



## TABOR Issue Brief

The Taxpayer’s Bill of Rights (TABOR) restricts the amount of revenue that can be spent on state and local services—from health care to transportation to education. In the 1990s, TABOR forced reductions in many state services and since 2000 the revenue situation has become especially dire. TABOR’s ratchet effect won’t let services recover, even when the economy rebounds, so the cuts caused by revenue shortages remain in place. Services will never be able to catch up or keep pace with real economic growth—and will, in fact, continue to shrink—unless we change TABOR’s spending limits and eliminate the ratchet effect.

According to Legislative Council’s Dec. 2004 Forecast, under current revenue projections, the General Assembly will have to reduce FY 2005-06 expenditures by \$244.9 million to accommodate allowable General Fund growth as prescribed by TABOR, while simultaneously the state will generate a TABOR refund surplus of \$459.2 million. Colorado’s improving revenue environment means that programs supported by either General Fund or cash funds will compete against each other under TABOR spending restrictions.

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## Agriculture

- The Department of Agriculture provides consumer protection through the inspection and certification of animal feed, fertilizer, fruits and vegetables, eggs, and meat. It protects the state’s \$3 billion livestock industry from diseases and assists in the promotion of agricultural products to domestic and international markets. It also inspects livestock brand markings to protect producers and provides funding to conserve soil resources from contamination and erosion.
- The department’s total General Fund appropriation fell from \$8.3 million in FY 2002, to \$4.2 million in FY 2004. This represents nearly a 50% reduction in state support, which was achieved primarily through refinancing and cuts to the Agricultural Services Division. The division is responsible for the inspection and certification of Colorado produce, pest control and management of noxious weeds.
- In 2002, the state cut CSU’s budget for the Agricultural Extension Service by more than \$1.6 million, or approximately 18%. In January of 2005, the Extension Service announced it would begin charging fees for such popular programs as statewide 4-H clubs, Master Gardener accreditation and agricultural technical assistance for ranchers and farmers.
- Prior to FY 2002, the state contributed funding to help farmers with the cost of agricultural product inspection fees. With the loss of state support local farmers are burdened with the entire cost of these inspections for the safety of the general public. As a result, the actual costs of these fees to producers have increased an average of 500%.

## TABOR ISSUE BRIEF: AGRICULTURE

- The Colorado Conservation Board coordinates regional efforts to address issues of soil erosion, agricultural-waste runoff, forest and rangeland management, noxious weed control, excess soil salinity, and energy conservation. In FY 2002, funding for personal and operating expenses, technical assistance to local governments, funding for soil surveys, and matching grants to regional conservation districts were decreased by \$252,215.
- During FY 2003, the state reduced the Conservation Board's funding by an additional \$536,000 in General Fund support, including completely eliminating appropriations for soil surveys and matching conservation grants to local districts. Some of the eliminated programs include:
  - The Noxious Weed Grant Program was a cooperative effort among public and private landowners to enhance local weed management capacity.
  - Conservation District Matching Grants provided cost-share assistance to landowners utilizing conservation measures to protect natural resources.
  - Basic soil surveys, a valuable tool for local farmers, were eliminated in Montrose, Costilla, Park, Archuleta, Las Animas, and Routt County.
- For the upcoming budget year 2005-2006, the Joint Budget Committee has recommended funding both the Agricultural Markets and Conservation Board Division with reserves in the Local Government Severance Tax Fund and/or Mineral Impact Fund. These cash funds are intended to, and have in the past, provided funds for economic development grant projects in counties affected by mining operations.

**...fees are one more indication of the convoluted budget squeeze in which the state finds itself: Cost-effective programs with a long history of serving important community needs—such as 4-H and Master Gardener—are in jeopardy even as the state prepares to refund hundreds of millions of dollars to taxpayers.**

**“CSU Extension Service Gets Pruned by TABOR”  
Grand Junction Sentinel. January, 2005**

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(SOURCES: The Department of Agriculture Budget Office; JBC FY 2002-03 and FY 2003-04 Appropriations Reports; JBC FY 04-05 Briefing Document; JBC Briefing Document FY 05-06; “CSU Extension Service Gets Pruned by TABOR.” Grand Junction Sentinel, Monday January 17, 2005.)

*For more information on efforts to reform TABOR, visit [www.thebell.org](http://www.thebell.org) or call 303.297.0456  
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