



the Fine Print

Amendment 3 is a new strict limit on state revenues that includes the following elements:

- It is a constitutional amendment that phases-in an unworkable and rigid tax limit based on an unrealistic formula – the sum of population change plus inflation;
- The new revenue limit would apply to all state taxes, fees, assessments, licenses, fines, and service charges;
- Any money coming in over the new limit is directed to a special fund, even as the state cuts services. After the fund fills up the money will be used to reduce local property taxes for schools and refund certain taxpayers; *and*
- It requires an almost impossible legislative supermajority and elections to undo the limits.

In 1992, Colorado became the first and **only** state to enact a similar measure, known as TABOR. It proved to be failed and costly experiment. As a result, funding for schools, health care, and other important services dried up.

The consequences were so disastrous that Colorado voters – led by a broad-based, bi-partisan coalition of teachers, parents, seniors, public safety, business, clergy, and community leaders – acted to **suspend** it in 2005.

Protect Florida's Schools & Families

Say NO to Amendment 3

Amendment 3 is a constitutional amendment on this year's General Election ballot (November 6) that has been advanced by politicians in Tallahassee and out-of-state special interests to create a new state revenue limit. It may sound reasonable, but it's based on a flawed formula that's a proven failure. Instead of strengthening schools, families, and communities, it deepens cuts to things we care about. When we can least afford it, this extreme amendment places a greater burden on families to pick up the cost of services that are provided by the state.

Amendment 3 makes tough times tougher for schools and families.

1. Amendment 3 will put at risk services for school children, families, and seniors.

This recession has been difficult for Florida's families. Making the situation worse, teachers have been laid off, classroom funding has been cut, college tuition has increased by over thirty-percent for college students, senior services have been eliminated, and costs have been shifted to families. Florida is falling behind the country in many key areas of performance, and Amendment 3 threatens to make things worse. We just can't afford more cuts.

2. Amendment 3 is a gimmick.

This measure does nothing to ensure that our state prioritizes funding for schools, families, and communities. When in full effect, Amendment 3 would result in across-the-board cuts to government, including programs that strengthen classrooms, keep our kids safe, and ensure our seniors have access to community services like home-delivered meals.

3. Amendment 3 causes more problems than it solves.

The measure fails to put the state's fiscal house in order and eliminate wasteful spending. Instead, it cuts off funding that prepares our students for the future, ensures care for seniors, and helps families struggling in this difficult economy.

4. Amendment 3 is a proven failure.

Colorado is the only state to have experimented with a law similar to Amendment 3, and it was a disaster. It resulted in deep cuts to schools, senior services and public health. Ultimately, the measure was suspended. The very same mechanics that led to the failure of Colorado's law are enshrined in Amendment 3.

AMENDMENT 3 :: A PROVEN FAILURE

Colorado's business climate and quality of life were not improved by TABOR. In fact, it contributed to a significant decline in that state's public services. Colorado's economy, hamstrung with TABOR, was not able to recover strongly from the last recession. This decline has serious implications not only for Colorado residents, but also for the residents of other states in which TABOR-like measures are now being promoted.

Education

TABOR forced drastic education funding cuts in Colorado.

- Before TABOR, Colorado was a middle of the pack state in terms of education funding (35th). By 2001, Colorado had fallen to 49th in K-12 spending, making the state near dead last in the percentage of state resources devoted to public schools throughout the country.
- Teacher salaries dropped compared to the national average, falling from 30th to 50th in the nation.
- Colorado fell to 48th in state funding for higher education as a share of personal income. *As a result tuition has dramatically increased, causing a greater burden on students and families.*

Health Care

TABOR forced reductions in funding for health care programs and services for Colorado workers, families, and seniors. Health care services proved to be particularly vulnerable to inflexible spending caps because health care costs in both the public and private sectors rose faster than the limit allowed. Those costs will continue to grow rapidly because of the aging of the baby-boomers.

- Colorado now spends less on many public health programs than most states.
- Colorado became one of the worst states in terms of providing prenatal care to women.
- Under TABOR, the share of low-income children lacking health insurance nearly doubled in Colorado – dropping the state to 50th in the nation.
- At one point, Colorado suspended the requirement that children be fully-immunized before enrolling in school, because there were not enough state funds to buy vaccines.
- After ten years of TABOR, Colorado ranked 49th in the nation in the percentage of both low-income non-elderly adults and low-income children covered by Medicaid.

Economic Development

TABOR did not improve Colorado's economy as promised. Instead, in the last recession it cost Colorado jobs. It delayed economic recovery, left the workforce untrained, and weakened the state's infrastructure.

- Colorado lost more jobs in the 2001 recession than all states but three.
- After being in effect for ten years, Colorado's growth rate after the last recession was the lowest in the Rocky Mountain region.
- From 2001 to 2005, the per-capita income in Colorado fell faster than in any other state in the country.
- Colorado's highways are in a state of growing disrepair with less than 60% rated good or fair.

Fiscal Stability & Accountability

TABOR created instability for businesses, communities, and families when Colorado entered the economic recession. At a time when businesses and families needed services most, the public sector became a weak partner in the recovery.

- Financial analysts blamed TABOR for making the state's fiscal crisis during the last recession worse.
- Bond-rating agencies downgraded Colorado's bond rating because of TABOR.
- Prior to the time-out, *Governing Magazine* ranked Colorado's finances as among the worst managed in the country, again due to TABOR.