WHO are we?
Who is “Building a Better Colorado”?  
A non-partisan group of civic leaders statewide who’ve come together with a shared concern for our state’s future.

- Norma Anderson  
  frmr State Senator
- Hank Brown  
  frmr U.S. Senator
- Gigi Dennis  
  frmr Secretary of State
- Michael Hancock  
  Mayor of Denver
- John Hickenlooper  
  Governor of Colorado
- Rebecca Kourlis  
  frmr Supreme Court Justice
- Phyllis Norris  
  Mayor of Grand Junction
- Gale Norton  
  frmr U.S. Sec of the Interior
- Tom Norton  
  frmr State Senator
- Federico Pena  
  frmr Mayor of Denver
- Bill Ritter  
  frmr Governor of Colorado
- Roy Romer  
  frmr Governor of CO
- Ken Salazar  
  frmr U.S. Sec of the Interior
- Gail Schwartz  
  frmr State Senator
- John Suthers  
  Mayor of Colorado Springs
- Wellington Webb  
  frmr Mayor of Denver

WHAT are we doing?
WHAT are we doing?

• We’re teeing up a conversation.
  We’re concerned about what we see as a growing disconnect between citizens and their government, as evidenced by:
  o the increasing number of amendments to our constitution
  o the decreasing number of citizens who participate in our election process
  o the decreasing ability of our state government to meet the expectations of its citizens

• We’re engaging Coloradans in this conversation.
  We believe the pathway to a better Colorado lies in engaging citizens statewide in a constructive conversation about what THEY want their state to be.

• We’re taking action.
  We are committed to supporting implementation of consensus policy recommendations.

WHAT are we NOT doing?

• We are NOT advocating for any particular policy recommendation. We want to hear YOUR opinion.
HOW are we going to “engage citizens”?

Engaging Coloradans in 3 Ways

Building A Better Colorado

- Bi-partisan committees of subject matter experts develop options for consideration
  - Summer 2015

- Options discussed and debated at Community Summits across Colorado AND online
  - Fall 2015

- Learnings from Community Meetings and online inform objective survey research; late 2015
  - Winter 2015

Collectively, the elements of the process guide development of initiative measures on the CO ballot in 2016
Targeting Civic Leaders in 40 Communities across Colorado

WHY these three issues?
WHAT is the problem?
What’s the problem with our INITIATIVE PROCESS?

Colorado has one of the most easily-amended state constitutions, and therefore we’ve seen more citizen initiatives than any state except CA and OR.

Number of Initiatives to Date by State

(Shaded areas of each bar denotes number of measures approved.)

Source: Initiative & Referendum Institute
State Initiative Trends

NOTE: These are NOT cumulative values.

Easy Initiative Process = Cluttered Constitution

Because it’s just as easy for citizens to amend our state CONSTITUTION as it is to amend state LAWS, and

Because amendments to the constitution are much harder to change in the future than are amendments to state law (fixing problems in the constitution requires another vote of the people, whereas our elected legislature can fix problems in state law),

Initiative proponents (many of whom are out-of-state interests) are incentivized to pursue amendments to our CONSTITUTION rather than state LAWS, and this is creating an increasingly inflexible and conflicted framework for our state.
What’s the problem with our ELECTION PROCESS?

- A decreasing # of voters are participating in primary elections.
- Unaffiliated voters, which make up the largest and fastest growing block of Colorado’s electorate, can’t easily participate in this process for which they help pay.

Participation Down to 22% of Registered Voters in Primaries (2014)

<table>
<thead>
<tr>
<th>Of All Voters are Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>36% (2015)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Of New Voters are Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>57% (2014)</td>
</tr>
</tbody>
</table>

More Than One Million Colorado Voters Can’t Vote in Colorado Primaries Unless They Join a Party.

What’s the problem with our FISCAL POLICY?

Colorado’s fiscal policy is unsustainable because of a combination of constitutional spending mandates and revenue limitations, and health care costs related to our aging population.
Where Do We Spend Our Money?

TOTAL STATE BUDGET = $11.3 billion

- Human Services: 30%
- Public Safety: 12%
- Higher Ed: 7%
- Capital Construction: 3%
- Transportation Spillover: 2%
- TABOR refund: 1%
- Other: 5%

So, what's the problem?

