



**The Bell  
Policy Center**

Research • Advocacy • Opportunity

## **Colorado's Fiscal Challenge**

**Presentation to the Colorado Long-term Fiscal Stability  
Commission**

**Wade Buchanan  
President, The Bell Policy Center**

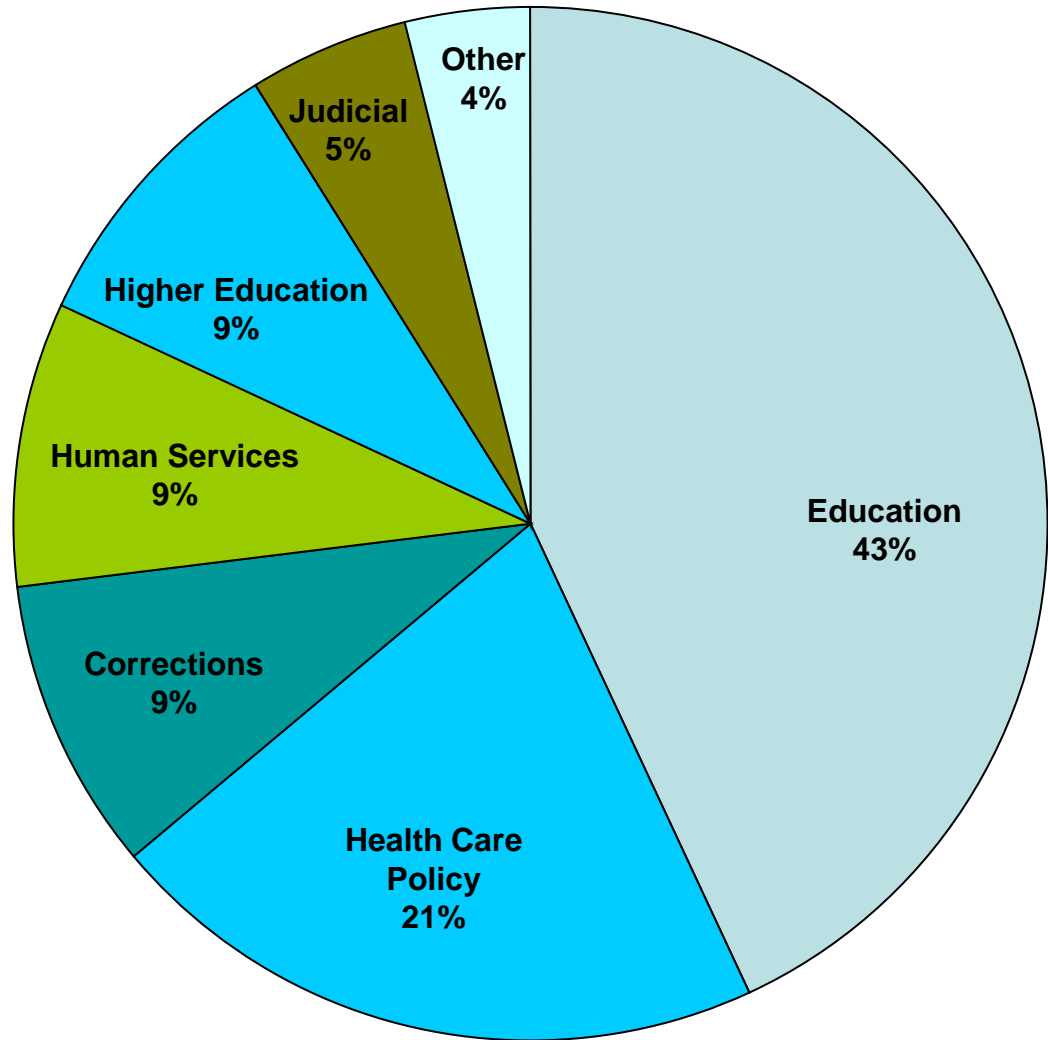
**July 9, 2009**

# FY 2009-10 General Fund Appropriations Total \$7.4 Billion

(based on Legislative Council slide number 3)

