Understanding the Colorado State Budget

(April 2018, Building a Better Colorado)

Colorado's state budget pays for essential public services and infrastructure that affect our daily quality of life. Unfortunately, our aging population and a series of amendments which we've made to our constitution over the last three decades have created a fiscal conflict within our state budget that's eroding our ability to sustain that quality of life.

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Why do we need government, anyway?

Government (the PUBLIC sector) provides public services that businesses (the PRIVATE sector) either can't provide or won't provide because there's no profit incentive to do so. While there are certainly niche opportunities for private businesses to make money providing services like private security and in-home care for those who can afford it, there's simply no way to sustainably profit from providing broader public services which serve everyone, like police and fire protection, road maintenance and care for the poor and elderly. Requiring people to pay for services which are currently paid for with public taxes would have the effect of essentially prohibiting access to those services for those who can least afford them, and our entire society would suffer as a result of that. For example, we all benefit from the fact that essentially everyone in our civilized society can read and write and thus are able to perform skilled work; imagine how much differently our society would function if, like many third-world countries, the lowest-income segment of our society who couldn't afford to pay for school were simply left to be illiterate.

There are basically three different levels of governmental jurisdiction: Local (City, County, School Districts and other Special Tax Districts), State and Federal. Each level of government functions independently of the others, with each collecting their own authorized taxes and fees to fund their own unique public services, from maintaining your local streets (City government) to providing for our national defense (Federal government).

How do we pay for the public services which our government provides?

Because public services make our communities stronger and benefit all of us, we authorize government to collect taxes from us (such as sales tax, income tax, and property tax) in order to pay for them. And we elect government leaders to make sure that our government functions fairly and effectively.

On average, Coloradans pay about 27% of their personal income through various taxes to fund federal, state, and local governments, with about 2/3rds of that amount going to the federal government and the remainder split between state and local governments[1].

Coloradans pay about 27% of their income in taxes to fund essential government services that affect our quality of life.

Each dollar of taxes is paid to Federal, State and Local governments as follows…

66¢ Federal

Defense
International Affairs
Health Care
Social Security
Human Services

16¢ State

P-12 Education
Health Care
Human Services
Prisons & Courts
Higher Education

18¢ Local

P-12 Education
Police & Fire
Streets
Waste Management
Culture & Recreation

Sources: Colorado Department of Local Affairs; White House Office of Management and Budget, and Joint Budget Committee Staff.
**Average distribution, 2010 through 2015.*

[1] "Understanding the State Budget", Colorado Legislative Staff, Dec 2016

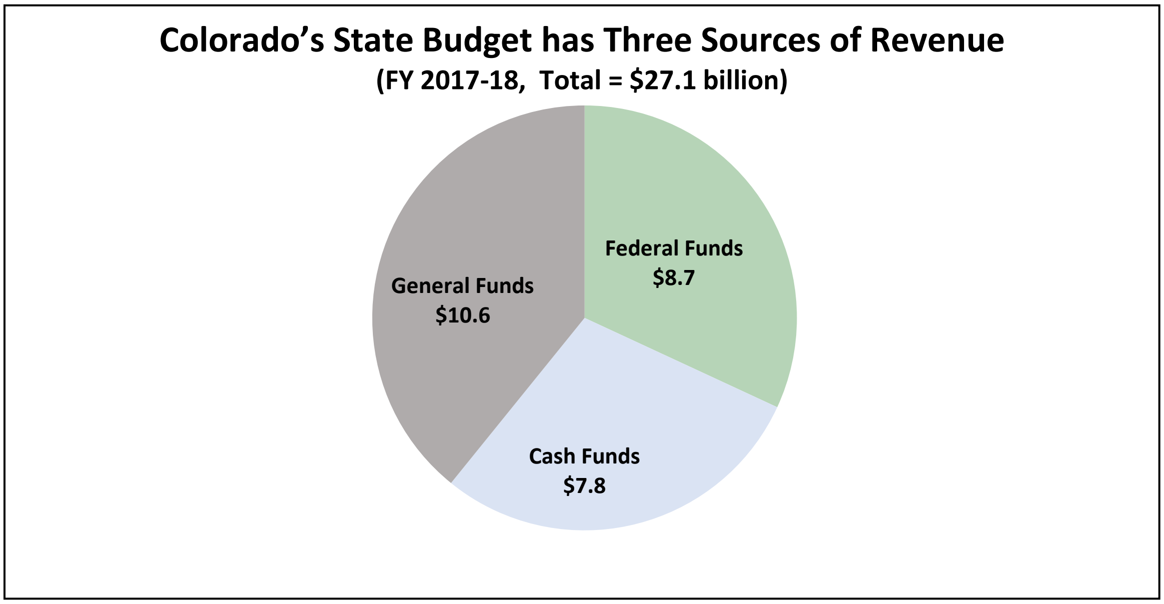
What does our state government do with the taxes we pay?

The taxes that we pay for our STATE government pay for maintaining our statewide public infrastructure (like prisons and state buildings) and supporting services like higher education, the courts, Medicaid for the poor and elderly, and the state's 2/3rds share of the cost of K-12th grade education.

By contrast, the taxes we pay to support LOCAL government pay for local services like police, jails, and fire services, street maintenance, city parks, and the local government's 1/3rd share of the cost of K-12th grade education.

What is the state budget?

The state budget is what our state government uses to pay for all those essential state services on which we depend. Our state government collects almost $30 billion each year, with about 40% coming from state taxes ("General Funds"), 30% coming from state fees ("Cash Funds"), and 30% coming from the federal government ("Federal Funds").

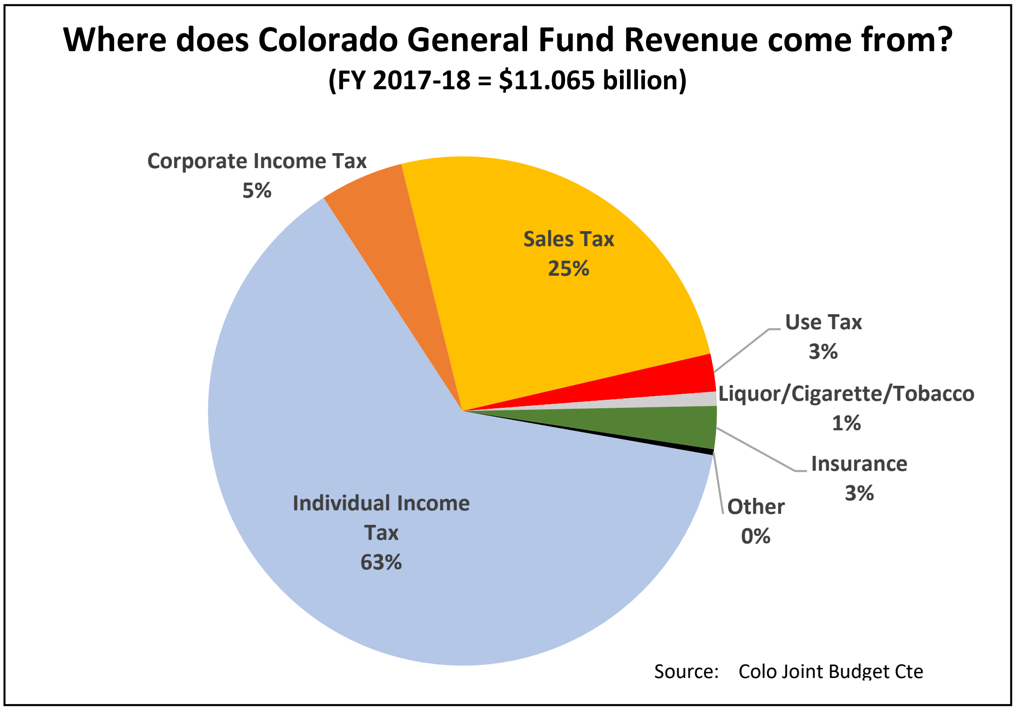


General Fund Revenues

When people talk about the "state budget", they're usually referring to the state's General Fund which represents about 1/3rd of total state revenues and is sort of like the state's checking account. The General Fund is used to pay for the state's core programs, such as education, health care, human services, courts, and prisons. The General Fund amounts to about $11 billion for FY17-18 and is really the only part of the state's revenue over which we have much discretionary control; the rest of the state's budget (Federal funds and Cash funds) is mostly dedicated to prescribed uses dictated by state and federal laws.

