



Friday, March 19, 2010

STATEMENT

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Report highlights Colorado's continued budget problems

Today Colorado's nonpartisan Legislative Council announced that despite an unexpected uptick in revenue for the current year, long-term revenue problems still threaten the future of critical state services, such as health care, public schools, and higher education.

In its quarterly economic and revenue forecast, the Legislative Council announced that a previously unanticipated \$230 million in sales and income tax revenue is expected to help the current year budget finish with an extra \$35 million above the budgeted amount. Still, the forecast issued by the Legislative Council offered grim estimates for the coming years:

- A likely general fund shortfall, which could be as large as \$321 million, for 2010-11.
- An almost certain general fund shortfall of up to \$579 million in 2011-12.

"Colorado's slow recovery from the Great Recession continued to limit vital services that Colorado families depend on," said Terry Scanlon, a fiscal policy analyst with the Colorado Fiscal Policy Institute. "Nearly 146,000 Coloradans have lost their jobs since the recession began. Meanwhile the demand on services has risen as the state's ability to pay for those services has declined. Today's forecast was better than expected but at the same time underscores the need to fix the state's broken revenue structure."

"Our state's outdated revenue system has made a severe economic downturn even worse. For nearly two decades now, we've deferred investments in our schools and universities, and our transportation system. We've weakened programs that help people get good jobs and make our state more economically competitive. These policies are leaving Coloradans more vulnerable to economic declines and less able to benefit from upswings."

The Colorado Fiscal Policy Institute is a project of the Colorado Center on Law and Policy, a nonprofit, nonpartisan research and advocacy organization promoting justice and economic security for all Coloradans.