INTRODUCTION

The Covid-19 pandemic has highlighted how public services play an essential role in the economy, our communities, and the well-being of our families. Public services like education, mental health care, and infrastructure give many Coloradans the support and economic stability needed to live healthy, productive lives. But for decades, even as Colorado has experienced economic vitality, the state has disinvested in public services and the people who provide them. This has prevented the building of a modern, more responsive public sector. As a result, Colorado was particularly unprepared to respond to the challenges posed by the Covid crisis.

Colorado’s Taxpayer Bill of Rights (known as “TABOR”) and the constraints the state faces on using the full amount of revenue it collects has thwarted the provision of quality public services through proper investment in program delivery, adequate staffing levels, and appropriate employee compensation. As a result, Colorado has often failed to meet critical challenges, including redressing racial inequities, caring for the elderly and people with disabilities, educating children, protecting our environment, and reducing and mitigating climate change, let alone being prepared for an unanticipated crisis like Covid. This report examines these trends in public disinvestment, discusses the impacts, and provides recommendations for ensuring robust public services that meet the needs of Coloradans.

SECTION 1:
THE PROBLEM—MANY COLORADO RESIDENTS ARE STRUGGLING AS THE STATE RECOVERS FROM THE PANDEMIC AFTER LONG-TERM PUBLIC DISINVESTMENT

The Covid pandemic not only propelled the country into a public health emergency, but it also reminded us that our collective ability to deliver care, assistance, and relief to our communities is critical. Public services are a primary way this care gets delivered, and state government plays a central role in designing, providing, and overseeing these essential services. However, over the past several decades Colorado has largely ignored the effects of the erosion of revenue on its ability to provide essential public services. Long-term and structural disinvestment meant that the state was not adequately prepared to respond to Covid. While many state services have long been strained, the pandemic lifted the veil that had been hiding the full impact of this disinvestment.
Even as the pandemic’s initial threats recede, many Colorado residents continue to struggle. While the state budget forecast looks healthy, economists warn that the state economy is still in uncharted territory\(^1\) and is starkly divided in terms of recovery.\(^2\) A June 2021 presentation from the Legislative Council to the Joint Budget Committee confirms that the while the state economy is continuing to recover, the recovery has been uneven.\(^3\) High-income residents have continued to work and earn income throughout the pandemic,\(^4\) while some ultra-wealthy residents actually significantly increased their wealth. From March 2020 to March 2021, Colorado billionaires increased their net worth by \$9.7 billion.\(^5\) The picture has been much less rosy for many lower-income residents.\(^6\) The state has regained 66 percent of jobs lost at the beginning of the pandemic, but there are still large gaps in employment between low-wage and high-wage residents, as the chart below shows.\(^7\) Workers in the service and retail sectors have been hit particularly hard.\(^8\) Coloradans of color have been disproportionately impacted by job loss. Black and Latinx residents represent about 43 percent of those unemployed in the state, while comprising 30 percent of the population.\(^9\)

**Percent change in Colorado employment since January 2020**

![Chart showing percent change in Colorado employment since January 2020](presentation)

Recent data from the U.S. Census Bureau’s Household Pulse Survey from June 9 through July 5, 2021 shows that significant need and hardship remain among some Colorado residents.\(^10\) For example, 23 percent of adults had trouble covering usual household expenses, and 9 percent of renters were behind on rent payments. Eight percent of adults reported that children in their household were not eating enough because they couldn’t afford sufficient food.\(^11\) Coloradans experiencing economic distress during the pandemic were, compared to the statewide average, more likely to be younger; Hispanic or Latinx; Black or African American, other or multiracial; without a college degree; or living in households with children.\(^12\)