General Funds are the only part of the state's revenue budget over which the state has much discretionary control and are used to pay for the state's core programs, such as education, health care, and prisons.

About 70% of the General Fund comes from State Income Tax (both Individual and Corporate), 25% from State Sales Tax, and the remainder from Excise, Use and other smaller tax sources.



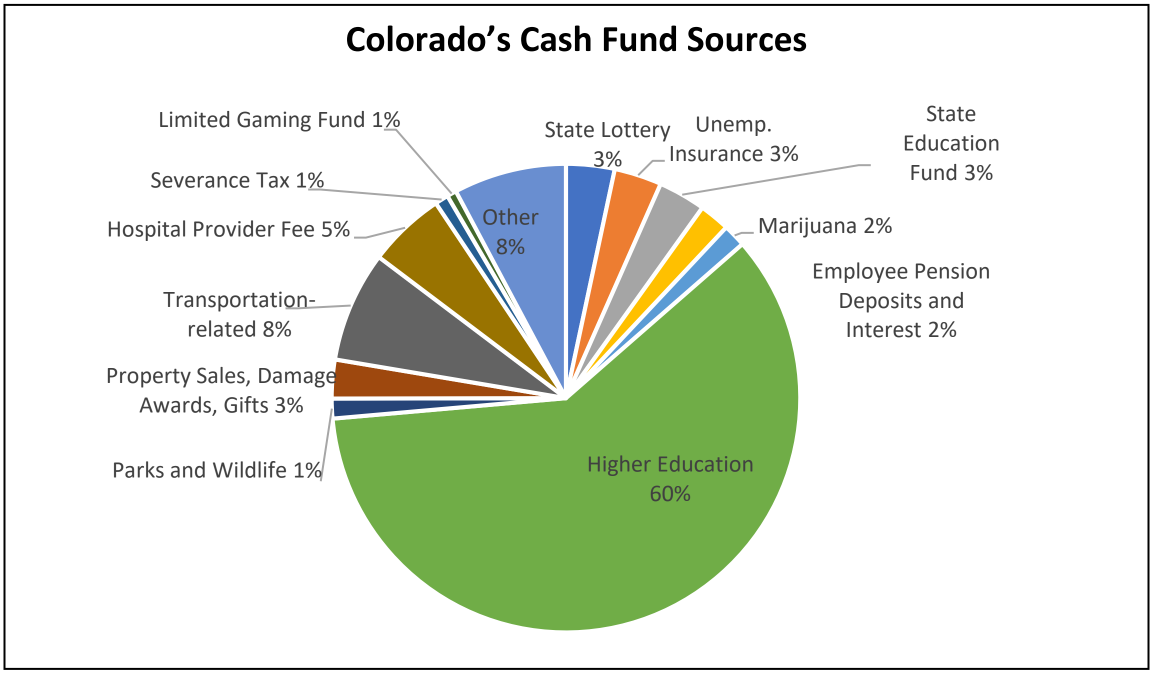
Because most of the revenue in the General Fund is subject to the state's constitutional TABOR revenue limit, state spending per person (when adjusted for inflation) has remained relatively constant. (TABOR is explained in more detail at the end of this document.)

Cash Fund Revenues

Cash Funds are generated by specific state services and are restricted to be used to fund only those services and prescribed program areas. The largest source of Cash Funds are college tuition, fees and research grants at state colleges and universities which make up 60% of Cash Funds, and these revenues must, in turn, be used to fund higher education.

Other much smaller sources of Cash Funds include the state gas tax, the Hospital Provider Fee, state lottery revenues, and marijuana taxes – all of which are prescribed for specific uses based on the source of the Cash funding. Cash Funds exist outside of the General Fund, are generally exempt from the state's TABOR revenue limit, and cannot be used to pay for any other state services.

Cash Funds are generated by specific state services and are restricted to be used to fund only those services and prescribed program areas.


Colorado's Cash Fund Sources
Limited Gaming Fund 1%
Severance Tax 1%
Hospital Provider Fee 5%
Transportation-related 8%
Property Sales, Damage Awards, Gifts 3%
Parks and Wildlife 1%
Other 8%
State Lottery 3%
Unemp. Insurance 3%
State Education Fund 3%
Marijuana 2%
Employee Pension Deposits and Interest 2%
Higher Education 60%

How much does Marijuana contribute in taxes, and What's that used for?

(Source: "Marijuana Revenue in the State Budget", Colo Legislative Council Staff, Nov 2017)

Colorado voters approved the legal use of marijuana for MEDICAL use in 2000 (Amendment 20, 54% approval) and for RECREATIONAL use in 2012 (Amendment 64, 55% approval). Three distinct taxes apply differently to medical and recreational marijuana:

- MEDICAL marijuana is subject to the state's 2.9% SALES tax.
- RECREATIONAL marijuana is subject to TWO taxes:
    - a voter-approved EXCISE tax of 15%, AND
    - a voter-approved SPECIAL SALES tax of 15%.

Total marijuana tax revenue in FY 2016-17 amounted to $211.1 million and was distributed to four state cash funds, the General Fund, and local governments that allow the sale of retail marijuana according to the following formulas:

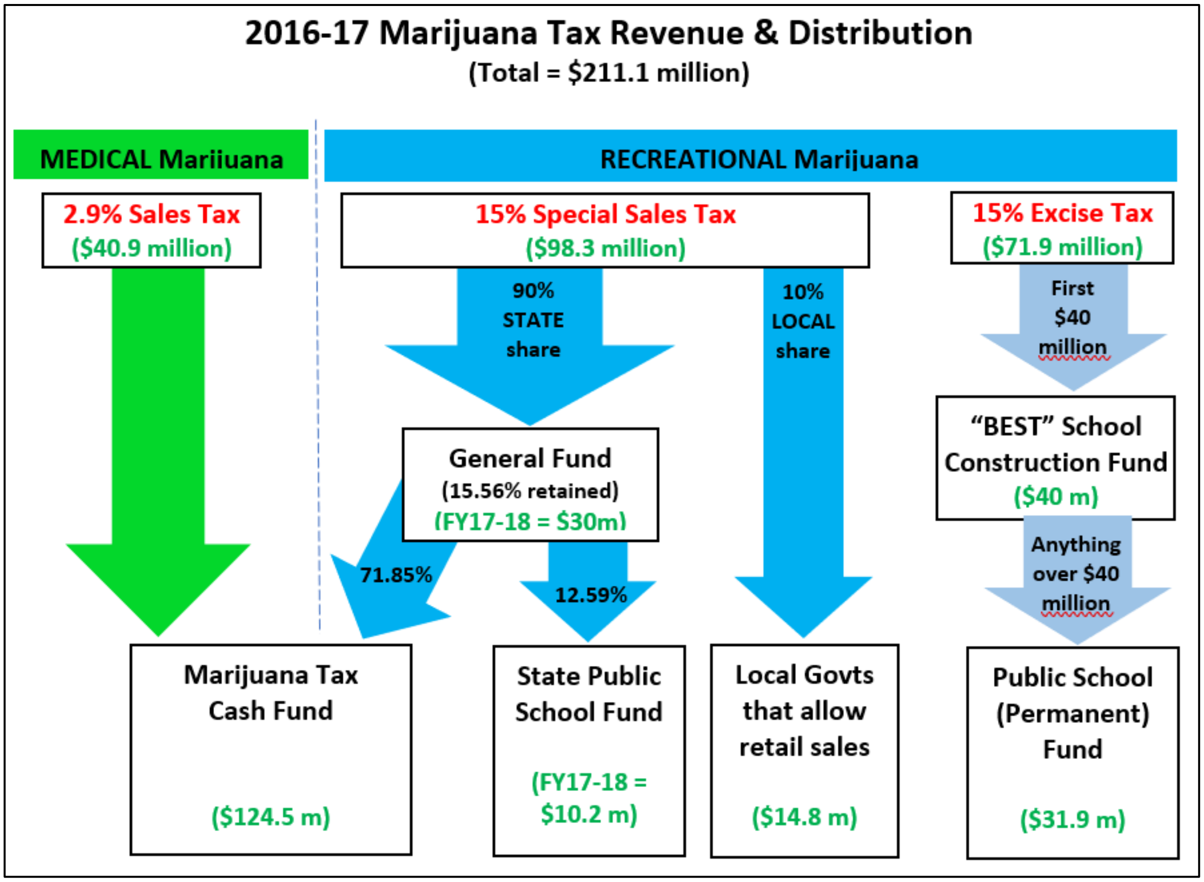
Sales tax on Medical marijuana (2.9%)
FY 2016-17 = $40.9 million
State sales tax revenue collected on Medical marijuana (and on non-marijuana products sold in Retail marijuana stores) is deposited in the Marijuana Tax Cash Fund. (While voters approved that these funds be used for "education, enforcement and research" related to marijuana use, the use of these funds is not restricted in the constitution and therefore can technically be used for whatever purpose the legislature deems most appropriate …although redirecting these funds for other uses may be challenged legally and therefore may be practically unfeasible.)

