



Children's Action Alliance

A Voice for Arizona's Children since 1988

THE SO-CALLED "TAXPAYERS BILL OF RIGHTS" AND OTHER ARTIFICIAL EXPENDITURE LIMITATIONS ARE THE WRONG YARDSTICK FOR MEASURING ARIZONA'S BUDGET

Colorado's Flawed "Population + Inflation" TABOR experiment. Only Colorado has passed the so-called Taxpayers Bill of Rights (TABOR), which uses the highly flawed formula of general inflation plus the annual change in population to limit state spending. It was such a disaster for schools, roads, healthcare, public safety, and the economy that Colorado voted to suspend it. Colorado business leaders agree that TABOR led to slower job growth and delayed recovery from the last recession. Over 20 states have considered and rejected such artificial spending limits. Over the last decade, Arizona legislators from both parties have repeatedly rejected TABOR bills because they are so dangerous.

"Population + inflation" doesn't work when determining state spending. Most proposals call for a formula that adjusts the previous year's appropriation for positive or negative changes in general inflation and total population growth. But many groups driving the state budget grow far faster than the statewide population, including prison inmates, children in foster care, and children and adults participating in services for developmental disabilities. You can't successfully run a complex state budget on an arbitrary and rigid formula that doesn't match the true costs of state services.

These proposals ignore Arizona's constitutional spending limit and requirements for three-year forecasting. Arizona has a constitutional spending limit which restricts state spending to 7.41% of the state's personal income. In addition, laws passed in 2013 require the annual appropriations act to include a three-year revenue and expenditure projection and that the estimates be discussed at a public hearing. Arizona lawmakers can use these existing yardsticks which are far more relevant to the state budget.

