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**HANDOUTS FOR INTERIM  
COMMITTEE ON LONG TERM FISCAL  
STABILITY**

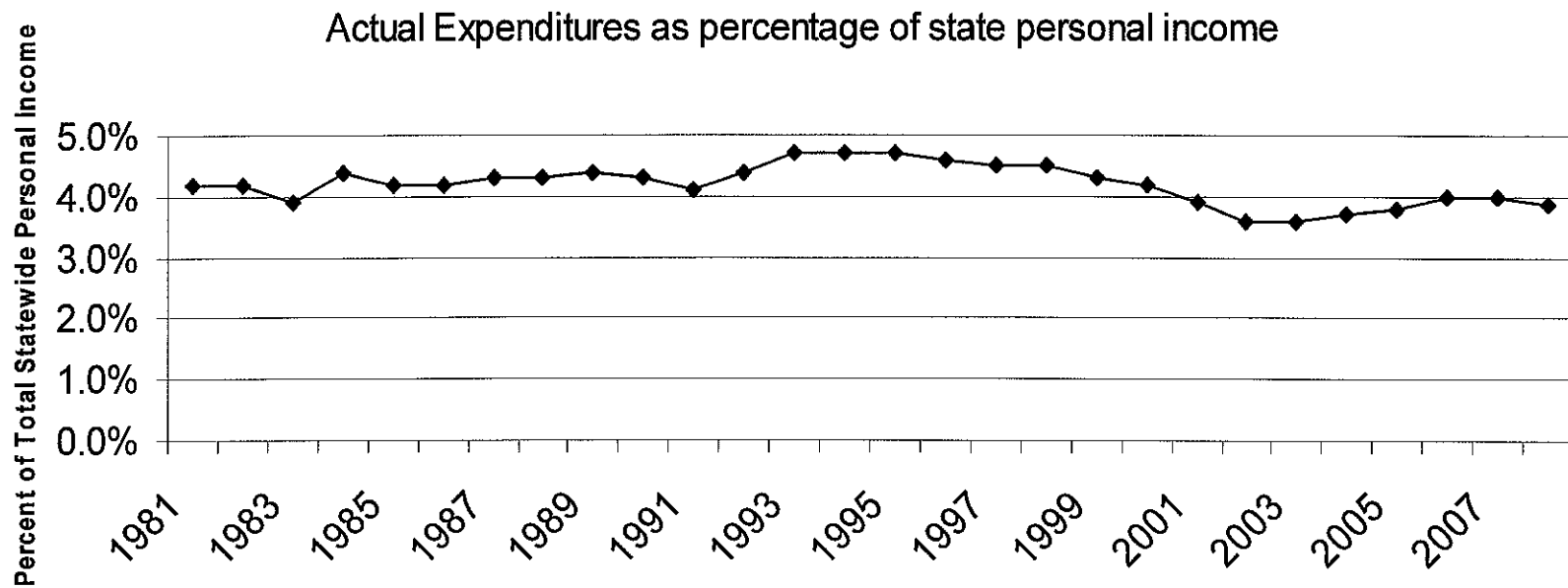
**July 9, 2009**

Chart 1



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# Government is shrinking compared to the economy



'81-;01 average 4.3%; 2008 the rate is 3.9%

—◆— Actual Expenditures as percentage of state personal income

Graph prepared by the Bell Policy Center

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CHART 2



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**Aiming for the Middle: Benchmarks for Colorado's  
Future  
2009 Updated Rankings**

|                   |  |
|-------------------|--|
| <b>Appendix 1</b> | <b>Additional<br/>State Funds<br/>Needed</b> |
|-------------------|--|