Special sales tax on Recreational marijuana (15%)
FY 2016-17 = $98.3 million
Revenue from the special sales tax is shared between the state (90%) and those local governments that permit sales of retail marijuana governments (10%). (While voters approved that these funds be used for "education, enforcement and research" related to marijuana use, the use of these funds is not restricted in the constitution and therefore can technically be used for whatever purpose the legislature deems most appropriate …although redirecting these funds for other uses may be challenged legally and therefore may be practically unfeasible.)

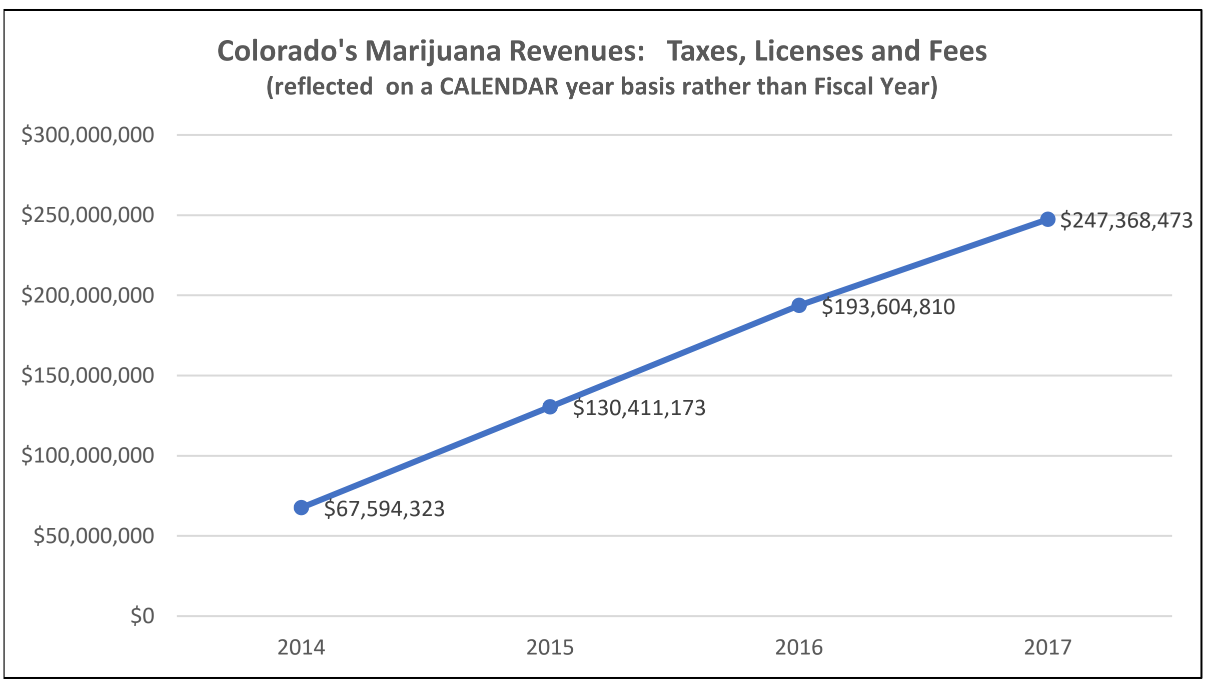
Starting in FY 2018-19, the state's share is distributed as follows:

- 15.56% of the state share is retained in the General Fund;
- 12.59% of the state share is deposited into the State Public School Fund; and
- 71.85% of the state share is deposited into the Marijuana Tax Cash Fund.

Excise tax on recreational marijuana (15%)
FY 2016-17 = $71.9 million
The first $40 million of excise tax revenue each year is constitutionally dedicated to school construction and deposited into the Building Excellent Schools Today (BEST) fund. Anything over $40 million per year is deposited in the Public School Fund.



Marijuana Use is Increasing *...WHO KNEW?*



Source: Colorado Dept of Revenue

Federal Fund Revenues

Federal Funds are moneys that the state receives from the federal government to support specific programs such as Medicaid and transportation infrastructure; Federal Funds cannot be used by the state for programs other than what the federal government prescribes. For some programs, such as Medicaid, state funding is matched with federal funding, therefore, the amount of Federal Funds received depends on the amount of matching funds that the state contributes.

Federal Funds cannot be used by the state for programs other than what the federal government prescribes.

Some Federal Funds are simply passed through the state to local governments, such as money for human service programs like Temporary Aid to Needy Families (TANF) and food stamps (SNAP); while these funds are technically part of the state budget, they are considered to be custodial funds and the state can't use them for other purposes. Like Cash Funds, Federal Funds exist outside of the General Fund and are exempt from the state's TABOR revenue limit.

Reappropriated Funds

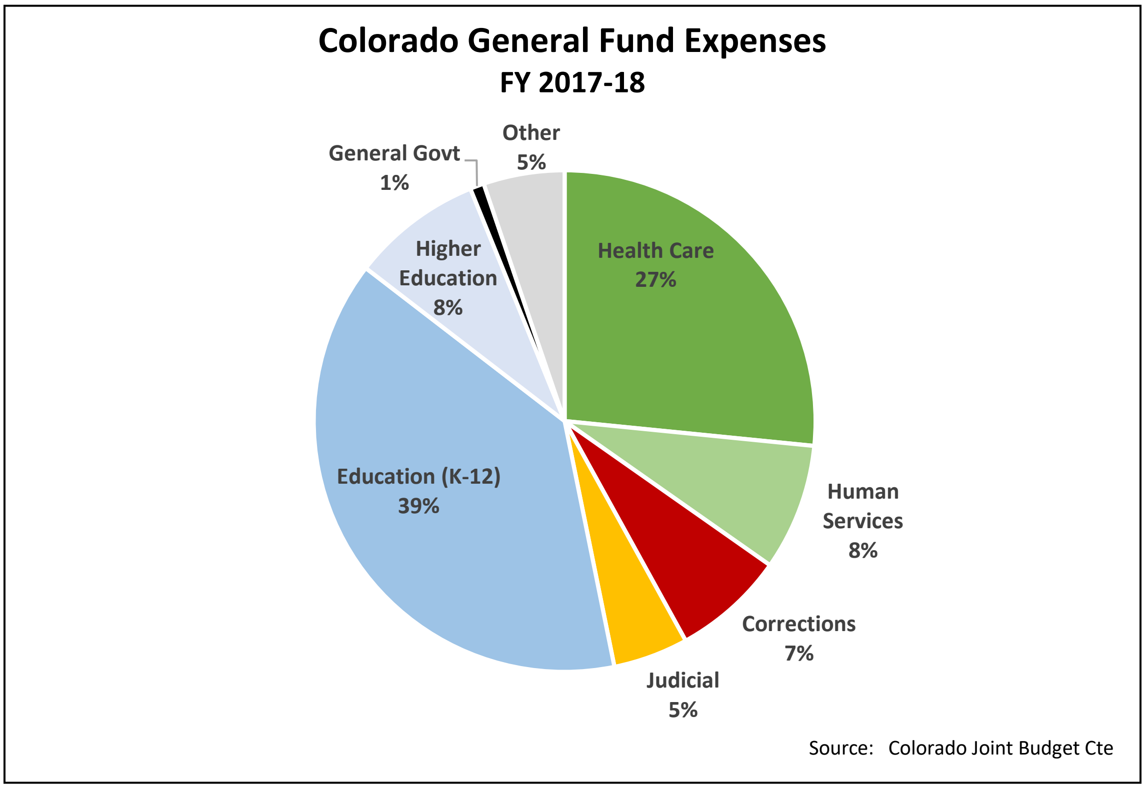
In addition to the three primary state revenue sources of Federal Funds, Cash Funds, and General Funds, there is an additional smaller amount of "Reappropriated Funds" that are internally transferred between different departments of state government to pay for services that one provides to the other. For example, the state's Office of Information Technology receives money from other state departments to provide information technology services to them. Reappropriated Funds are essentially double-counted and, like Cash Funds and Federal Funds, these Reappropriated Funds cannot be used to pay for other state services.