The pandemic has clearly exacerbated need and hardship, but there was substantial need even before the public health crisis. While the percentage of residents living in poverty has been consistent over time, hovering around 10 percent, the number of people living in poverty has increased as the population in Colorado has increased. The percentage of residents in the middle class has slowly but steadily declined over time.\(^13\) A February 2021 memo from the Colorado Legislative Council Staff examining income inequality in the state highlighted that even prior to the pandemic, income inequality in the state had been increasing for several decades.\(^14\)

Even with significant need among Colorado residents against the backdrop of a shrinking middle class, public services have not been robust enough to reverse this trend and ensure widespread prosperity. For example, the
state's program aimed to distribute financial assistance to renters, homeowners, and landlords failed at handling its emergency mission this past year. The state agency in charge of administering the program, the Department of Local Affairs Division of Housing, was unable to process the substantial increase in requests for housing assistance funds. Early in the pandemic, the department failed to hire adequate staff for the emergency housing assistance programs. Struggling residents and landlords needing assistance were waiting weeks or even months for application approval because existing agency capacity was so low. The department had been plagued by years of underfunding, compounding the problems of understaffing and capacity. From 2014 to 2019, the number of permanent classified employees at the Department of Local Affairs steadily declined, although it increased slightly from 2019 to 2020.

As the backlog of housing assistance requests grew, spiking at the end of 2020, the state hired a Mississippi-based contractor, Horne LLP, to handle the requests. The backlog is finally under control, but the cost of the contract has ballooned from almost $1 million to $6.5 million. Long-term disinvestment left the department wholly unprepared to adequately serve residents struggling with housing during the pandemic and forced the state to engage a costly out-of-state contractor.

Stephanie Maney | Administrative Assistant II, Department of Local Affairs, Division of Housing

"I've worked for Colorado for over 10 years at three departments in the state now. Working for the state was my dream — I love being part of a team and pitching in to make a difference in our community.

For the last three years, I have worked at the Department of Local Affairs in the Division of Housing. We make sure that Coloradans who need rental assistance or housing have a safe and affordable place to live. We partner with local communities to create housing opportunities for Coloradans who need a safe place to sleep or raise their families. My division also handles special cases like veterans with combat experience. Combat veterans might have PTSD or other trauma from their time serving, so we make sure they are in stable, safe housing.

Years of underfunding and understaffing mean it’s difficult to expand our reach to meet the needs of Coloradans. When the unthinkable happened, a global pandemic, we were not equipped to handle it.

Last year the pandemic created a crisis in our communities which meant more people than ever before needed help, but my division wasn’t equipped to provide it. An explosion of unemployment meant that people needed a way to pay rent or risk being thrown onto the streets. People were desperate to protect themselves and their families, so they turned to us for help.

In March, as with most offices, we moved to work from home to stop the spread of the virus. I got a laptop and a hotspot because I didn’t have good internet prior to working from home. Unfortunately, the hot spot was very unreliable. I was unable to login and find answers for clients. At the same time, people I would normally turn to for answers, like my manager and supervisor, were pulled away to run an emergency program and I found myself saying, ‘I don't know, someone will call you back.’ I just didn’t have what I needed to do my job in an emergency.

Photograph of Stephanie Maney by Kathryn Scott, Colorado Sun
On top of that, the main phone line and the emergency hotline were directed to my cell phone. I was alone and responsible for helping the overwhelming number of people who called our office. The calls were urgent. People needed answers but I did not have information that would help them. I answered calls from very desperate people—people who were served evictions, had no job, who were in every kind of terrifying situation you can imagine. I talked to people who were threatened or unhoused, but they had no shelter. I did not have the resources to answer them, or even transfer them to the right person.

For nine months, I was the only person answering those calls. I took leave in January 2021 and came back mid-March. I was emotionally broken. I felt like I was failing our clients.

The department could have hired more state employees to do this job. Our agency has dealt with crises in the past and this should not have been such a disaster. Leaders should have been more ready to deal with this emergency, but after years and years of cuts we could not get the extra staff to help us with the explosion of work.”

SECTION 2
HOW DID WE GET HERE?