|  |                      |  |                   |
|--|----------------------|--|-------------------|
| <b>TOTAL EXPENDITURES*</b>   | <b>Rank</b>          |  | <b>47</b>         |
| <b>State Spending per \$1,000 of state personal income</b>                         | US                   |  | 140.52            |
|  | 25th                 |  | 149.66            |
|  | <b>CO</b>            |  | <b>106.49</b>     |
| spending data - US Census (2007)   | Amt below US Average |  | 34.02             |
| personal income data - BEA (2007)  | Amt below 25th state |  | 43.16             |
|  |                      |  | \$4,886,280,163   |
|  |                      |  | \$6,199,487,171   |
| <b>TOTAL EXPENDITURES*</b>   | <b>Rank</b>          |  | <b>45</b>         |
| <b>State Spending per capita</b>   | US                   |  | 5,426.00          |
|  | 25th                 |  | 5,516.08          |
|  | <b>CO</b>            |  | <b>4,386.74</b>   |
| spending and population - US Census Bureau (2007)                                  | Amt below US Average |  | 1,039.26          |
|  | Amt below 25th state |  | 1,129.34          |
|  |                      |  | \$3,623,677,460   |
|  |                      |  | \$3,937,779,029   |
| <b>K-12 EDUCATION</b>  | <b>Rank</b>          |  | <b>48</b>         |
| <b>State elementary and secondary revenue per \$1,000 of state personal income</b> | US                   |  | 50.67             |
|  | 25th                 |  | 50.61             |
|  | <b>CO</b>            |  | <b>41.16</b>      |
| revenue data - US Census (2006)  | Amt below US Average |  | 9.51              |
| personal income data - BEA (2006)  | Amt below 25th state |  | 9.45              |
|  |                      |  | \$1,789,529,481   |
|  |                      |  | \$1,778,965,540   |
| <b>K-12 EDUCATION</b>  | <b>Rank</b>          |  | <b>32</b>         |
| <b>State elementary and secondary revenue per capita</b>                           | US                   |  | \$1,746.59        |
|  | 25th                 |  | \$1,697.90        |
|  | <b>CO</b>            |  | <b>\$1,523.11</b> |
| revenue and population - US Census Bureau (2006)                                   | Amt below US Average |  | 223.47            |
|  | Amt below 25th state |  | 174.79            |
|  |                      |  | \$1,061,832,869   |
|  |                      |  | \$830,513,571     |

|  |                      |               |                 |
|--|----------------------|---------------|-----------------|
| <b>MEDICAID**</b>  | <b>Rank</b>          | <b>49</b>     |                 |
| <b>Spending per \$1,000 of state personal income</b>       | US                   | 27.74         |                 |
|  | 25th                 | 24.53         |                 |
|  | <b>CO</b>            | <b>13.11</b>  |                 |
| Spending data - NASBO (2007)                               | Amt below US Average | 14.63         | \$1,459,220,888 |
| personal income data - BEA (2007)                          | Amt below 25th state | 11.42         | \$1,139,050,071 |
| <b>MEDICAID**</b>  | <b>Rank</b>          | <b>49</b>     |                 |
| <b>Spending per capita</b>                                 | US                   | 1,015.71      |                 |
|  | 25th                 | 971.77        |                 |
|  | <b>CO</b>            | <b>539.98</b> |                 |
| spending data - NASBO (2007)                               | Amt below US Average | 475.73        | \$1,151,925,486 |
| population - US Census Bureau (2007)                       | Amt below 25th state | 431.79        | \$1,045,529,829 |
| <b>CHP+***</b>   | <b>Rank</b>          | <b>35</b>     |                 |
| <b>State Spending per \$1,000 of state personal income</b> | US                   | 0.68          |                 |
|  | 25th                 | 0.66          |                 |
|  | <b>CO</b>            | <b>0.51</b>   |                 |
| spending data - NASBO (2007)                               | Amt below US Average | 0.17          | \$11,388,506    |
| personal income data - BEA (2007)                          | Amt below 25th state | 0.15          | \$9,874,427     |
| <b>CHP+***</b>   | <b>Rank</b>          | <b>31</b>     |                 |
| <b>State Spending per capita</b>                           | US                   | 25.36         |                 |
|  | 25th                 | 22.77         |                 |
|  | <b>CO</b>            | <b>21.06</b>  |                 |
| spending data - NASBO (2007)                               | Amt below US Average | 4.30          | \$6,871,891     |
| population - US Census Bureau (2007)                       | Amt below 25th state | 1.71          | \$2,732,775     |
| <b>HIGHER EDUCATION</b>                                    | <b>Rank</b>          | <b>48</b>     |                 |
| <b>State Spending per \$1,000 of state personal income</b> | US                   | 7.16          |                 |
|  | 25th                 | 6.46          |                 |
|  | <b>CO</b>            | <b>3.52</b>   |                 |
| spending data - Grapevine (2008)                           | Amt below US Average | 3.64          | \$761,929,681   |
| personal income data - BEA (2008)                          | Amt below 25th state | 2.94          | \$615,404,743   |
| <b>HIGHER EDUCATION</b>                                    | <b>Rank</b>          | <b>48</b>     |                 |
| <b>State Spending per capita</b>                           | US                   | 269.70        |                 |
|  | 25th                 | 251.73        |                 |
|  | <b>CO</b>            | <b>149.35</b> |                 |
| spending data - Grapevine (2008)                           | Amt below US Average | 120.35        | \$594,463,530   |
| population - US Census Bureau (2008)                       | Amt below 25th state | 102.38        | \$505,701,505   |