What does the state spend its discretionary General Funds on?

Since the General Fund – which represents about 1/3rd of total state revenues – is essentially the only state revenue over which our state legislature has much discretionary control, these are the funds that our state relies on to pay for the state's core programs, such as education, health care, courts, human services, and prisons. Our elected legislature's primary responsibility each year is to adopt a state budget that provides for these programs and stays within the bounds of the constitutional fiscal constraints which the people have placed on the use of these monies.

Our state legislature's primary responsibility each year is to adopt a balanced state budget, but they have surprisingly little control over this responsibility due to the fiscal constraints which we, the voters, have placed on them within the constitution.

In FY2017-18, the state's General Fund was allocated to pay for $10.6 billion in programs.



THE BIG THREE:
K-12 Education, Health Care, and Corrections consume almost 3/4ths of the state's budget. And because these three expenditures are driven by a constitutional spending mandate (K-12), our aging population (Health Care), and the rate of crime (Corrections), our legislature has very limited ability to impact these costs.

<u>Health Care and Human Services</u>
Health Care and Human Services constitute 35% of the General Fund budget.
Health Care – primarily representing the state's 50% cost-share of the federal Medicaid program – makes up the second-largest expense item in the General Fund budget, consuming 27% of the General Fund budget in FY17-18. Federal law requires that states provide Medicaid to the most vulnerable populations

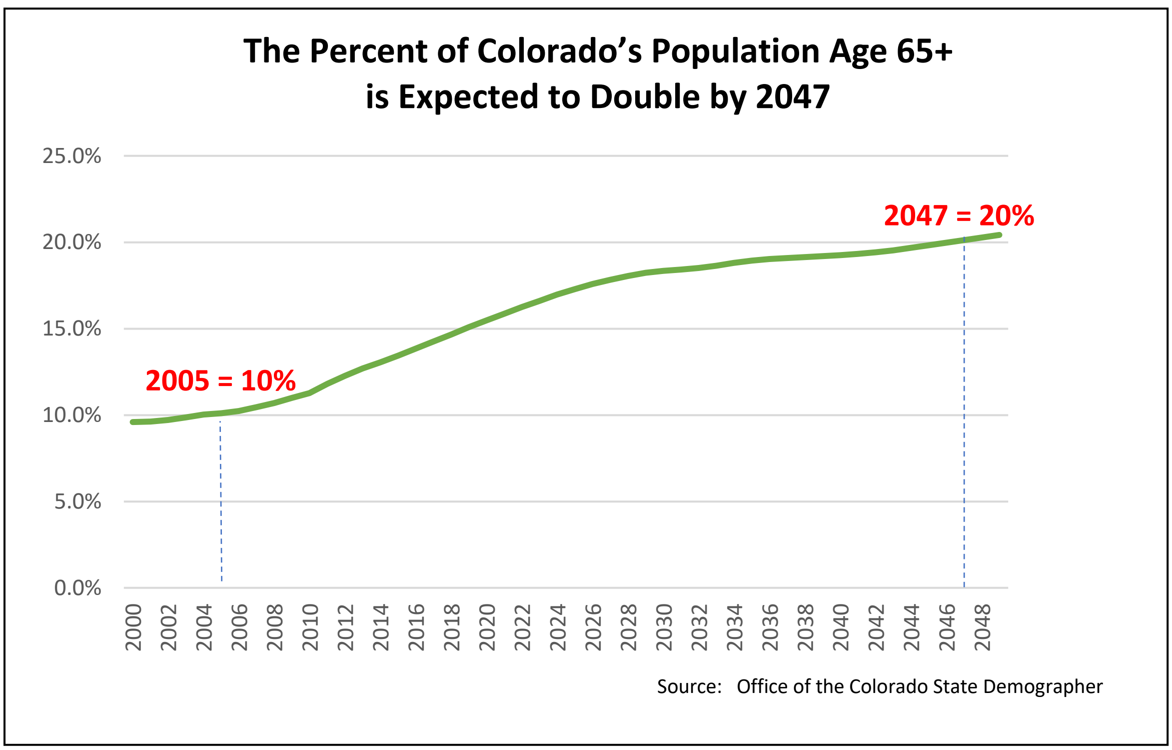
such as the lowest-income adults and their children, the elderly and disabled, therefore this expenditure is also largely out of our legislature's control. Because of the increasing health care costs related to Colorado's aging "Baby Boomer" population, this category of spending is the fastest-growing area of the state's budget.

Human Services – representing 8% of the state General Fund budget – includes everything else that constitutes public assistance, such as child welfare/protection (foster care), adult protective services, food assistance, and temporary financial assistance.

Colorado's Population is Aging Faster than Most States
… and Our Aging Population is Reducing State Revenues and Increasing State Costs

In prior years, Colorado has enjoyed a relatively young population compared with other states. In 2010, Colorado had the 4th lowest share of seniors (age 65+) as a percent of our total population (only 11%). Our relatively youthful population has meant that we've previously had a larger share of our population in the workforce, which means our state has enjoyed a relatively larger tax revenue and a relatively lower cost for senior health care. This is changing now that our large share of youthful "Baby Boomers" are aging into seniors.

- Between 2010-16, Colorado's population of seniors (age 65+) grew by 34%, which was the 3rd fastest rate of growth in the US.
- Over the next 30 years, the percent of Colorado's population which is age 65+ is expected to double from 10% to 20% -- at which point 1 in 5 Coloradans will be seniors who will contribute relatively little tax revenue and generate relatively large health care costs for our state.

