

Senate Chamber
State of Colorado

NEWS RELEASE

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THE 6% SOLUTION

Maximizing Federal Recovery Dollars and Getting Colorado's Economy Back on Track

Denver – Today, **Senator John Morse (D-Colorado Springs)** and **Representative Don Marostica (R-Larimer County)** introduced critical legislation today that would eliminate the 6 percent General Fund appropriations provision, also known as **Arveschoug-Bird**. This move will help Colorado to avoid making the current budget cuts permanent, maximize federal recovery dollars and get the state's economy back on track more quickly by addressing current economic realities and putting all of the state's priorities on a level playing field.

“Colorado is facing down a recession with our hands tied behind our backs,” said **Sen. John Morse**. “Getting rid of the 6 percent will help untie the knot—giving us the tools to maximize federal recovery dollars, avoid making these current budget cuts permanent and position Colorado for a fast and strong economic recovery.”

“One thing we all can agree on is that Colorado's fiscal and budget situation is an outdated mess, and eliminating the 6 percent provision will help clean things up,” said **Rep. Don Marostica**. “Eliminating Arveschoug-Bird will bring accountability to our budget and give the state the tools it needs to invest responsibly and recover from this recession.”

If the 6% provision stays in place, federal recovery dollars will not allow us to avoid cuts—just postpone them—extending the effects of the recession in Colorado. Since the 6% formula is based on annual General Fund spending, it contains a ratchet. If unchanged, the 6% will mean that when the economy recovers, and other states are climbing out of the recession and restoring cuts, Colorado will be stuck in a recession rut because cuts made now will effectively become permanent.

“Because Arveschoug-Bird allocates how money is spent rather than limiting how much is spent, this much needed change will not increase taxes, nor will it increase spending,” said **former Colorado Supreme Court Justice Jean Dubofsky**. “Since it is not a limit on spending, the General Assembly has the authority to make this change.”

“Our state is handcuffed and our leaders are forced to make decisions based on an outdated formula—not on the needs of our children or the priorities of our citizens,” said **Megan Ferland, President of Policy at the Colorado Children's Campaign**. “Colorado has the fastest growing rate of child poverty in the country, and getting rid of the 6 percent provision is one way we can get our state back on track.”

The 6 percent General Fund Appropriations provision, also known as Arveschoug-Bird, is a formula that dictates how Colorado can appropriate General Fund dollars. General Fund revenues collected above the 6 percent are still spent by the state—just not for operating expenses, such as educating students or paying for medical care. Currently, revenues that top the 6 percent limit are largely used to fund transportation and capital construction needs.