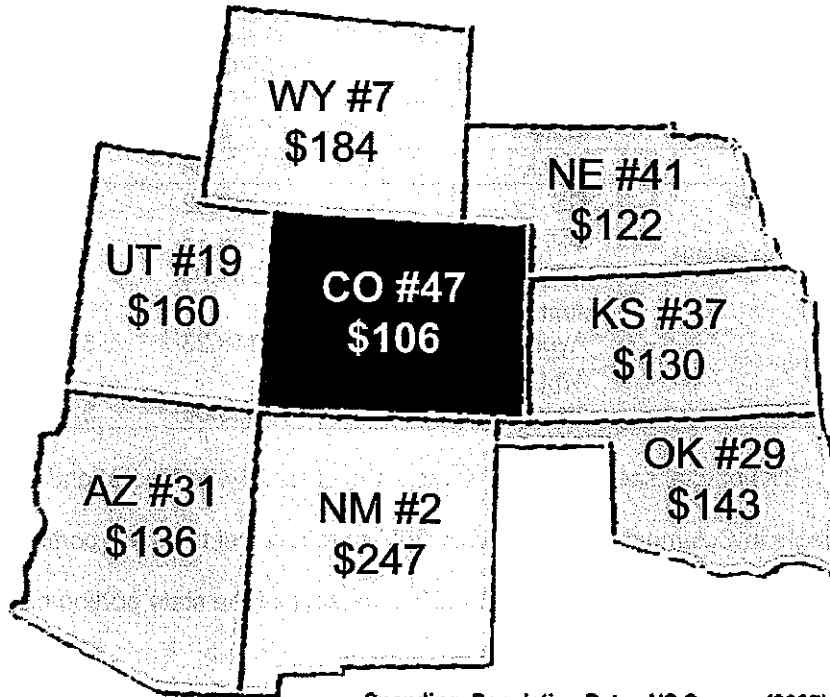
| <b>HIGHWAYS</b>  |                      | <b>Rank</b>   | <b>48</b>     |
|--|----------------------|---------------|---------------|
| <b>State Spending per \$1,000 of state personal income</b> | US                   | 8.87          |               |
|  | 25th                 | 9.83          |               |
|  | <b>CO</b>            | <b>5.44</b>   |               |
| spending data - US Census (2007)                           | Amt below US         |               |               |
| personal income data - BEA (2007)                          | <u>Average</u>       | 3.43          | \$683,723,563 |
|  | Amt below 25th state | 4.39          | \$875,770,119 |
| <b>HIGHWAYS</b>  |                      | <b>Rank</b>   | <b>48</b>     |
| <b>State Spending per capita</b>                           | US                   | 342.42        |               |
|  | 25th                 | 359.13        |               |
|  | <b>CO</b>            | <b>224.08</b> |               |
| spending and population - US Census Bureau (2007)          | Amt below US         |               |               |
|  | <u>Average</u>       | 118.33        | \$573,059,008 |
|  | Amt below 25th state | 135.05        | \$654,004,778 |

\* The State's share (72%) of total spending. In Colorado, the other 28% is federal and local spending.

