



MESSAGE FROM MARSHA

Budget Tsunami

Colorado's State Budget Tsunami is a paper authored in 2009 by Jeffrey A. Roberts and Charles Brown, former chief economist for the State of Colorado and contributor for the Center for Colorado's Economic Future. This document is often referred to by policy makers throughout the state and reflects budget issues that we are wrestling with on a daily basis.

The report suggests that Colorado's budget system is out of kilter and responds to economic conditions in an exaggerated way, and in these times of uncertainty the fiscal stability of state government is at stake. The underlying issue is structural: The largest departments of state government are growing twice as fast as tax dollars are coming in, leaving less money available for other programs. This dilemma is compounded by two recessions and constitutional constraints on revenue, tax cuts and spending.

A decade ago 54 cents of every dollar was consumed by education, prisons and health care. These three functions of government now consume nearly 76 cents of every general fund dollar, and anticipated to jump up to 91 cents by 2014. At this rate, there will be no money left for other programs.

If tax receipts increase too rapidly without a solid foundation of economic growth the government may be reaching too deeply into the pockets of taxpayers. If tax receipts fall too sharply relative to the economy, necessary government services may need to be cut.

The budget tsunami that washed over Colorado in 2008-2009 was likely the first of many tidal waves to hit the state. It was evident by 2009-2010 the state had sustained a second blow, when policy makers had to cut another 1.8 billion dollars of the budget. Medicaid and public schools will take bigger slices of revenue forcing deeper cuts in agencies such as higher education and human services.

It has been over 50 years since the last comprehensive tax and revenue study, and it is time for another. If you are interested in a copy of this report join me at the next town hall meeting scheduled May 1, 2010 from 10:00-12:00 at Mtn. View Electric in Falcon. Elected officials representing the county and state will be available, and Mtn. View Electric will be educating citizens on the renewable energy programs currently available in our area. Please do not hesitate to call or email for additional information.

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