Why should Colorado be the only state to maintain its own Social Security type program? In “Old Age Pension” we urge a measure be placed on the ballot to free up about $100 million per year. It should allow Colorado to conform to the way every other state handles welfare for the elderly.

We return you to the highest priority, of public pensions, to visit a different aspect. The pension situation is made worse by the existence of an unsustainable program of post-retirement health benefits. The chapter on “Retirement Health Plan” draws on extensive work in Colorado. The is the sole chapter with few figures and more philosophy as guidance. In “Corporate Welfare” we urge legislators to end the practice of picking businesses to benefit from redistrubution, because in doing so, the proposed improvements to the economy backfire and make us all worse off.

There are 27 specific reforms under “Transportation.” Broad categories include how to choose projects more objectively and how to manage them better; initiatives to rebalance the development of roads rather than transit; expansion of HOT lanes and other market-like reforms; and more and better private-public partnerships.

A chapter that appeared in the first version appears again, in “Lottery Proceeds.” We demonstrate that elected leaders should reconsider priorities, so that lottery proceeds are redirected to support K-12 education funding, at least for the five years.

The Independence Institute urges you to make this Citizen’s Budget for 2013 a central part of your debates and policy discussions as we move through the next two years of the current government, and on into the next election.

In this document, we give the highlights of each chapter. Those ideas are given fresh figures and analyses and offered here in concise form, so that you can absorb the concepts quickly and return to the full discussion either on-line or in hard copy from their introduced version.

The remainder of the Citizen’s Budget for 2013 has specific ideas for several major categories of spending. If legislators were to adopt these commonsense reforms, the benefit to the citizens would likely exceed a billion dollars of better, fairer, more intelligent, and more reasonable disbursement of tax money. This year, we clearly place in priority those recommended reforms.
The government teacher and government worker pensions threaten to gobble up an impossibly large portion of current and future tax dollars. Our chapter shows that the promised solution to the problem imposes severe costs on the state budget, and is unlikely to fix the problem in the foreseeable future. Further, in its nearly inevitable failure, the so-called “solution” will push the system into a financial crisis from which it will emerge only with drastic reform. The “Public Pensions” chapter once again goes beyond a litany of problems. It should first be used by legislators, policy analysts, and political activists as a reference tool. The chapter sets out the problems and weighs the trade-offs. Then it provides a series of important solutions that should be passed into law. The earlier the reforms take place the less pain will occur in moving to a sustainable system.

The second reform chapter, “Medicaid,” discusses at length the new political environment that is being changed by the federal health care law. What comes through clearly in this section is the great uncertainty that legislators now face, and the evolving nature and continued ambiguity of full implementation. Rely on the chapter both as a reference and as an analysis of the trade-offs that Colorado must face. The chapter urges elected officials to reverse their current direction and make every new covered individual better off by moving away from funding through Medicaid instead to be funded by private health care. Such state-level reform should place the cost onto the federal government, rather than the state voluntarily shouldering an increased, and increasingly impossible, burden.

In addition to outright savings proposed elsewhere in the Citizen’s Budget, this chapter quantifies inflation of projected health care costs and proposes steps to avoid or attenuate them. The chapter warns that, “Because PPACA makes such sweeping changes, precise estimates of annual changes in existing state Medicaid expenditures are little better than guesses.” The demands of meeting all new program details probably will force government to curtail other services, or a galling demand for a lot more in taxes. We do not pretend to be able to predict with any certainty how people and businesses will engage the new system as the provisions of the federal mandates take effect. You should read this chapter to understand the dynamics that our State will face as it conforms to its required roles. We call for several specific reforms, as follows:

• Revise the commitment to Medicaid managed care, now that it has been proven to be more costly than the alternative it replaced;
• Reform the long deferred modifications in out-of-pocket charges for people already benefiting from the government health care programs; and
• Amend the growth in administrative overhead and change the bureaucracy’s objectives which favor reliance on Medicaid.

In the chapter titled “Bridge Enterprise Fund,” the Citizen’s Budget describes how the $100 million per year “FASTER” car registration tax—and its related $300 million in new public debt—is unconstitutional, dishonest and immoral. In passing this legislation, the State violated its fiduciary duty. We hope to see new legislation to unravel the scheme and render moot a current $1 billion lawsuit. Doing so would allow elected officials to figure out the best cure and best steps forward in a proactive manner, rather than reacting later to a solution imposed by a court. Additional savings would be found by not trying the case, which would free up resources in the community, for the Attorney General’s office and for the Colorado Department of Transportation.

With the “K-12 Funding for Education” chapter, you will benefit this year from an increased emphasis on how the School Finance Act works, that is, the process and the extent of State support for elementary and secondary education. Publication is especially timely as considerable attention is being placed on the topic during the 2013 legislative session, and on the anticipated issue campaign that will follow. Fundamental revisions to the funding system are being contemplated. We also explain some of the ongoing poor funding decisions and urge reforms to save a quarter billion dollars:

• End the practice of paying for ‘Master’s bumps’;
• Initiate a statewide scholarship tax credit to improve competitiveness in the system and save some funds doing so; and
• Appeal the dangerous Amendment 23.

We include a short digression from our more academically rigorous investigations, “A Modest Proposal” provides some fun by suggesting that citizens and their elected servants should just ignore this entire agenda. Live for today, grapple with nothing substantive, and instead see how much more money you should throw at the problems. Waste a lot; want for nothing! We introduce a new analysis of an area of state government that consumes a large portion of total spending. The “Human Services” section offers a glimpse into the size and complexity of this part of the budget. It selects two from among many different programs to explain what services they provide and to raise questions about possible needed reforms.