\*\* All Medicaid numbers in Column E are reduced by 50% to reflect just the state portion of total Medicaid spending.

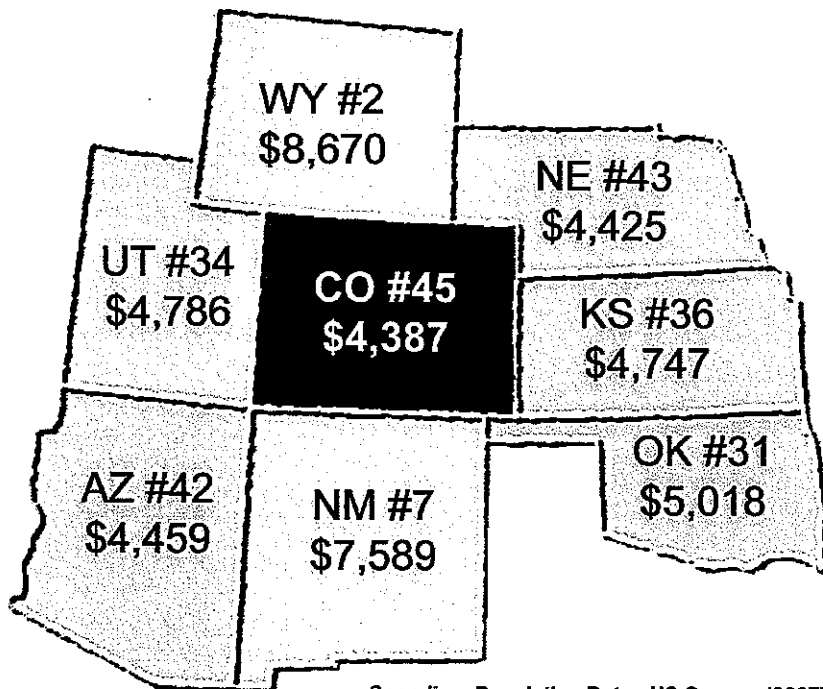
\*\*\* All CHP+ numbers in Column E are reduced by 2/3 to reflect just the state portion of total spending.

**2007 Nationwide Rank**  
**State Spending per \$1000 of Personal Income**  
Colorado and Neighboring States



Spending, Population Data - US Census (2007)  
Personal Income Data - BEA (2007)

**2007 Nationwide Rank**  
**State Spending per Capita**  
Colorado and Neighboring States



Spending, Population Data - US Census (2007)

## **SOURCES**

### **Denominator for All per Capita and Per \$1,000 of State Personal Income Calculations**

- U.S. Census Bureau, Population Estimates, <http://www.census.gov/popest/states/tables/NST-EST2008-01.xls>
- Bureau of Economic Analysis, Annual State Personal Income, <http://www.bea.gov/regional/spi/default.cfm?satable=summary>

### **Total Expenditures**

- U.S. Census Bureau, *State Government Finances*, FY 2006-07. <http://ftp2.census.gov/govs/state/07statess.xls>

### **K-12 Education**

- U.S. Census Bureau, Public Education Finances Report 2006, <http://ftp2.census.gov/govs/school/06f33pub.pdf>
- Colorado School Finance Project, State Profile Data 2008 <http://www.cosfp.org/StateProfileData/2008/StateProfileData.2008.pdf>
- Education Week, "Quality Counts" report 2006. <http://www.edweek.org/ew/articles/2009/01/08/17sos.h28.html>