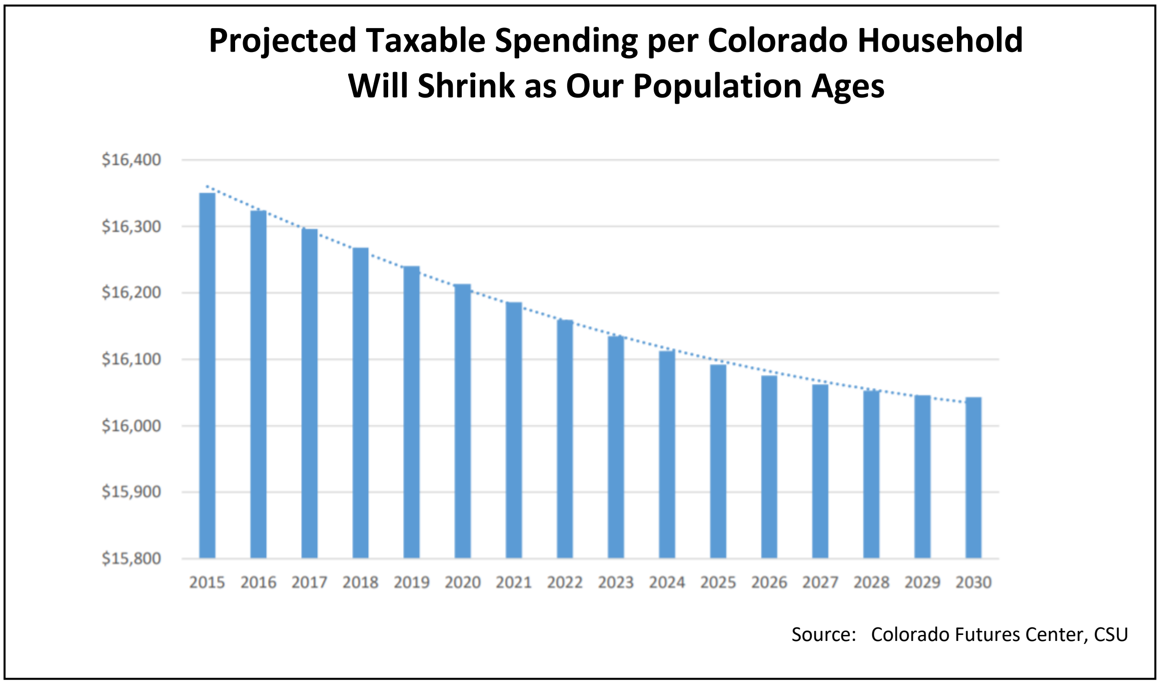


This large growth in Colorado's aging population will reduce tax revenues at almost every level and thus inhibit our ability to sustain our current quality of life.

SALES TAX REVENUES are Decreasing as a Result of our Aging Population

The state's sales tax is the second largest source of revenue for our state, generating 25% (almost $3 billion) in FY17-18. To the extent that households contribute to the sales tax, aging will affect the future growth of revenues. In Colorado, the 65 and over cohort is the only one that grows as a percentage of total households through 2030. In fact, the cohorts that spend the most are shrinking slightly as a percentage of total households. So the higher spending cohorts are shrinking, and the lower spending cohort is growing in percentage terms.

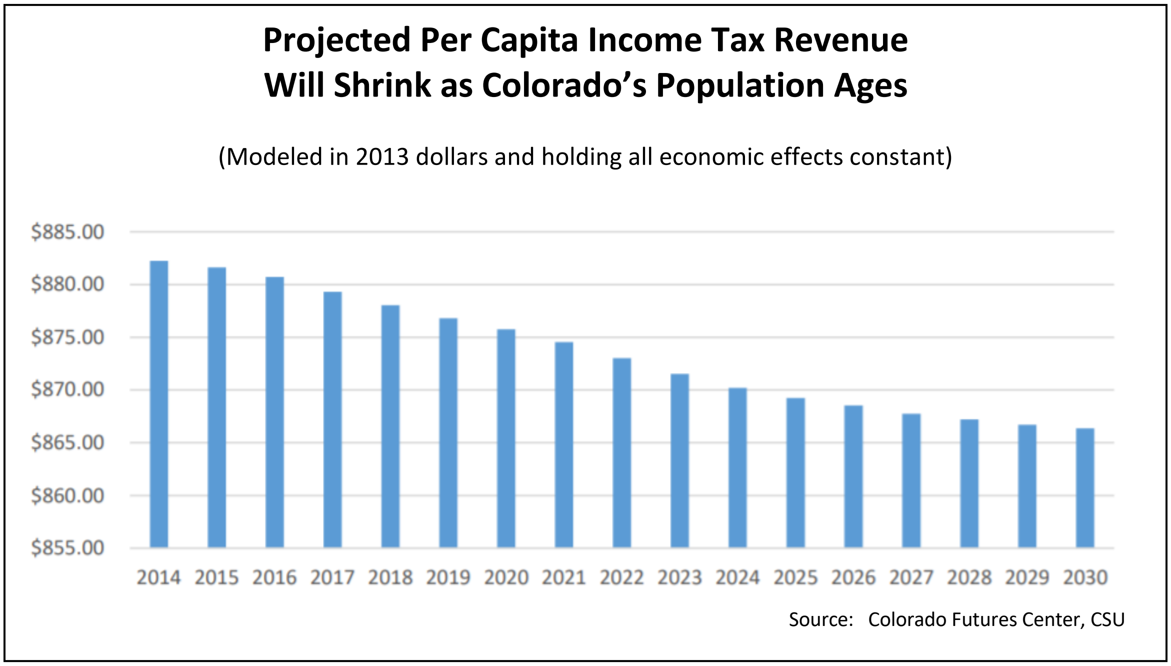
The reasons that older households spend less are many. First, older households have less income than the 25-64 cohorts ($87,859 for households aged 25-64 vs. $45,100 for seniors). Older households are also smaller than younger households (2.8 ppl/household vs. 1.8 ppl). The 65+ household spends less in nearly every category EXCEPT health care, where senior households spend an average of $5,849 on health care vs. $4,728 for households aged 45-64.



INCOME TAX REVENUES are Decreasing as a Result of our Aging Population
The individual income tax is the single largest source of revenue to the state General Fund, generating almost 2/3rds of total state revenues (almost $7 billion) in FY17-18. As with the sales tax, the individual income tax also will be adversely affected by our state's aging population.

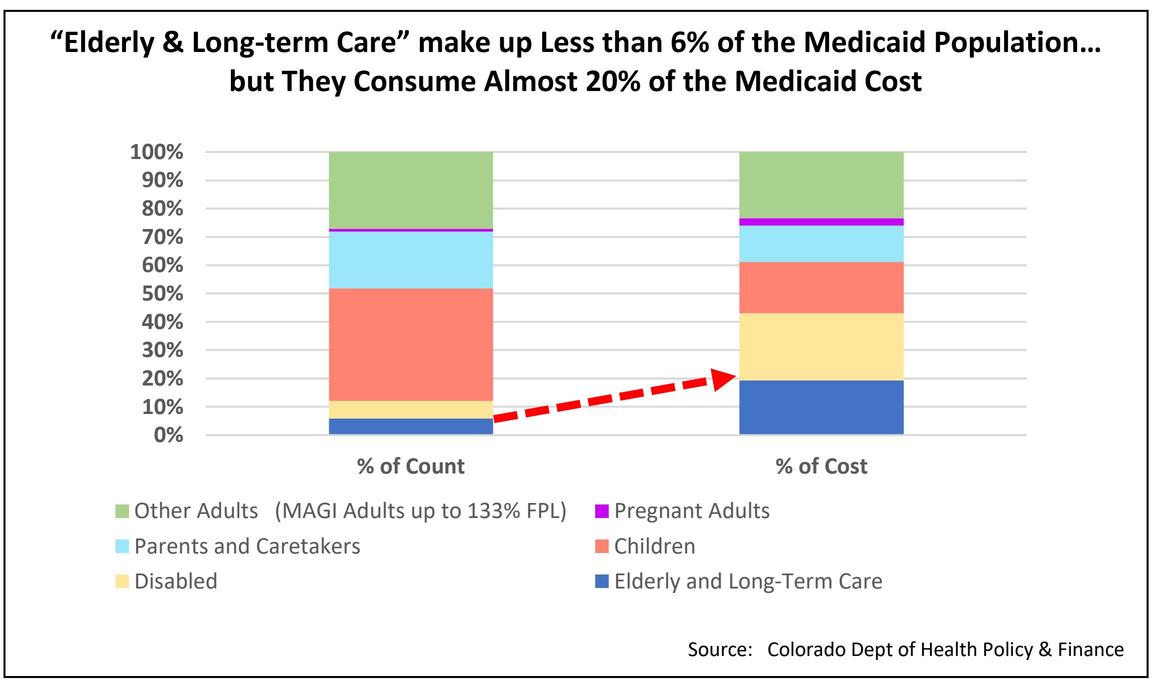
There are three distinct ways in which the income tax will be adversely affected by aging.

1) The most direct impact that aging has on our state income tax is that taxable income falls once the taxpayer moves from high earning employed years to retirement years when most Coloradans live on fixed pension or other retirement income.
2) Secondly, as Coloradans over age 65 take the federal income tax deduction on their federal tax returns, Colorado's income tax revenue – which is based on the federal tax return – is subsequently reduced.
3) The third ways in which aging affects individual income tax revenue results from Colorado's exemption of a portion of pension and annuity income from the individual income tax.