An equitable recovery and long-lasting prosperity for Colorado requires that all residents have access to robust and high-quality public services to meet their needs, support economic growth, protect the state’s environment, and more. But this requires a commitment to our public services and the workforce that provides them. It also requires a reversal of the decades-long trend of public disinvestment. This section details the long-term failure to adequately invest in state services and infrastructure, and the erosion of the state workforce that provides and maintains these critical public goods and services.

**Historical disinvestment in state services and infrastructure**

This disinvestment in public services is not just a current issue. It’s also a structural problem that has been decades in the making. It has impacted the quality and availability of public services and goods our communities depend on, such as education, public health, and critical infrastructure. As detailed in a recent Colorado Fiscal Institute analysis, data examining public investment in Colorado state services over time shows that the state is not investing as much in services and communities as in the past. Investment in state services as a percentage of the state economy has significantly declined since the mid-1970s. In 1976, state taxes equaled 5.35 percent of total personal income for the state, but by 2020 that amount had declined to only 3.65 percent. Over the 44-year period, the average was 4.35 percent. If the general fund spending in 2020 matched the 44-year average, Colorado would have had $2.44 billion more to invest in important state services. The drop in revenue as a percent of overall economic activity increased with the passage of the TABOR amendment in 1992. Since its passage more than $3.7 billion in collected
Dr. Anita Alves Pena and John Singleton of Colorado State University recently analyzed state public expenditures over time and similarly found that when adjusting for population growth and inflation, public investments in the state have been stagnant over the last two decades. They also found that public investment, especially in targeted public services such as education, can reduce class- and race-based inequities within the growing economy.21

It's important to note that the current levels of investment in state services are not the recent result of a recession related to the pandemic, like some other states are experiencing, since Colorado is actually exceeding revenue expectations. Instead, the state is hamstrung in its ability to reverse this downward trend of declining public investment in state services by TABOR revenue rebate requirements that place a cap on how much revenue the state can collect, even in times of high need. Inadequate public investment prevents the state from providing robust and accessible critical services that Colorado residents need to thrive. Day to day, this means that classrooms in Colorado don't have the funding they need to provide the best public education for children, public health departments aren't able to adequately respond to public health crises, and state infrastructure needs repair.

For example, public education in Colorado is woefully underfunded. Colorado ranks 48th out of 50 states in per-pupil funding of K-12 education as a percentage of aggregate state personal income.22 A 2018 analysis found that Colorado spends $2,410 less per student on K-12 education than the 50-state average. For a classroom of 25 kids, that adds up to $60,000 less in each classroom than just the average state.23 It’s important to note that state education spending was not always this low. During the mid-1980s, Colorado was above the national average in per pupil spending, spending $637 more than the 50-state average. However, this amount started declining in the 1990s and by 2018, Colorado was spending $10,202 per student while the average state was spending $12,612.24

Public health spending in Colorado has also declined, which left the state woefully underprepared for the pandemic. From 2007 to 2018, Colorado state and local governments cut public health spending per resident by over 45 percent.25 In discussing the state’s response to the health pandemic, the Colorado Health Institute explains, “We are paying the price for decades of underfunding public health and ignoring upstream investments in health.”26 Likewise, Colorado’s investment in public infrastructure, such as transportation, public buildings, and water

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infrastructure, has also declined. From 2002 to 2016, state and local infrastructure spending as a share of state gross domestic product declined 0.66 percent. Only 12 other states had a larger decline than Colorado during that time period. For transportation, lack of adequate public investment means that the Colorado Department of Transportation has had a 10-year, $5 billion priority list of projects that’s only about one-third funded. However, the state legislature recently passed a $5.3 billion transportation bill, which includes new fees on gas, deliveries, and rideshare apps, as well as funds from the state’s general fund and federal stimulus money, which should hopefully address much of this backlog.