### **Medicaid**

- National Association of State Budget Officers, 2007 State Expenditure Report, <http://www.nasbo.org/Publications/PDFs/FY07%20State%20Expenditure%20Report.pdf>

### **CHP+**

- National Association of State Budget Officers, 2007 State Expenditure Report, <http://www.nasbo.org/Publications/PDFs/FY07%20State%20Expenditure%20Report.pdf>

### **Higher Education**

- University of Illinois, EAF Foundation, Grapevine, 2009, [http://www.grapevine.ilstu.edu/fifty\\_state\\_summary.htm](http://www.grapevine.ilstu.edu/fifty_state_summary.htm)

### **Highway Spending**

- U.S. Census Bureau, *State Government Finances*, FY 2006-07. <http://ftp2.census.gov/govs/state/07statess.xls>

Chart 3



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# Where We Rank In State Taxes (Legislative Council Jan 2009)

## Colorado's Rank in Selected State Taxes

per \$1,000 income, FY 2006-07

| Tax               | Colorado |         | National |         |
|-------------------|----------|---------|----------|---------|
|                   | Rank     | Tax     | High     | Low     |
| Total Taxes       | 49       | \$48.91 | \$133.26 | \$41.65 |
| Individual Income | 28       | \$21.68 | \$45.53  | \$0.00  |
| Sales and Use     | 44       | \$11.79 | \$54.03  | \$0.00  |
| Corporate Income  | 43       | \$2.55  | \$31.50  | \$0.00  |
| Motor Fuels       | 31       | \$3.52  | \$7.23   | \$0.61  |

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Chart 4



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# WHERE WE RANK IN STATE AND LOCAL TAXES

(Legislative Council Jan 2009)

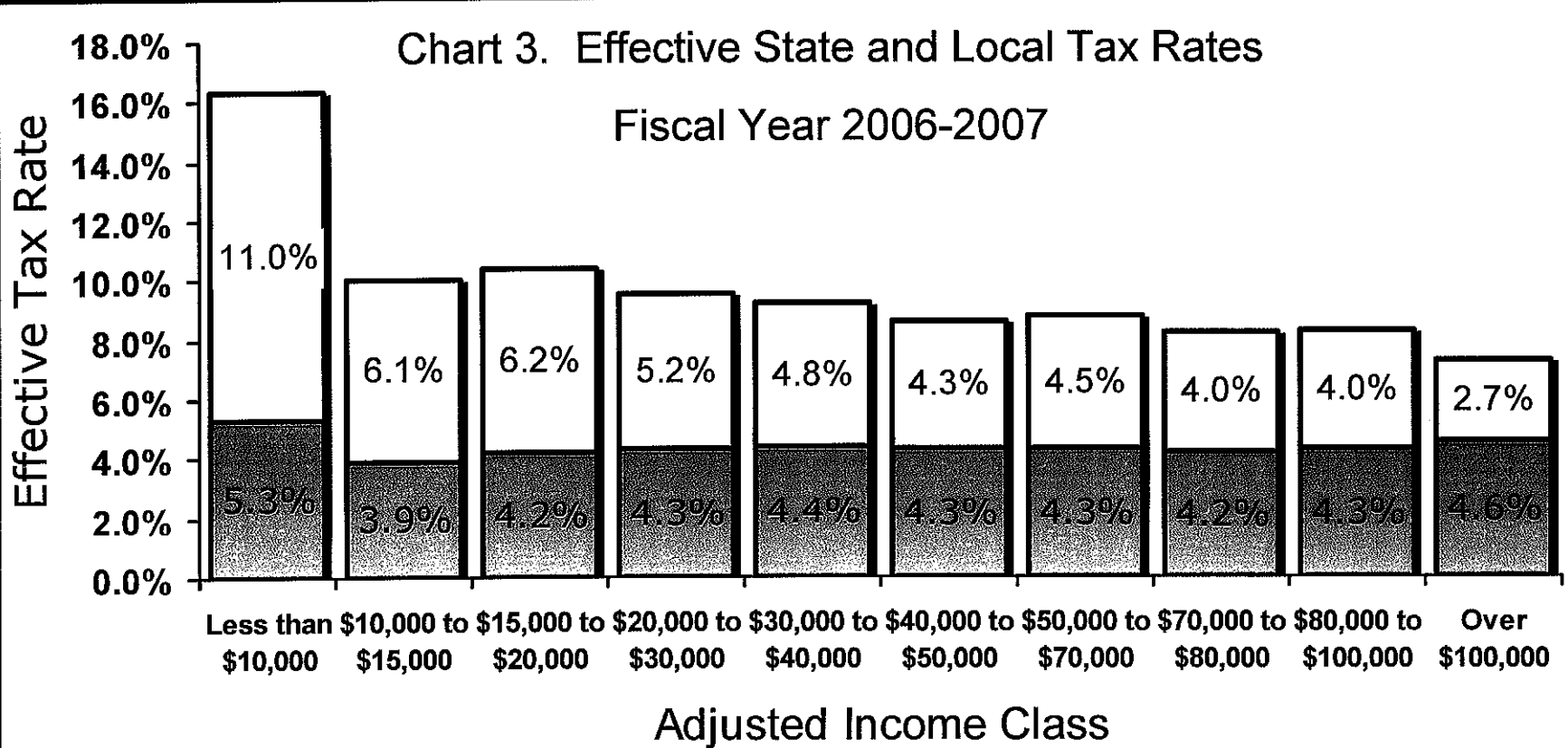
| Combined State and Local Tax Collections |      |          |
|--|------|----------|
| per \$1,000 Income, FY 2005-06           |      |          |
| State                                    | Rank | Tax      |
| Wyoming*                                 | 1    | \$165.92 |
| U.S. Average                             | n/a  | \$116.22 |
| Colorado                                 | 46   | \$98.01  |
| South Dakota                             | 50   | \$91.03  |

