

Sales and Use Tax Revenue for Transportation (SB20-044)

Testimony to the Senate State, Veterans, and Military Affairs Committee
Joshua Mantell, Rapid Response Policy Analyst
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Thank you for the opportunity to testify today. I am Joshua Mantell, the rapid response policy analyst at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

The Bell Policy Center opposes SB20-044, Sales and Use Tax Revenue for Transportation, which does not raise new revenue, but instead diverts 10 percent of sales and use tax revenue from the General Fund. We agree with the need for additional funding for Colorado's transportation projects, just as we believe in the need to adequately fund our schools, provide postsecondary opportunities for Coloradans, and maintain a strong health care system. Until we raise new revenue, Colorado needs to ensure we are continuing to debate which priorities we can afford.

This bill leaves too many questions unanswered. If we divert \$350 million to \$400 million in General Fund money to transportation, what programs will we cut to make up for it?

- Will we cut K-12 education, which is already facing more than \$500 million in IOUs and very low teacher pay?
- Will we cut postsecondary education, which will burden future Coloradans with even more student debt when \$26 million in extra funding will keep tuition from increasing only 3 percent?
- Will we cut Medicaid, which is relied upon by over 1.25 million Coloradans, and whose dollars are disproportionately used to support older adults and those with disabilities?

During Governor Polis' presentation of his budget proposal to the Joint Budget Committee late last year, he made a point of saying how transportation funding from the General Fund has fluctuated wildly over the past decade. This is not a matter of our state not prioritizing transportation. It is because we have not had the revenue necessary to keep pace with the growing demands of a growing state.

We have had years of great economic growth that has allowed us to start making up for the significant underfunding of roads, education, and health care in the last decade, but this economic growth will not last forever. If and when an economic downturn does happen, we will have less General Fund revenue. If this bill passes, there will be \$350 million to \$400 million less than we would in discretionary money. Then fights over funding for education, transportation, health care, and other programs vital to continued growth in our state will become even more pronounced. Transportation should be part of the choices this body has to make when it comes to our budget — just like education or health care or any other state government responsibility.

The problem is not our state's unwillingness to commit to funding our transportation needs. The problem is we do not have enough revenue to keep up with the growth and rising costs of maintaining the Colorado way of life. That is why the Bell Policy Center opposes SB20-044 and we hope to work toward a solution that will allow us to fund transportation without shortchanging future generations.