State Health Care Costs are Increasing as a Result of our Aging Population

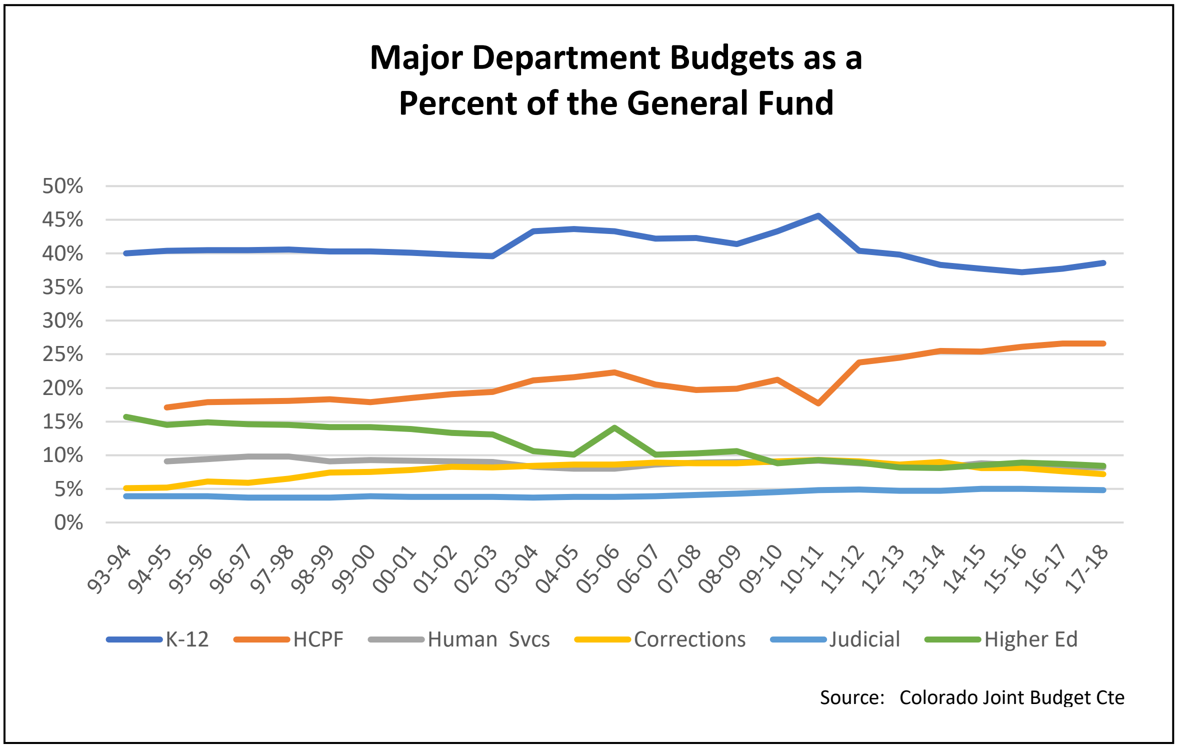
Health care for Colorado's aging population is expensive. Although "Elderly and Long-term Care" Medicaid recipients make up less than 6% of the state's total Medicaid population, they consume almost 20% of the Medicaid budget. The average cost for "Elderly and Long-term Care" Medicaid recipients, at over $15,000 per recipient annually, is almost 3X the average cost for all Medicaid recipients.



Colorado's aging population is putting increasing pressure on the state's Medicaid budget in two distinct and interrelated ways:

1) First, seniors are forecast to be among the fastest growing cohorts within Colorado's Medicaid population out to the year 2030. More specifically, seniors over age 80 are the fastest growing segment of Colorado's Medicaid population.
2) Medicaid costs related to care for the elderly are forecast to be among the fastest to inflate.

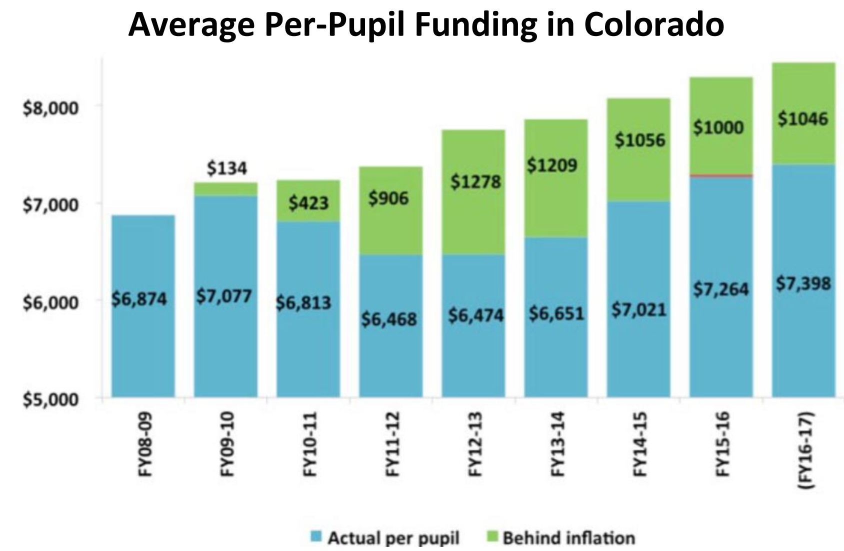
Taken together, these two pressures will grow Colorado's age-related Medicaid costs from 16.73% of total Medicaid expenditures today to 21.7% in 2030. By 2030, over one out of every five dollars spent in the Medicaid program will be spent on the aged populations and total expenditures for the aging cohorts are projected to grow from just over $1.04 Billion in FY 2015-16 to just over $2.325 Billion in FY 2029-30, an increase of more than 100% in 15 years. This growth in the state's cost of Medicaid for seniors will force an increasing share of Colorado's state budget to be dedicated to our aging population, resulting in less money available to support other state priorities, such as state support for Higher Education.



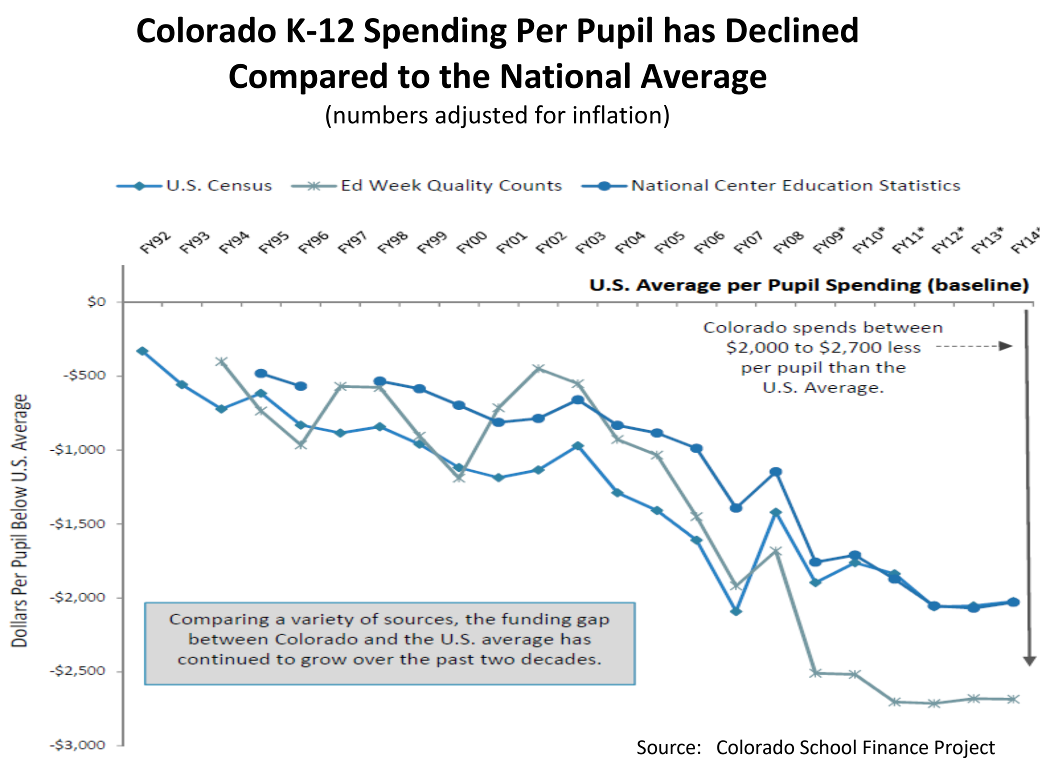
K-12 Education

The largest expense item in the General Fund budget is the state's share of K-12 Education, representing almost 40% of the annual budget. The state currently pays for about 70% of total K-12 Education costs while local governments pay for the remaining 30%. The amount of the state's budget which must be dedicated to fund K-12 is mandated in our state's constitution (Amendment 23) and this expenditure is therefore out of the legislature's control.