Chart 5



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# Colorado Taxes are Regressive



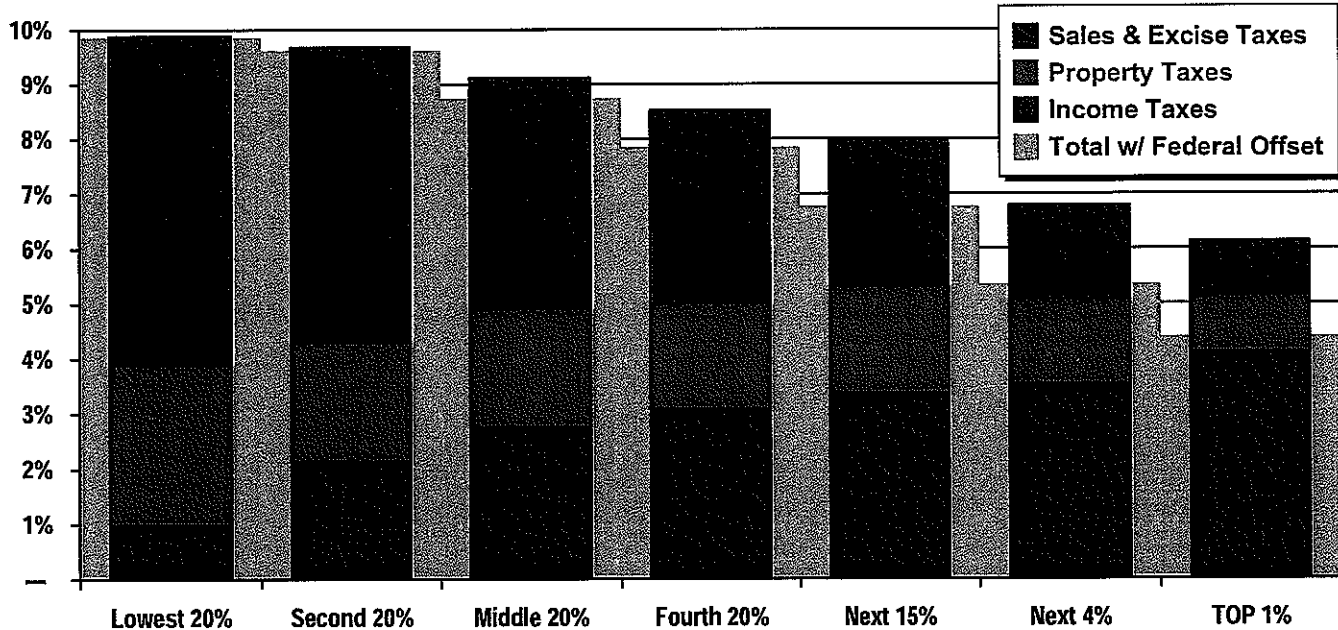
■ State Taxes □ Local Taxes

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# Colorado

## State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



| Income Group                    | Lowest 20%         | Second 20%          | Middle 20%          | Fourth 20%          | Top 20%              |                       |                   |
|---------------------------------|--------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|-------------------|
|                                 |                    |                     |                     |                     | Next 15%             | Next 4%               | TOP 1%            |
| <b>Income Range</b>             | Less than \$17,000 | \$17,000 - \$30,000 | \$30,000 - \$47,000 | \$47,000 - \$78,000 | \$78,000 - \$154,000 | \$154,000 - \$692,000 | \$692,000 or more |
| <b>Average Income in Group</b>  | \$9,800            | \$22,700            | \$37,400            | \$61,300            | \$106,000            | \$227,000             | \$1,185,000       |
| <b>Sales &amp; Excise Taxes</b> | 6.0%               | 5.4%                | 4.2%                | 3.5%                | 2.7%                 | 1.7%                  | 1.0%              |
| General Sales—Individuals       | 3.2%               | 3.1%                | 2.5%                | 2.1%                | 1.7%                 | 1.1%                  | 0.6%              |
| Other Sales & Excise—Ind.       | 0.6%               | 0.4%                | 0.4%                | 0.3%                | 0.2%                 | 0.1%                  | 0.0%              |
| Sales & Excise on Business      | 2.2%               | 1.8%                | 1.4%                | 1.1%                | 0.8%                 | 0.5%                  | 0.3%              |