## Big 6

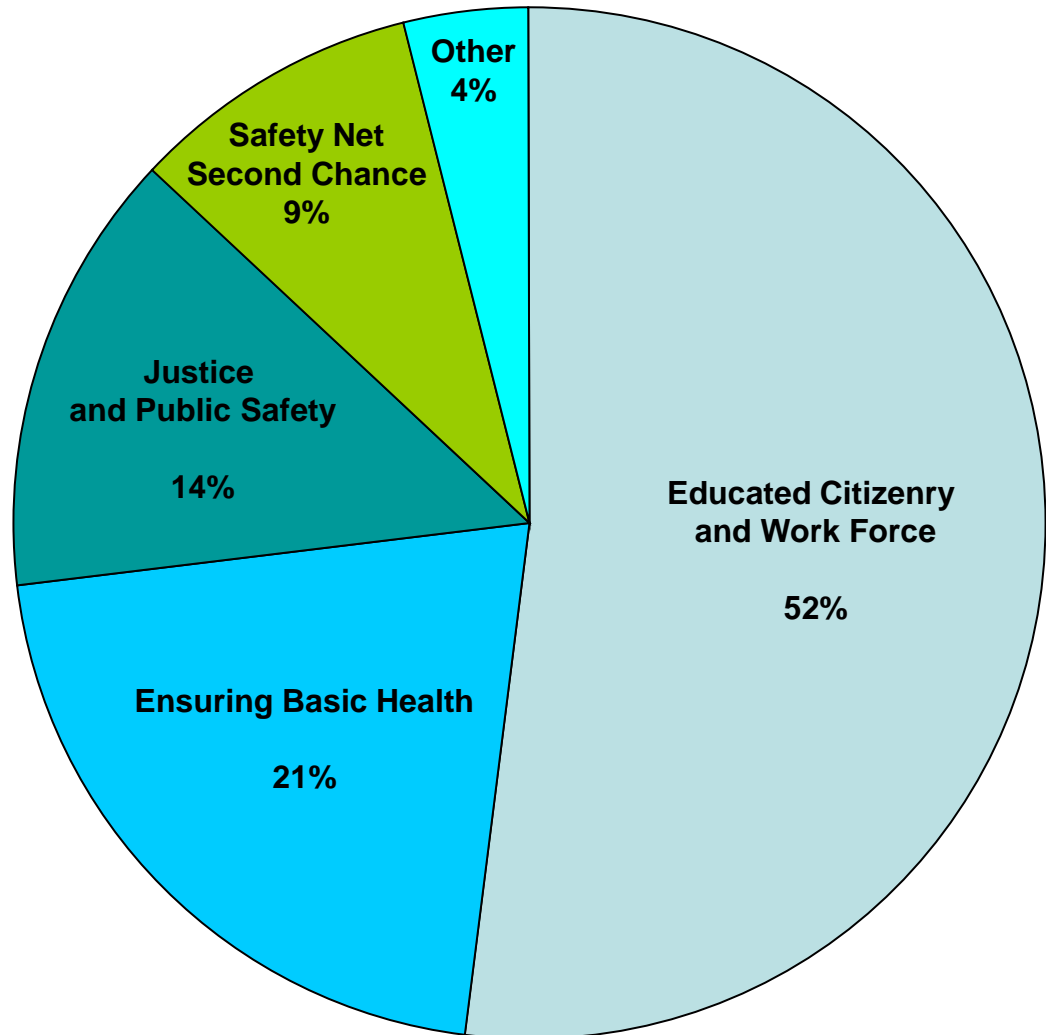
- Education
- Health Care Policy
- Corrections
- Human Services
- Higher Education
- Judicial
- Other