Ironically, even though K-12 represents the largest item in the state's budget, and the state is constitutionally-mandated to fund K-12 per Amendment 23, state funding for K-12 has been significantly reduced over the last decade. In 2010, in an effort to balance the state's budget during the Great Recession, the state reinterpreted the Amendment 23 funding mandate which resulted in reducing funding for K-12 education by almost $1 billion per year. While Colorado spent more than the national average on per-pupil funding in the 1980s, this investment has steadily declined and, today, we spend almost $2000 less per student than the national average.



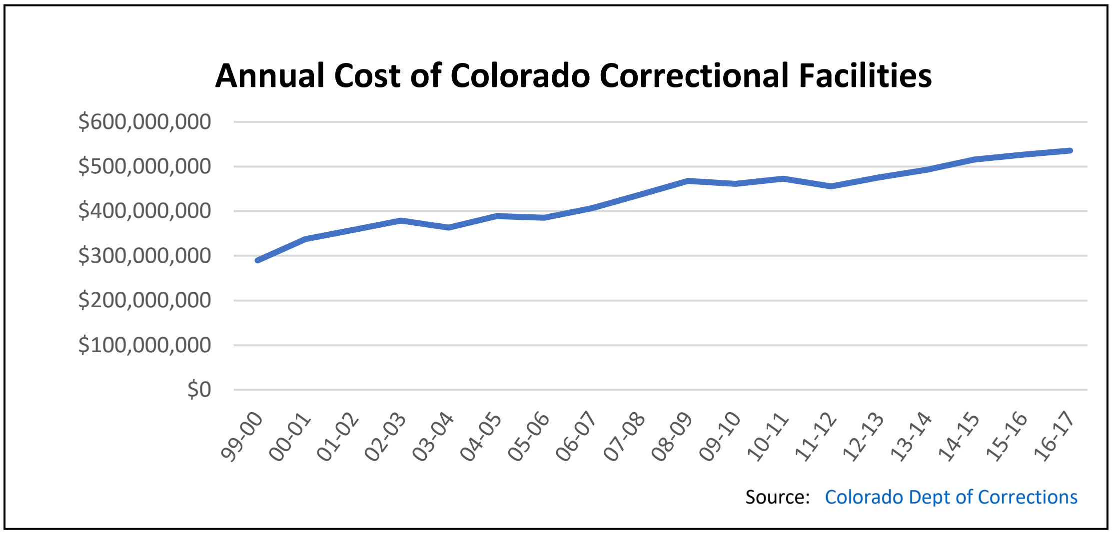
Source: GreatEducation.org



Source: Colorado School Finance Project

Corrections

The state's cost for managing our corrections system represents 7% of General Fund expenditures. While state laws help provide for sentencing guidelines and can therefore influence the cost of incarceration, this area of our state budget is largely driven by the prevailing crime rate and therefore our legislature has very limited ability to reduce this cost.

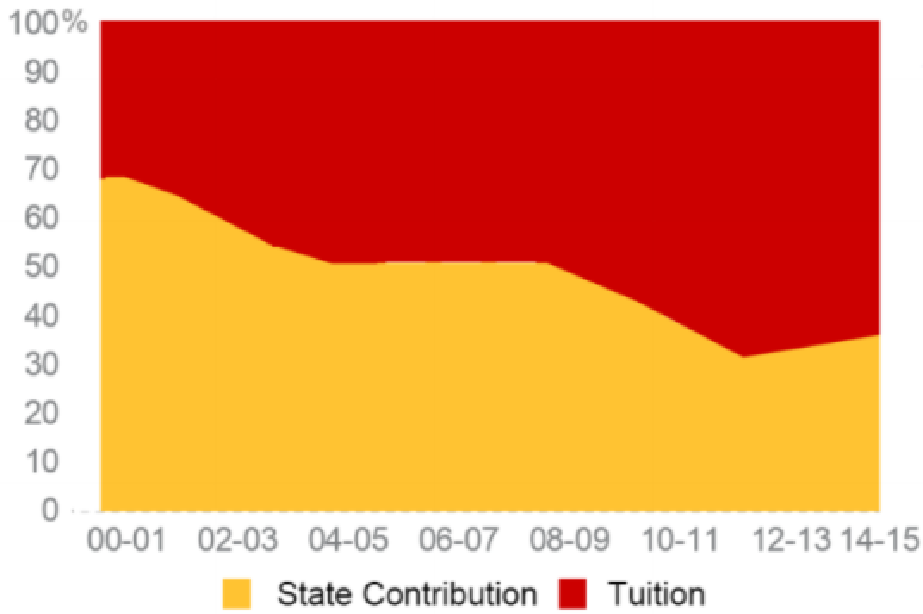


So, What Gives?

Higher Education

Although the state's contribution to fund Higher Education is currently 8% of the state's budget, the state's share of Higher Ed funding has been shrinking for the last two decades. Unlike K-12 Education (for which funding is mandated in our state constitution), Health Care (for which funding for Medicaid is mandated by the federal government) and Corrections (for which funding is driven by the caseload), Higher Education funding is entirely at the discretion of our legislature. Since spending for Health Care continues to grow because of our aging population, and spending for K-12 Education and Corrections cannot decline because of constitutionally-mandated spending levels and mandatory sentencing requirements, and the overall size of our state's General Fund budget is constitutionally-limited by both the TABOR Amendment and the balanced budget requirement, the legislature has been forced to dramatically decrease funding for this discretionary item of Higher Education over time.

Students' Share of College Tuition has Increased as State Support has been Reduced



Source: [Bell Policy Center]

Transportation is funded with FEDERAL & CASH Funds rather than the GENERAL FUND

(Source: "Colo's Transportation System", Colo Legislative Council Staff, Nov 2017)

What is our "transportation system"?

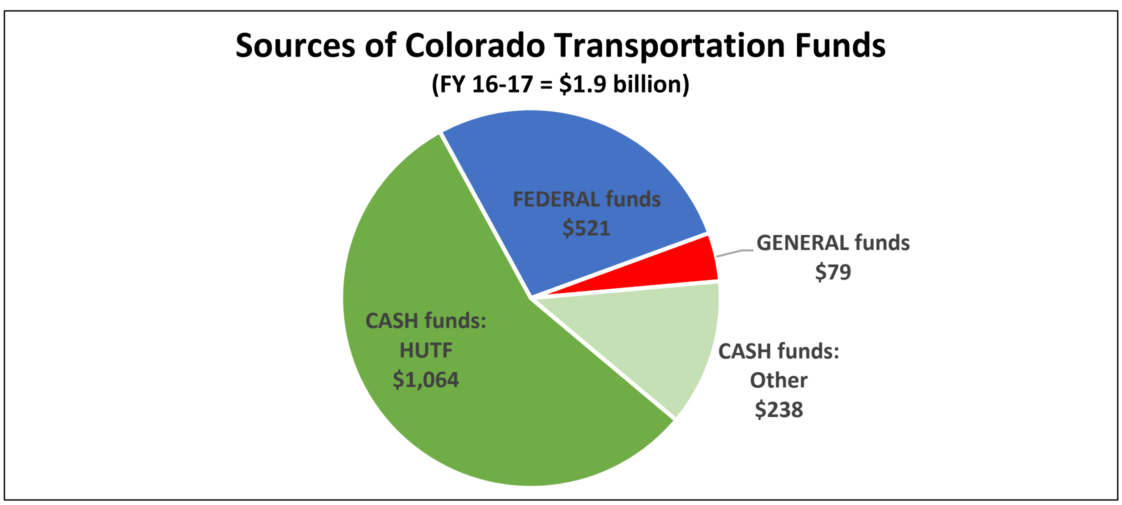
Colorado's transportation system consists of the state highway system (including our interstates, state highways, and toll roads), county and municipal roads, mass transit, airports, railroads, and bicycle and pedestrian routes. The system is primarily managed by the Colorado Department of Transportation (CDOT), although cities, counties, transit authorities, regional transportation authorities, public highway authorities, and the Colorado Public Utilities Commission (PUC) also manage portions of the system.

