

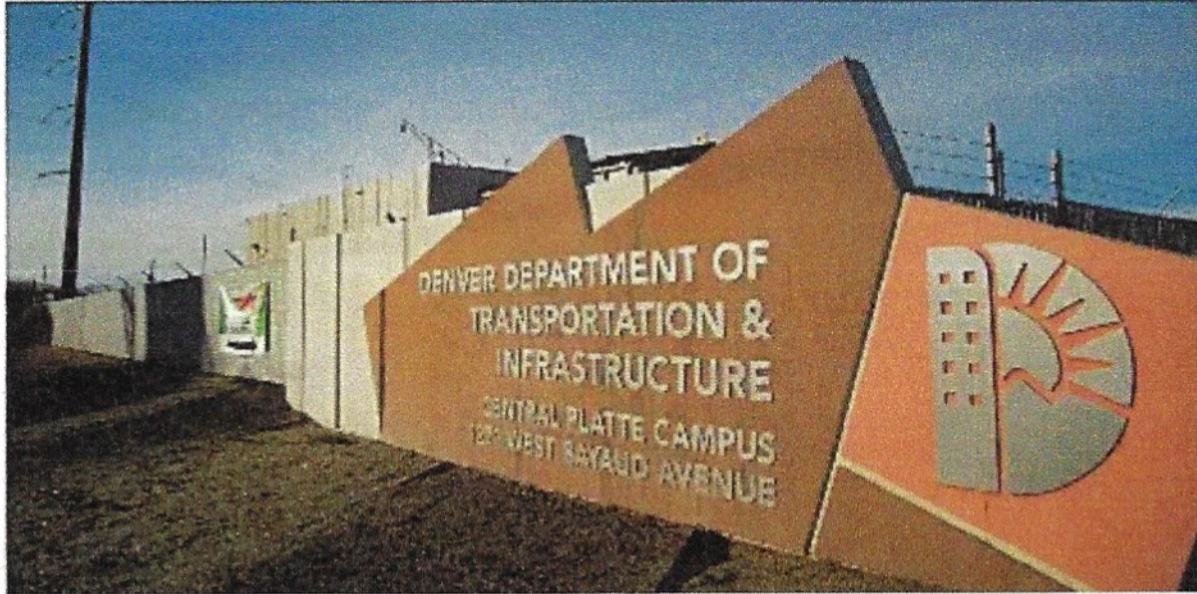
2026-3-29

# Colorado's budget deficit is self-inflicted

GTK - Gen RE

The Denver Gazette · 29 Mar 2026 · B11 · Mark Hillman served as Colorado Senate majority leader and state treasurer. To read more or comment, go to [www.MarkHillman.com](http://www.MarkHillman.com). MARK HILLMAN

“The trouble with socialism is that eventually you run out of other people’s money.” – Margaret Thatcher, British Prime Minister.



The same can be said of “progressivism,” and Colorado’s ruling progressive Democrats are learning the hard way as they face spending deficits surpassing \$1 billion a year.

State budget deficits are usually caused when a recession reduces tax revenue. But Colorado hasn’t been in a recession, and budget projections do not predict one.

Instead, this deficit is due to runaway spending and is entirely self-inflicted, as everyone from the news media to even Joint Budget Committee staff has pointed out.

When Congress was exploding the federal budget deficit during COVID, it sent billions to the states, but that money was temporary, and state budget writers knew it. Once it was gone, the spending spree should have been over.

In past eras, legislators of either party knew better than to start long-term programs with short-term money because the pleasure of creating them is far outweighed by the pain of ending them when money runs out. Responsible budgeting would invest such one-time funds in capital expenditures, such as facility and highway renovations and construction.

Instead, progressive Democrats spent that money on new entitlements and new programs expected to continue every year. For example, they:

- Extended Medicaid coverage to illegal immigrants.
- Increased payment rates to doctors and hospitals that treat Medicaid patients.
- Added 7,000 new state employees, beginning even before COVID.
- Scaled back property tax increases after convincing voters to repeal a constitutional limit on residential property tax rates.
- Dramatically increased spending on higher education.

“Which of these things shouldn’t we have done?” asked JBC chair Rep. Emily Sirota (D-Denver).

The answer is simple: You shouldn’t have done anything you couldn’t continue to pay for or weren’t willing to cut when the COVID money ran out.

Now that magic money from D.C. is gone and economic growth is slowing, lawmakers face difficult choices — reduce spending to prior levels or convince voters to pay more in taxes. To balance last year's budget, they burned through most of the available accounting gimmicks, leaving them with only hard choices this year because "eventually you run out of other people's money." Note

In other states, lawmakers can simply raise taxes. In Colorado, they must seek voters' permission to raise taxes, thanks to our state constitution's Taxpayers Bill of Rights (TABOR).

Progressives believe their expansion of government

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~~is money well spent. But their desire to take more of our wages to pay for it violates the inherent right of all Coloradans to keep the money we earn. State government has no "right" to more of our income just because politicians want to play Santa Claus with other people's money.~~

Not surprisingly, progressive lawmakers already have a bait-and-switch ballot proposal planned for November, using schools and children as decoys for a massive tax increase. What's more, they want to replace Colorado's flat-rate income tax with a "soak the rich" scheme which will drive even more people and businesses to other states.

Former Speaker of the House Mark Ferrandino, now head of Gov. Polis' budget office acknowledged to Colorado Public Radio that Medicaid costs are the biggest contributor to the budget shortfall.

Since Polis became governor, overall general fund spending (nearly \$17 billion a year) has increased by 48%. Medicaid spending increased by 86% while K-12 education spending grew by just 13%. If Medicaid spending had simply grown at the same rate as the overall budget, the deficit wouldn't exist, schools could have more money, and taxpayers would receive a tax refund courtesy of TABOR.

General fund spending, however, represents only about one-third of the state budget because it doesn't include "fees" enacted by the legislature or funds from the federal government. Note

Total spending (\$47 billion in 2025-26) has grown by 52% during Polis' tenure, but Medicaid spending grew even faster at 75%. In fact, the increase in Medicaid spending consumed almost half of all new spending during that time — an additional \$7.8 billion, compared to just \$1.8 billion for K-12 education. Medicaid expansion, which began prior to Polis, added people who were healthy and already receiving medical care. In 10 years, spending on the department that operates Medicaid more than doubled. No other major department even comes close. Spending on K-12 education hasn't even kept pace with overall budget growth.

Today's "budget crisis" is a legislative fiction, created by deliberate choices, and backed by a bet that taxpayers can be played for suckers come November.