# FY 2009-10 General Fund Appropriations Public Systems Serving Public Purposes

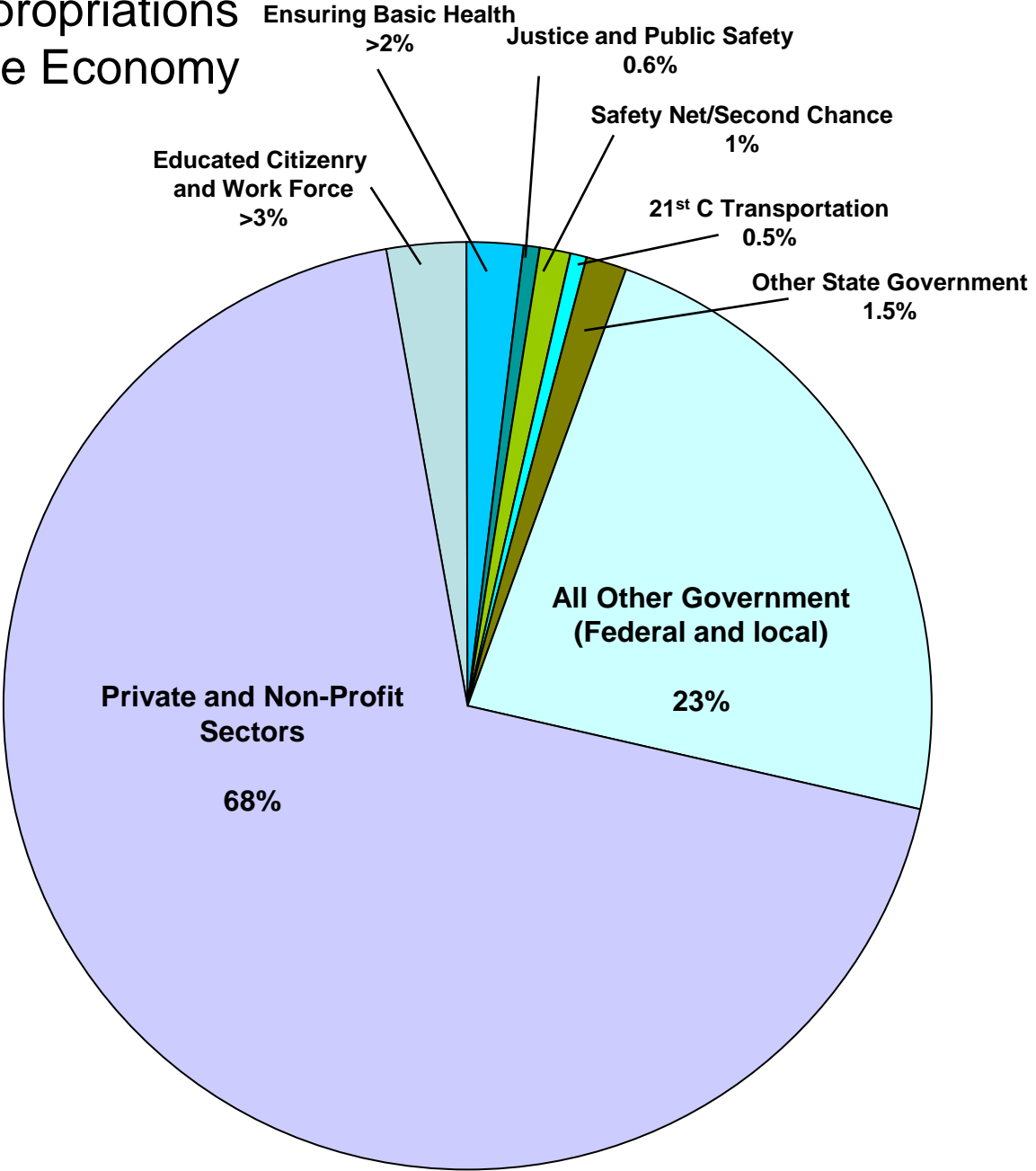
## Big 4

- Educated Citizenry and Work Force
- Ensuring Basic Health
- Justice and Public Safety
- Safety Net/Second Chance
- Other



# FY 2009-10 Total State Appropriations as a Percentage of the State Economy (total 8.6%)

- Educated Citizenry and Work Force
- Ensuring Basic Health
- Justice and Public Safety
- Safety Net/Second Chance
- 21st Century Transportation
- Other State Government
- All Other Government
- Private and Non-Profit Sectors



# How are we doing?

## Option 1 – How do we compare to other states?

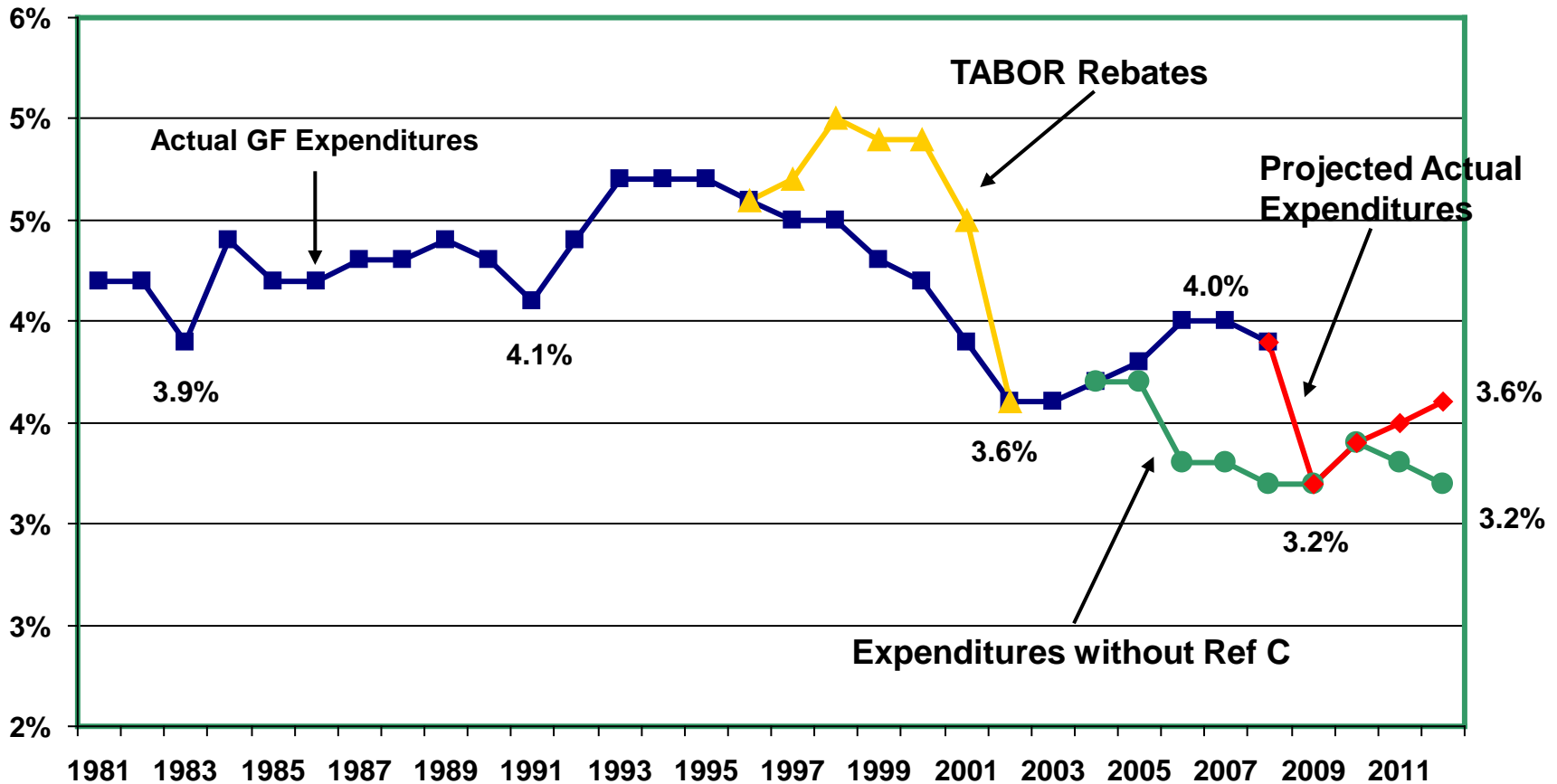
<b>Total Expenditures</b>	<b>State Ranking</b>
per \$1000 of income	47
per capita	45
<b>K-12 education</b>	
per \$1000 of income	48
per capita	32
<b>Medicaid</b>	
per \$1000 of income	49
per capita	49
<b>Higher Education</b>	
per \$1000 of income	48
per capita	48
<b>Highways</b>	
per \$1000 of income	48
per capita	48