The state highway system has over 23,000 total lane miles. (Lane miles are calculated by measuring the centerline length of a road, and multiplying that number by the total number of lanes on the road.) The system supports over 27 billion annual vehicle miles traveled (AVMT) each year. (AVMT is a measurement that multiplies daily traffic data count by the length of each road segment.) The system also includes about 3,500 bridges.

How do we pay for our state's transportation system?

In FY 2016-17, Colorado's transportation system was funded with $1.9 billion from three sources: CASH funds, FEDERAL funds, and, to a much smaller degree, GENERAL funds:

- **CASH FUNDS (69%)**:
  - The Highway Users Tax Fund (HUTF) is the largest source of transportation funding, generating $1.1 billion in FY 2016-17. The HUTF revenues come from state motor fuel taxes (22¢/gallon for gasoline, and 20.5¢/gallon for diesel), vehicle registration fees, and smaller sources like driver's license fees and fines.
  - Other sources of cash funds for transportation, totaling $238 million in FY 2016-17, include the Aviation Fuel Tax, fines, and fees from emission inspections, motorcycle registrations, and toll lanes.
- **FEDERAL FUNDS (27%)**: Congress allocates transportation funds (including funds for highways) to each state from the Federal Highway Trust Fund. These funds are primarily generated by the federal Gasoline Tax (18.4¢/gallon) and Diesel Tax (24.4¢/ gallon). In FY 2016-17, Colorado received $521.0 million from Congress for transportation funding.
- **GENERAL FUNDS (4%)**: In some years, the Colorado legislature has provided additional General Fund revenue for transportation. In FY 2016-17, the legislature allocated $79 million of General Funds to the State Highway Fund.



Three Amendments to our State Constitution that Colorado Voters have Approved have Restricted Our Legislature's Ability to Manage Our State Budget

> **What's the difference between our state's LAWS (statutes) and our state CONSTITUTION?**
>
> Our state LAWS (also referred to as "statutes") regulate how we live together in our civil society. We elect representatives who adopt laws that place limits and requirements on our individual freedoms so that we can all live in harmony. For example, our legislature has adopted laws restricting how fast we can drive and prohibiting hunting after dark. While our elected legislature adopts most of our state's laws, the people can also adopt laws separate from the legislature through the Citizen Initiative process by placing measures on the ballot to be voted on by everyone.
>
> Our state CONSTITUTION regulates our government and places limits on the authority that our government exercises over the people who elect them. For example, our Colorado constitution places limits on how long our state elected representatives can serve and how state taxes can be levied. While both our elected legislature and individual citizens can propose amendments to our constitution, **ONLY WE, THE PEOPLE, CAN AMEND COLORADO'S CONSTITUTION.**
>
> Our state CONSTITUTION trumps our state LAWS, and therefore **all state laws must conform with the broader requirements set out in our constitution**.

Colorado's original constitution[2] included a "'balanced budget" requirement (Article X, Section 16) that prohibits the state legislature from spending more than the amount of tax revenue that the state collects. The state has NO DEBT and NO DEFICIT SPENDING because it is prohibited (in the constitution) from doing so. In addition to this basic requirement, over the last four decades, Colorado voters have adopted three additional fiscal amendments to our state constitution that have significantly restricted our elected legislature's ability to fulfill their primary responsibility of adopting our state's annual budget to fund essential state services.

1. **1982: The Gallagher Amendment (shifts costs for K-12 from Local government to State government)**
   In 1982, Colorado voters adopted the Gallagher Amendment to our constitution to limit the increase in future residential property taxes by freezing the ratio between the state's total value of Non-Residential and Residential property so that Residential property in Colorado would always constitute approximately 45% of the state's total property valuation. While the Gallagher Amendment was a well-intended effort to limit the growth of Residential property taxes, it has since caused significant unintended effects which have limited the ability of local and state governments to provide the basic services which citizens expect:
    a. The taxable value of houses has been dramatically and continuously reduced (from 30% of market value to now only 7.2%) which has significantly reduced revenues to many local governments and thus put in jeopardy essential services which rely on that tax base (like fire protection, water & sewer infrastructure, and libraries).
    b. The forced decline in the residential tax base has reduced local property tax revenues to support K-12 school districts, which has shifted the burden for funding K-12 from local

[2] https://www.colorado.gov/pacific/sites/default/files/Colorado%20Constitution.pdf

governments to the state government. Additionally, subsequent efforts by local taxing authorities to increase their mill levy to offset this decline has unfairly shifted the property tax burden to business property owners which creates an unfriendly tax environment for growing and attracting businesses.

c. The forced decline in residential values has disproportionately and adversely impacted the poorest communities with the lowest rates of growth in property values.

2. 1992: The Taxpayers Bill of Rights (TABOR) (limits state revenues)

Only ten years after adopting the Gallagher Amendment, Colorado voters adopted the TABOR amendment to Colorado's constitution which primarily did two things:

a. First and foremost, TABOR prohibits the state from collecting tax revenues each year in an amount in excess of the growth in "population plus inflation"; any General Fund revenues collected beyond this restriction must be refunded to the taxpayers. This limitation prevents the state from being able to take advantage of periods of economic growth to reinvest in our state's infrastructure when the economy (and corresponding tax revenues) is growing faster than inflation plus population. Additionally, because the cost of many of the services that we expect state government to provide (i.e. health care for the elderly) rise in cost at a rate which grows FASTER than inflation, the state's ability to pay for the cost of these services is diminished.

b. TABOR also prohibits the state from raising tax revenues without a vote of the people. This not only applies to proposed NEW tax increases, but also to EXISTING floating local mil levies that had previously been allowed to automatically increase and decrease as circumstances warranted. While the previously existing floating mil levies are still allowed to DECREASE automatically as circumstances warrant, they can't correspondingly INCREASE without a vote of the people, which means these existing tax bases (and the public services which they support) are being forced to unsustainably shrink over time.

3. **2000: Amendment 23 – Funding for K-12 Education (mandates state spending)**

Because of the combined adverse effect which both the Gallagher Amendment (1982) and the TABOR amendment (1992) were having on K-12 funding, Colorado voters adopted Amendment 23 into our state constitution in 2000 which mandated that the state must annually increase funding for K-12 education at the rate of "student enrollment plus inflation". Again, while Amendment 23 was well-intended to benefit K-12, it has limited the state's ability to address other state priorities.

Amendment 23's spending mandate for K-12 education (which, at about 40% of the total state budget, is the largest cost item in our state's budget), coupled with the TABOR Amendment's restriction on state revenues, coupled with the Gallagher Amendment's unintended shift in funding for K-12 education from local government to state government, have put tremendous strain on our state's budget and forced significant reductions in essential state services.

It will be up to Colorado voters
– NOT their elected legislature –
to change these constitutional funding constraints
IF they desire a different outcome.

While these three voter-approved constitutional amendments concerning fiscal policy were each adopted independently of each other over a 20-year period, they interact with one another in ways that were likely never foreseen or intended when Coloradans voted for them. Amendment 23's spending mandate for K-12 education (which, at about 40% of the total state budget, is the largest cost item in our state's budget), coupled with the TABOR Amendment's restriction on state revenues, coupled with the Gallagher Amendment's unintended shift in funding for K-12 education from local government to state government, have put tremendous strain on our state's budget and forced significant reductions in essential state services, such as K-12, higher education and transportation infrastructure. Consequently, it will be up to Colorado voters – NOT their elected legislature – to change these constitutional funding constraints IF they desire a different outcome.