



## T A B O R 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 giving back \$459.2 million in refunds. 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.

### TABOR Briefs:

- Agriculture
- Art and Culture
- Colorado’s Economy
- Community Colleges
- Higher Education
- Judiciary
- Medicaid and Health
- Mental Health
- Public Health
- Public Libraries
- Rural Colorado
- State Parks
- Transportation

## Rural Colorado

### Rural Healthcare:

- The state’s fiscal crisis has forced reductions in reimbursement rates to healthcare providers. Rural providers serve a greater proportion of the state’s uninsured, increasing the severity of budget cuts to rural hospitals, emergency services and local health clinics.
- In general, injury-related accidental deaths, heart disease, cancer, obesity, and diabetes are greater in rural areas. In addition, people are less likely to have health insurance, utilize prenatal care services, and have timely access to specialists and emergency services.
- Rural areas of Colorado have a greater proportion of the state’s elderly population living below the federal poverty line. They often have substantially less access to community healthcare, transportation, and assistance services than those living in metropolitan areas.
- In the San Luis Valley one in four individuals is uninsured. Often these people have no where to turn and consequently seek healthcare from hospital emergency rooms. Emergency care is guaranteed by hospitals and expensive to provide. As a result of this shift in demand, hospital costs, the use of private charity funds, and financial write-offs have increased rapidly and threaten the finances of many rural hospitals.
- Prior to 2004, the state and federal government contributed \$50,000 to \$60,000 in funding for the Northwest Colorado Visiting Nurse Association’s immunization program. In FY 2004, the total amount appropriated for the program dropped to just \$5,000.

## TABOR ISSUE BRIEF: RURAL COLORADO

- Unlike many other states, Colorado does not compensate medical practitioners who practice in rural areas by helping to repay medical school debts. Rural communities have had trouble attracting and retaining skilled healthcare professionals.
- Rural counties have among the highest suicide rates in the state. In Colorado, suicide is the second-leading cause of death among children and young adults aged 15-19. Funding for mental health treatment has decreased dramatically over the last few years. This has resulted in the elimination of early intervention mental health programs, a mental health pilot program for detained youth, the new early childhood mental health program, and reduced funding for youth residential treatment programs.
- After three years without any increase in state support, Horizons Specialized Services—a health provider serving people with developmental disabilities in Routt, Moffat, Rio Blanco, Jackson, and Grand counties—will receive \$367,000 less from the state in FY 2005-06. So far, Horizons has managed the shortfall by relying on local private donations, grants, and support from local governments. However increased costs and decreased funding have forced Horizons to consider placing a regional mill levy increase in front of voters next year. This pattern is being seen across Colorado. Reduced state funding shifts costs to struggling local governments and has resulted in an unprecedented rise in the number of special taxing districts over the last decade.
- The Family Visitor Program has provided support services to the mountain resort counties of Pitkin, Summit and Eagle for nearly 20 years. Over the last three years, the program's caseload increased from just 70 to more than 500 families, nearly half of whom are Hispanic. In 2004, county emergency funds were used to makeup for a loss in state funding and service fees have since increased dramatically. The program was forced to implement a \$450 charge for uninsured mothers in need of prenatal care—a nearly impossible sum for many low-wage workers in the area.

### **Rural Education:**

- Budget reductions to rural county and public school libraries have prevented libraries from updating collections and eliminated Bookmobile services, children's summer reading programs, and adult literacy programs across the state. The state has provided grants to libraries for the purchase of new materials since the year 2000. In 2003 these grants were eliminated.
- In 2001, the Rural Education Access Program was introduced to provide financial support for baccalaureate programs in education, business, and criminal justice through rural community colleges. In 2003, due to budget constraints, funding for the program was cut in half and in 2004 the entire program was eliminated.
- CSU's Agricultural Extension Service provides research and technical assistance to farmers and ranchers and supported popular programs such as 4-H clubs and Master Gardener accreditation. Between 2002 and 2003, their budget was cut nearly 30%, forcing the introduction of fees for programs that previously were free.

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(SOURCES: "Rural doctors eye solutions to a 'broken' health system." K. Auge, The Denver Post, Jan. 2, 2005; *Youth Risk Behavior Survey*, Health Statistics Section, CDPHE, 2000; *Healthy People, 2010*; Merle Evans via Laurie Zeller e-mail, Jan. 25, 2005; Colorado Trust, 2002; "Horizons seeks new source of revenue." S. Cunningham, Pilot & Today, Jan. 25, 2005; *Colorado State Plan on Aging 2004-2007*, October 2003; Interview with Sandy Swanson, Director of Family Visitor Program, conducted June 2004; "VNA faces budget cuts." S. Cunningham, Pilot & Today, Dec. 28, 2003; *State Title V Block Grant Narrative*, CDPHE, 2004; *How School Librarians Help Kids Achieve Standards: The Second Colorado Study*, Library Research Services, K. Lance, 2000; *Budget Cuts and Their Impact on Library Services*, Library Research Services, K. Lietzau, 2004; Joint Budget Committee, Memorandum, John Ziegler, 2004; Rocky Mountain Farmer's Union. J. Stencel, 2003; "Colorado State University Community Outreach Agencies Announce Budget Reduction Impacts." CSU Cooperative Extension Service, Ft. Collins, CO, 2003; "4-H programs dropped in wake of budget cuts" Munoz, Nov. 17 2004.)