Source: Colorado Fiscal Policy Institute, Aiming for the Middle, 2009 Update

# How are we doing?

## Option 2 – How do we compare to what we did before?

General Fund Revenues and Expenditures as a Percentage of Total State Personal Income  
(Compare to Legislative Council Chart 57)



# How are we doing?

## Option 3 – How do we compare to our aspirations?

- How are we doing preparing an educated citizenry and workforce?
  - Achievement levels?
  - Achievement gaps?
  - Graduation rates?
  - Access to higher education?
  - Retention and completion?
  - Adult education?
  - Job placements and success?
  - Work force remediation?

# How are we doing?

## Option 3 – How do we compare to our aspirations?

- How are we doing ensuring basic health services to low-income and disabled Coloradans?
  - Insurance coverage?
  - Medical homes?
  - Preventive care?
  - Health outcomes (e.g., low-birth weight babies)?



# How are we doing?

## Option 3 – How do we compare to our aspirations?

- How are we doing keeping the public safe?
- How are we doing providing Coloradans a safety net in hard times?
- How are we doing providing a 21<sup>st</sup> Century transportation system?

# Looking Forward

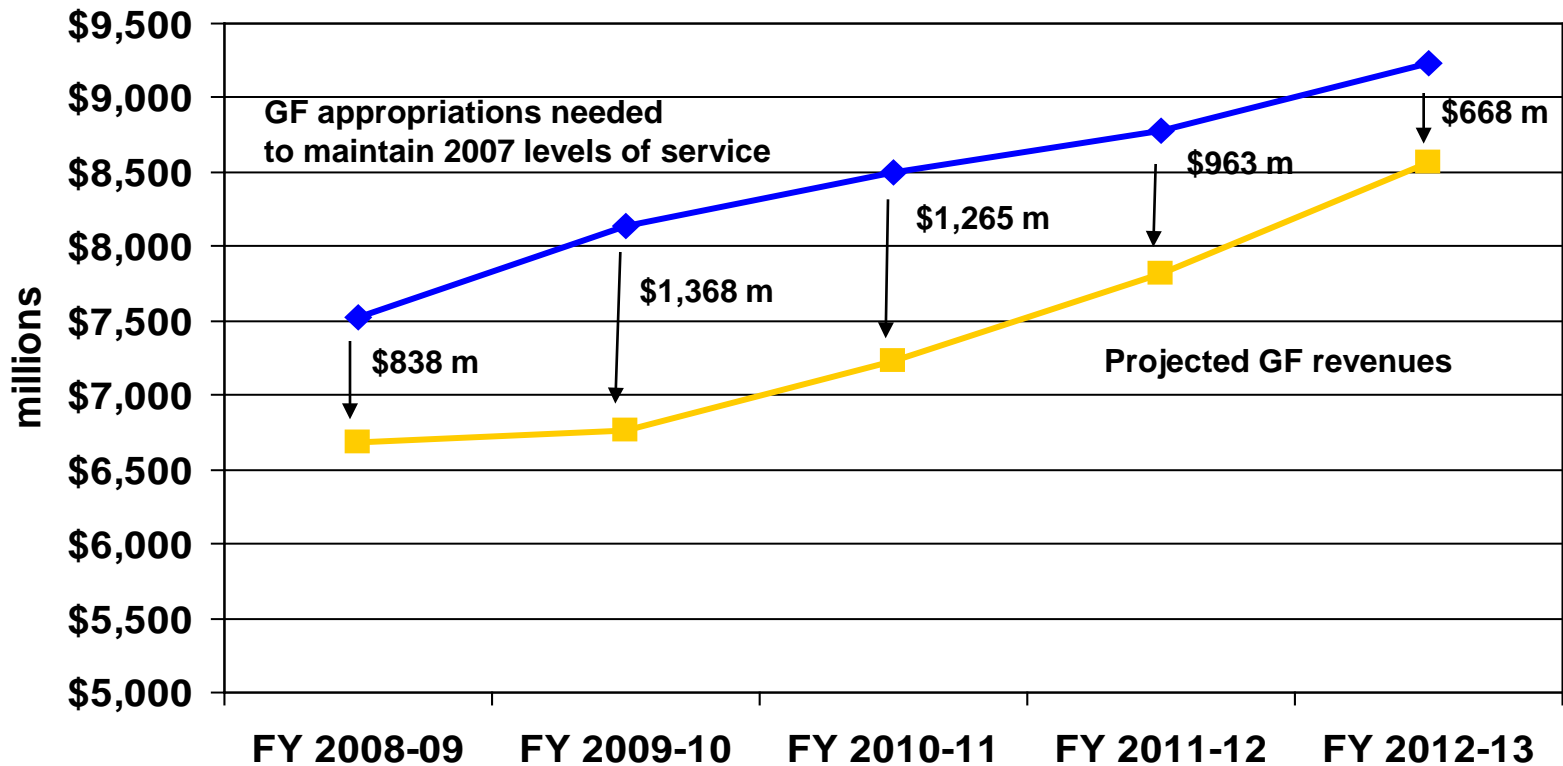
Colorado's fiscal prospects after Ref C (Dec. 2007)