| <b>Property Taxes</b>           | 2.9%               | 2.2%                | 2.1%                | 1.9%                | 2.0%                 | 1.5%                  | 1.0%              |
| Property Taxes on Families      | 2.8%               | 2.1%                | 2.1%                | 1.8%                | 1.8%                 | 1.3%                  | 0.5%              |
| Other Property Taxes            | 0.1%               | 0.1%                | 0.1%                | 0.1%                | 0.1%                 | 0.2%                  | 0.6%              |
| <b>Income Taxes</b>             | 1.0%               | 2.1%                | 2.8%                | 3.1%                | 3.4%                 | 3.5%                  | 4.1%              |
| Personal Income Tax             | 1.0%               | 2.1%                | 2.7%                | 3.1%                | 3.3%                 | 3.5%                  | 4.0%              |
| Corporate Income Tax            | 0.0%               | 0.0%                | 0.0%                | 0.0%                | 0.0%                 | 0.0%                  | 0.1%              |
| <b>TOTAL TAXES</b>              | <b>9.9%</b>        | <b>9.7%</b>         | <b>9.1%</b>         | <b>8.5%</b>         | <b>8.0%</b>          | <b>6.8%</b>           | <b>6.1%</b>       |
| <b>Federal Deduction Offset</b> | -0.0%              | -0.1%               | -0.4%               | -0.7%               | -1.2%                | -1.4%                 | -1.7%             |
| <b>TOTAL AFTER OFFSET</b>       | <b>9.9%</b>        | <b>9.6%</b>         | <b>8.7%</b>         | <b>7.8%</b>         | <b>6.8%</b>          | <b>5.3%</b>           | <b>4.4%</b>       |

Note: Table shows 2002 tax law at 2000 income levels.