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New Report Examines TABOR's Potential Impact on Education Comparison with Colorado Illustrates Risks of Spending Limits

A new report issued by the Wisconsin Council on Children and Families (WCCF) concludes that Colorado's education system offers a poor model for Wisconsin to follow as it considers Constitutional limits on state and local spending. The report examines the potential consequences in Wisconsin of adopting a so-called Taxpayer's Bill of Rights (TABOR) similar to the one implemented in Colorado.

The report, "*A Colorado Example: What TABOR Could Mean for Public Education in Wisconsin*," is a companion to a similar piece published in April that analyzed TABOR's potential impact on Wisconsin's health care system. The two reports compare Wisconsin with Colorado, where TABOR has been in place for 12 years, focusing on the performance of two systems that together account for more than half of all state and local spending.

"Rewriting the constitution to limit state and local spending is a serious step that could affect the state's fiscal health for decades to come," said WCCF Executive Director Charity Eleson. "Before making sweeping changes in the Wisconsin Constitution, policymakers need to look very carefully at the consequences of similar changes in other states that have traveled this route. Given the condition of Colorado's health care and education systems, it seems clear that this is not a path we should be following."

A comparison of Wisconsin's and Colorado's education systems yields the following facts:

- Wisconsin's high school graduation rate in 2001 (78.2%) was 7th best in the nation. Colorado's (69.3%) ranked 30th
- In 2002, Wisconsin's pupil/teacher ratio (14.7 pupils per teacher) was 11th best in the nation. Colorado's ratio (17.1) ranked 29th.
- Wisconsin had the best ACT scores in the nation in 2003. Colorado ranked 21st.
- Per pupil K-12 spending in Wisconsin in 2001 was \$8,158, 12th highest in the nation. Colorado ranked 34th, at \$6,515 per pupil.
- Only 17 percent of 18-24-year-olds from low-income families in Colorado are enrolled in higher education which ranks the state 45th; WI ranks 17th at 28 percent.
- Colorado ranks 42nd and Wisconsin 25th in state tax funds appropriated for higher education per personal income.

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While it is impossible to determine precisely how much of Colorado's fiscal distress is attributable to TABOR, it is clearly a significant contributor. The report notes that Wisconsin school districts are currently under intense budgetary pressures. The combination of state-imposed revenue caps, declining enrollments, additional mandates, and other rising costs is forcing teacher layoffs, program cuts and increased fees for school activities. TABOR would likely exacerbate these problems and make them far more difficult to remedy.

"We have a crisis in school funding, and there is no question that TABOR would make it worse," Eleson said. "The comparative data illustrate that Colorado's schools have suffered as a result of their spending limits. The investments we have made in education have brought great results. Why would we want to jeopardize them?"

Like education, health care funding faces major challenges should TABOR become law. The report notes that the cost of health care will continue to grow rapidly in the coming years due to the aging of the baby boomers, and the increased use of prescription drugs. Limiting spending growth will make it virtually impossible to meet these increasing costs.

As with education, Wisconsin's record of health care coverage and outcomes is superior to Colorado's, in spite of Colorado's greater wealth. For example, based on the most recent comparative data from 2001 and 2002:

- Wisconsin had the nation's lowest rate of uninsured children, at 5 percent. In contrast, 14 percent of Colorado children were uninsured.
- Colorado ranked 44th in percent of pregnant women receiving prenatal care in the first trimester, while Wisconsin was slightly above average in that category.
- Wisconsin was tied for 12th best in low birth-weight babies, while Colorado was tied for 40th.
- Wisconsin was above average in all 12 categories of vaccinations for children, while Colorado was below average in all but one of those categories, and ranks near the bottom in many of them.

"Constitutional changes that tie the hands of legislators and school boards will have very serious implications for education and health care," Eleson said. "The general public needs to examine the TABOR experience in Colorado and understand the amendment's consequences before the Legislature rushes through a constitutional change of such long-term importance."

The report is available online at http://www.wccf.org/pdf/TABOR_education.pdf.

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