(Update, July 2009 )



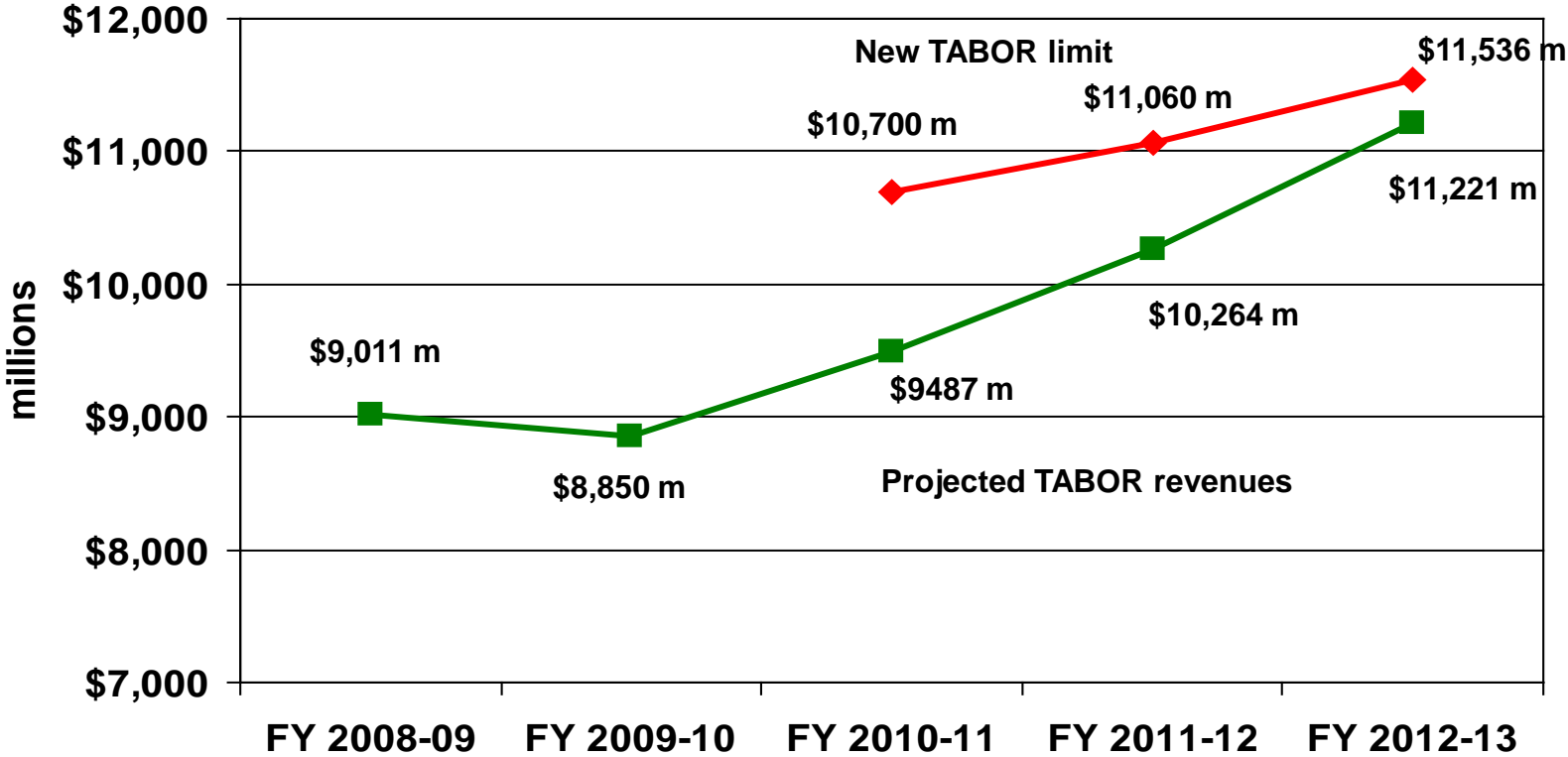
# Looking Forward

## Levels of service will continue to decline under current revenue structure



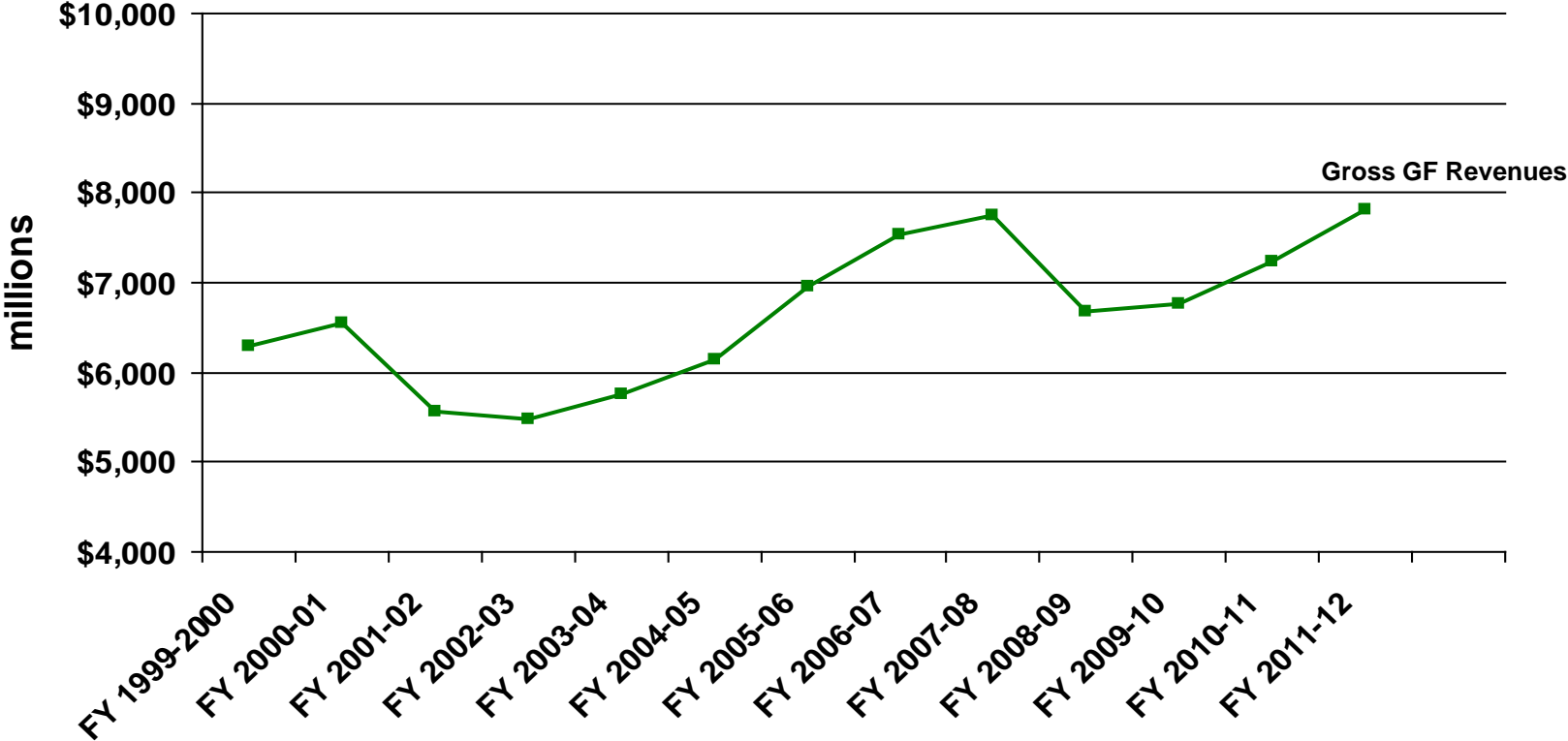
# Looking Forward

New TABOR limit will not be a factor over medium term



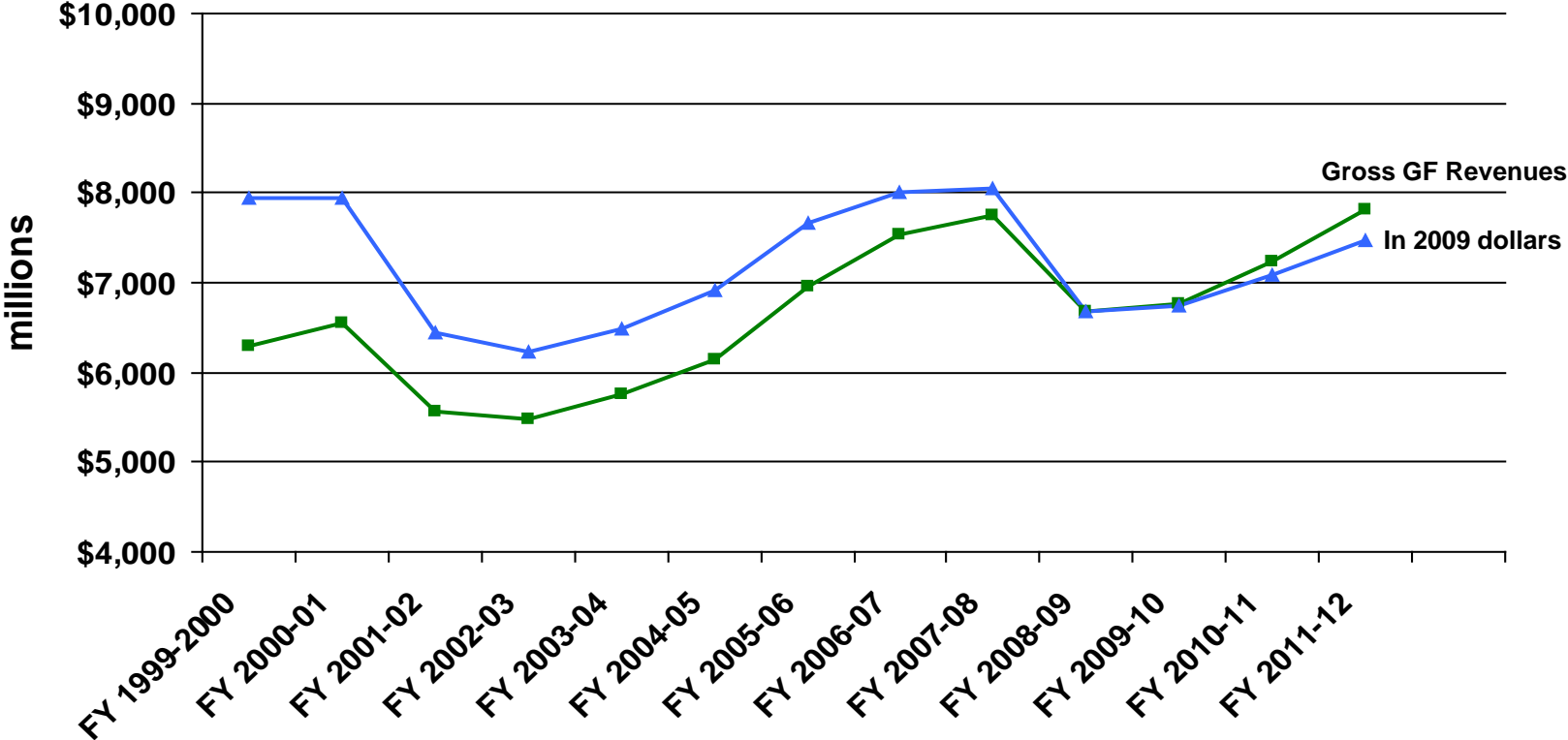