3 Reasons Why Our Fiscal Situation “Unsustainable”

1. Demographics - “Baby Boomers” are now “Seniors”.

2. The increasing costs of providing state services like health care for elderly and other vulnerable populations.

3. Conflicting fiscal rules that we’ve embedded into our constitution.
“UNSUSTAINABLE” REASON #1:
Demographics - “Baby Boomers” are now “Seniors”.

Colorado 65+ Population portion of total, 1990-2040

Source: Colorado State Demography Office

“UNSUSTAINABLE” REASON #2:
Medicaid Costs for Elderly & Disabled are Highest

Caseload

<table>
<thead>
<tr>
<th>Category</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly &amp; Persons w/ Disabilities</td>
<td>2.66%</td>
<td>15.89%</td>
<td>24.85%</td>
<td>45.59%</td>
<td>35.82%</td>
</tr>
<tr>
<td>Children</td>
<td>15.88%</td>
<td>22.49%</td>
<td>25.30%</td>
<td>35.82%</td>
<td>45.59%</td>
</tr>
<tr>
<td>Expansion Adults</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Non-Expansion Adults</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Other</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
</tr>
</tbody>
</table>

Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly &amp; Persons w/ Disabilities</td>
<td>2.66%</td>
<td>15.89%</td>
<td>24.85%</td>
<td>45.59%</td>
<td>35.82%</td>
</tr>
<tr>
<td>Children</td>
<td>15.88%</td>
<td>22.49%</td>
<td>25.30%</td>
<td>35.82%</td>
<td>45.59%</td>
</tr>
<tr>
<td>Expansion Adults</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Non-Expansion Adults</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Other</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
<td>0.51%</td>
</tr>
</tbody>
</table>

Source: Colorado State Demography Office
**“Unsustainable” Constitutional Fiscal Rule #1:**
TABOR continually decreases state revenues relative to the size of the economy because the economy grows faster than the TABOR limit.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Below Limit</th>
<th>Above Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011-12</td>
<td>$2,050</td>
<td>$2,672</td>
</tr>
<tr>
<td>FY 2012-13</td>
<td>$2,105</td>
<td>$2,852</td>
</tr>
<tr>
<td>FY 2013-14</td>
<td>$2,014</td>
<td>$2,985</td>
</tr>
<tr>
<td>FY 2014-15</td>
<td>$2,082</td>
<td>$3,181</td>
</tr>
<tr>
<td>FY 2015-16</td>
<td>$2,216</td>
<td>$3,393</td>
</tr>
<tr>
<td>FY 2016-17</td>
<td>$2,270</td>
<td>$3,730</td>
</tr>
</tbody>
</table>

**“Unsustainable” Constitutional Fiscal Rule #2:**
Amendment 23 requires increased funding for K-12 education, even during economic downturns.

Reinterpretation of A23 reduced K-12 funding by $850M/yr.
“Unsustainable” Constitutional Fiscal Rule #3:
The Gallagher Amendment has resulted in continually shifting the K-12 funding cost from local to state government, which causes the K-12 “slice” of the state budget to grow every year.

1989
- State Share: 43%
- Local Share: 57%

2015
- Local Share: 31%
- State Share: 69%

One more detail: The Hospital Provider Fee

- $76.2 million above cap in FY 2015-16
- $385.2 million above cap in FY 2016-17
- $190.4 million above cap in FY 2014-15
Findings from the Legislative-Commissioned DU Study on Colorado’s Economic Future, 2011-2024

Annual expected growth rates:
- K-12 education expenditures = 6%
- Medicaid expenditures = 8%
- General Fund revenues = 5%

BOTTOM LINE:
“Even a strong recovery and sustained job growth over the next decade and a half will not produce enough income and sales tax revenue to afford Colorado’s share of Medicaid funding and the state’s payment for public schools under current constitutional and statutory provisions.”

“By fiscal year 2024 a structural imbalance in the state budget would result in only enough revenue to support Medicaid, K-12 education, and corrections.”

We believe Colorado can do better.
Thanks for your time!

Reeves Brown, BBCO Project Coordinator
reeves@betterco.org