Lobby where I've been an active advocate on state legislation for 20 years. I've achieved a number of personal retirement goals: reaching 80 in 1999, weathering the electronic transition to a 4-digit year in 2000, managing a solo existence as a widower while writing numerous articles on legislative issues for several newsletters. As my 90th birthday approaches, I've decided it's high time to impart some advice for posterity.

Your charge to study and recommend ways to balance and stabilize Colorado's fiscal structure is a daunting task. A similar mission undertaken by the late lamented Colorado Tax Commission foundered after voluntary funding contributions fell short. The Colorado Senior Lobby passed the hat among members and raised \$146 for that effort, most of which was eventually refunded.

Prior to 1992, Colorado generally averaged in the middle of states on taxes and expenditures. Over time, after adoption of a mishmash of measures (Gallagher, Arveschoug-Bird, TABOR, Amendments 23 & C), we were saddled with conflicting and often contradictory fiscal guidelines. Only the most astute legislative staff and officials understood their interaction and implications. Despite efforts by staff at training and explaining, many legislators have struggled over the years to really grasp how these disparate provisions work. I daresay some legislators took two or three terms to gain basic understanding—and I found myself among these slow learners. Then term limits came along and muddied up the situation to a fair-the-well.

The payoff to this mix of fiscal changes --all well-intentioned--is that Colorado now ranks 49th among states in tax revenue per \$1,000 of personal income. We are in the bottom layer of states in our funding of many vital state programs such as education, transportation, corrections and health care. Only Mississippi collects less tax revenue per \$1,000 of income than Colorado, and we are on the verge of being labeled a 3rd world entity in the middle of the earth's richest country.

Some brag about achieving smaller government and lower taxes, choosing to ignore reduced services and deteriorating infrastructure. You need to stop and ponder what kind of future we want for Colorado. Are we going to educate current citizens for 21st century jobs or continue importing a preponderance of college graduates from other states? Will our senior citizens ever benefit from 100% state-supported Older American Act programs as Utah and many other states provide, or are they destined to make do with Colorado's meager 5% share of federal grants? And what about child health funding and early education where we continue to lag? Will it take an in-state catastrophic bridge collapse to fund capital construction and maintenance adequately?

In the short run, your commission should support efforts by the JBC and Gov. Ritter to close the \$384 million budget gap through drastic, painful cuts in border-line essential programs, plus suspension of selected tax breaks such as conservation easements and enterprise zones. If seniors must manage without property tax relief, others should sacrifice as well.

In the long run, I hope the commission can find a way out of this fiscal wilderness by considering research findings and recommendations from the Colorado Fiscal Policy Institute, the Bell Policy Center and DU's Economic Futures group. Alternatively, you might suggest adding a new check-off on state income tax forms to raise funding for a comprehensive, independent study similar to the project in 1954 which accomplished so much for Colorado. I believe our members would be willing to pass the hat again.