# Looking Forward

## Stagnant General Fund Revenues



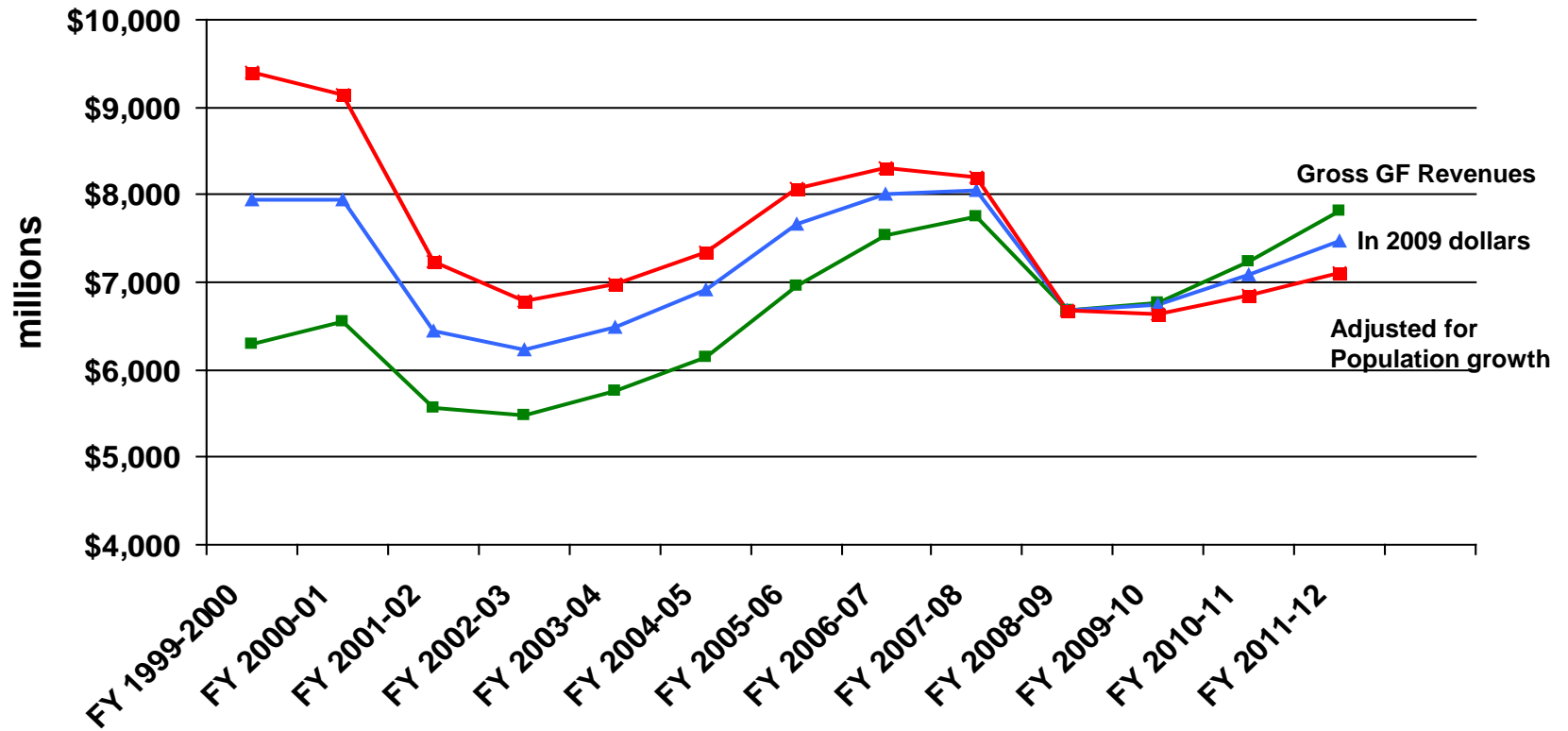
# Looking Forward

## Stagnant General Fund Revenues



# Looking Forward

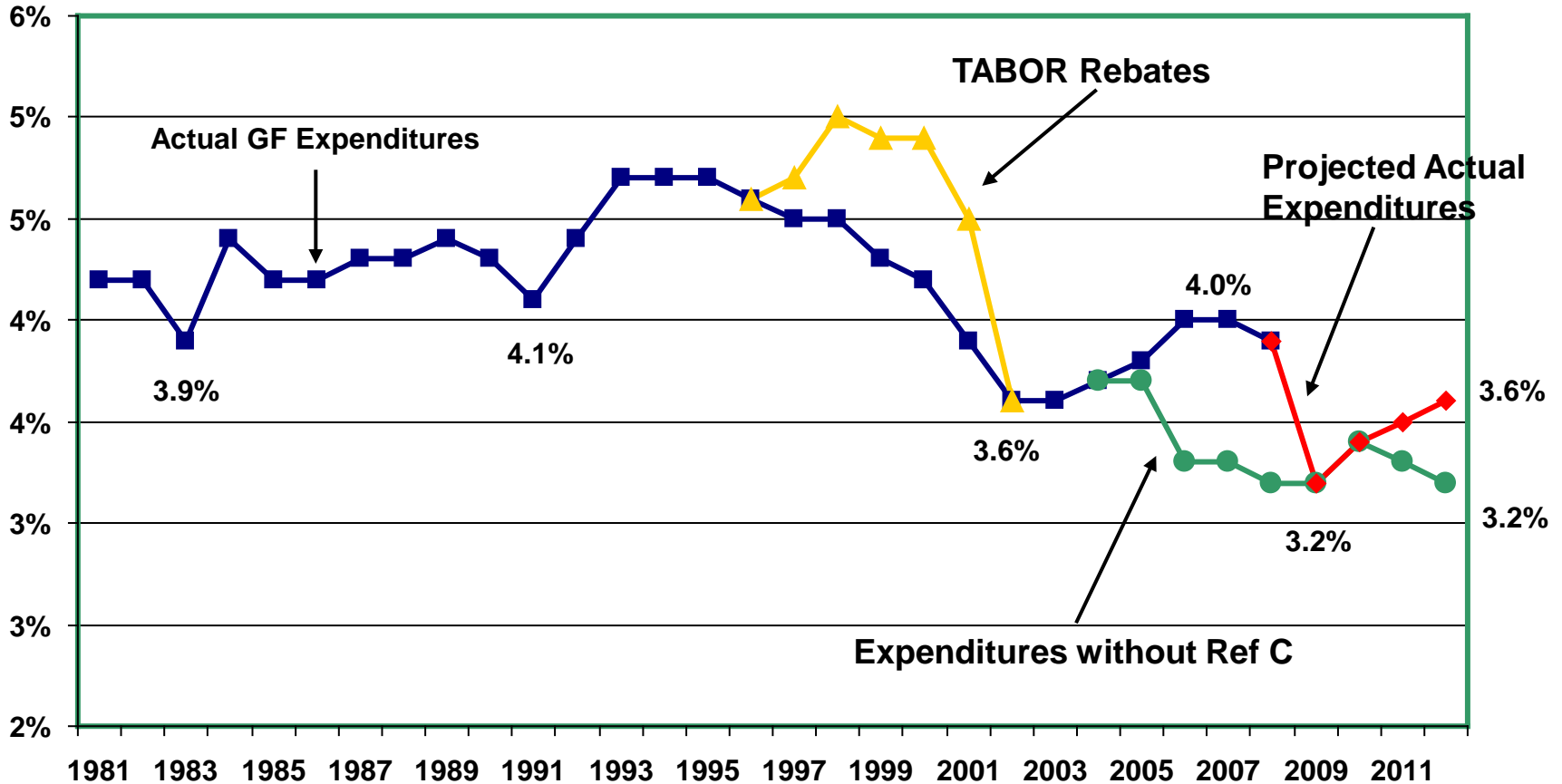
## Stagnant General Fund Revenues



# Looking Forward

## General Fund Revenues

General Fund Revenues and Expenditures as a Percentage of Total State Personal Income  
(Compare to Legislative Council Chart 57)





# Looking Forward

- The limit on what we can do is a revenue structure that does not keep pace with the economy or with what it will take to support key public systems.

# Looking Forward Solutions?

- Modernize revenue system and increase total GF revenues.
- Stop doing some things (close down some public systems).
- Try to keep muddling through

# **The ultimate question**

- **What are our aspirations for Colorado?**
- **Will our current and future revenues allow us to achieve those aspirations?**



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