



COLORADO FISCAL POLICY INSTITUTE

Support SB 228 Sponsored by Sen. Morse, Rep. Marostica, and Rep. Court Don't Artificially Extend Colorado's Recession

Making this Change Now Will Help Colorado Recover from the Recession

Colorado headed into this recession already vulnerable because of an outdated budget formula known as Arveschoug-Bird or the 6 percent. It says that the state's operating budget can increase by 6 percent each year, but anything over that MUST be spent ONLY on transportation and capital construction. This has serious unintended consequences that jeopardize Colorado's ability to withstand and recover from a recession.

Arveschoug-Bird limits our ability to recover from the recession and invest in key job-creating priorities like education, healthcare, higher education, and more. The net result is that when a recession hits Colorado, the outdated budget formula artificially extends the pain of that recession.

SB 228 will repeal Arveschoug-Bird and make sure that Colorado is better equipped to withstand and recover from recessions. SB 228 will help propel Colorado's economic recovery, prevent permanent cuts to key job-creating priorities like education and healthcare, and avoid artificially prolonging an already tough recession.

Making this Change Now Maximizes Federal Recovery Dollars and Levels the Playing Field

Congress just passed a large economic recovery plan that could mean nearly \$3 billion in direct federal assistance for Colorado over two years. If Arveschoug-Bird stays in place, the current budget cuts will effectively be permanent, despite the availability of one-time federal recovery dollars used to temporarily fill budget gaps. SB 228 will provide the flexibility and the accountability needed to make sure Colorado maximizes that federal investment.

Arveschoug-Bird is a barrier to making smart investments in job-creating priorities like education, healthcare, higher education, energy, and more, as well as a barrier to saving in the good times so we don't have to cut in the bad times. SB 228 would level the playing field for public investments in operating (program spending for health care, higher education, K-12, etc) and capital (transportation and building) spending.

Making this Change Would NOT Raise Taxes, Increase Spending, or Grow Government

SB 228 does not raise taxes, increase spending, or grow government—which is why the legislature has the clear authority to make this critical reform. TABOR requires voter approval for a “weakening” of “other limits on district revenue, spending, and debt.” The 6% formula is not a “limit” on spending, since it dictates how money can be spent, but not how much. The General Assembly has the exclusive constitutional authority to appropriate funds and therefore retains the ability to set and change the rules for appropriations.

This legislation will not increase spending or taxes, and it doesn't change the TABOR revenue limit or voter approval of tax increases, but it will increase accountability of legislators by establishing clear budget priorities, instead of being bound by formulas and mandates.

The Bottom Line

Without passing SB 228, Colorado will be one of the only states to not fully recover from the recession. SB 228 is needed now, because Colorado needs to invest in job-creating priorities, and to make sure when there is a recession that we don't artificially prolong it.

Supporters of SB 228

Statewide Policy Groups

Colorado Center on Law and Policy
Colorado Fiscal Policy Institute
Colorado Common Cause
League of Women Voters of Colorado
Bell Policy Center
AARP
Colorado Children's Campaign
Rocky Mountain Farmers Union
Housing Colorado
Women's Foundation of Colorado
Women's Lobby of Colorado
Colorado Social Legislation Committee
Colorado Senior Lobby
Colorado Commission on Aging

Education

Colorado Education Association
Colorado Association of School Boards (CASB)
Every Child Matters
Colorado Association of School Executives
Great Education Colorado Action
Parent to Parent of CO
Associated Students of Colorado
Crested Butte Community School PTA
The Partnership for Families & Children
Independent Higher Education of Colorado
AFT Colorado, Affiliated with the AFL-CIO
Metropolitan State Faculty Federation
Douglas County Federation of Teachers and
Classified Employees
Coalition for a Thorough & Uniform
Colorado Public Education System
CO Congress of Foreign Language Teachers
CO Council on High School/College Relations
Colorado School Counselors Association
Colorado Classified School Employees Association

Working Families

Colorado WINS
SEIU Colorado
FRESC Good Jobs, Strong Communities
Colorado Association of Public Employees Retirees
AFSCME
Metro Organizations for People
Denver Federation for Paraprofessionals
Denver Women's Commission
9to5, National Assoc. of Working Women

Faith Organizations

Interfaith Alliance of Colorado
Colorado Council of Churches
Lutheran Advocacy Ministry
Colorado and Hunger for Justice:
Interfaith Voices Against Poverty

Disability Community

The ARC of Arapahoe and Douglas County
The ARC of Colorado
The ARC of Jefferson County
The ARC of Denver
CCB Partners
Parents of Adults with Disabilities - CO (Colorado)
Colorado Developmental Disability Council
Colorado Cross-Disability Coalition

Health Care

Colorado Medical Society
Colorado Consumer Health Initiative
Colorado Voices for Coverage
Health Care for All Coloradoans
THRIVE!: Persons Living with HIV/AIDS Initiative
of Colorado
Colorado Diabetes Association
Colorado Association of Medical Equipment Services
Colorado Organizations Responding to AIDS
Autism Society of Colorado
Colorado AIDS Project
Colorado Academy of Family Physicians
Health District of Northern Larimer County
Colorado Community Health Network
All Kids Covered by 2010
CO Coalition for the Medically Underserved
Public Health Directors of Colorado
Colorado Public Health Association
Colorado Society for Public Health Education
Public Health Nurses Association of Colorado
Nat'l Association of Social Workers, CO Chapter
CO Association of Family & Children's Agencies
CO Association of Homes & Services for the Aging
CO Assoc. of Area Agencies on Aging
Family Voices Colorado
Federation of Families for Children's Mental
Health-Colorado Chapter
NAMI Colorado
Foster Care and Adoption Agencies of Colorado
Colorado Children's Immunization Coalition
Colorado Community Health Network
Oral Health Awareness for Colorado
Healthcare Advocates Alliance
KEENE Research & Development
Barbara Yondorf, Yondorf & Associates

Statewide Advocacy Groups

Latina Initiative
All Families Deserve A Chance Coalition
Colorado ACORN
Colorado Environmental Coalition
Colorado Progressive Coalition
New Era Colorado
Arapahoe Community Team

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