This long-term underinvestment in transportation has impacted road maintenance safety. Mike Powers, who performs road maintenance for the Colorado Department of Transportation explains, “Being short staffed is now just a fact of life. It is the norm and not the exception. There are some jobs you can’t do because you’re short staffed. There was one time they wanted us to clean a bridge deck without flaggers. It was unsafe. They didn’t want us to shut down the lane. Cars were flying by. It eventually stopped because enough of the workers stood up together and said this is just too dangerous.”

Inadequate investment in state public workforce

Lack of investment has prevented the state from adequately investing in its public workforce. State workers perform a diverse array of jobs, including nurses who care for veterans and the disabled; social workers who help people access unemployment or housing assistance; people who protect public lands; workers who maintain roads and other public infrastructure; and many others. But without adequate staffing, the ability of the state to deliver quality services and programs is jeopardized, putting residents at risk of not getting critical services they rely on, and in some cases, putting environmental, community, and resident health and safety at risk.

For example, Jessica Mathis, who helps people with disabilities find jobs, says that the number of people needing help doubled during the pandemic, while staffing shrank “as my co-workers experienced burn out and left their jobs.” The consequence: “Our clients aren’t getting the attention they deserve. I used to dedicate about an hour per case, but now I can’t give them more than 30 minutes of my time and attention.”

Analysis of data from the Department of Personnel & Administration’s Division of Human Resources shows that Colorado’s workforce has been declining for over a decade. The classified state workforce is 23 percent smaller than it was in 2010, taking population growth into account. State services are losing capacity to serve the growing number of Coloradans, as population has increased about 15 percent over the past decade.

**Colorado classified state employees per 10,000 residents**

![Graph showing the number of Colorado classified state employees per 10,000 residents from 2010 to 2019.](source: COWINS analysis of State of Colorado annual Workforce Reports)
This lack of staffing can be seen at agencies, departments, and facilities across state government. For example, an analysis of staffing at the Colorado Mental Health Institute at Pueblo (CMHIP), a forensic hospital that provides inpatient behavioral health services for adults, adolescents, and geriatric patients, finds that staffing relative to population has declined in recent years.

At CMHIP, the total number of staff (full-time equivalents) decreased by more than 4 percent from 2016 to 2020.34 At the same time, the patient population, measured by the number of patient-days,35 increased by more than 11 percent. As a result, staffing per patient decreased by over 14 percent, measured by the number of full-time staff equivalents per patient-day.36 As a current psychiatric registered nurse working for CMHIP described in a recent op-ed in the *Colorado Sun*, “Unfortunately, chronic understaffing, low pay, and eroding benefits have caused many experienced and talented state employees to leave the jobs they love and seek out other job opportunities to provide for their families … This trend has been made even worse by the demands the pandemic has placed on the people taking care of Coloradans.”37

Jessica Koster, another nurse at CMHIP, describes a similar environment: “Our staff to client ratios are supposed to be 1:4. That would mean each client gets the care and attention they deserve. In reality the ratios are actually 1:7 or 1:8. I shouldn’t have to choose between providing good nursing care and having a one-on-one conversation with a potentially suicidal patient. With clients we have at CMHIP, if I can’t help them immediately, things can and do go south quickly. These clients need extra care and attention to ensure everyone remains safe. I love my job. I’m good at my job. My team is amazing. I love my coworkers. We just can’t get the work done like we’re expected to when we are stretched so thin.”38

In addition to understaffing, the state of Colorado is also falling behind private employers, cities, counties, and other state governments in providing competitive, fair pay and benefits. According to the state’s latest compensation study, Colorado provides wages and benefits 16.4 percent below the prevailing market rate based on similar workers in a peer group of public and private employers.39 That translates to a gap of almost $16,700 a year.40 Digging deeper into the data reveals that state employee base salary is 11.6 percent below the prevailing market rate. Likewise, retirement benefits are 19.3 percent below the prevailing market rate. That is largely due to Senate Bill 200, which cut retirement benefits and raised employee contributions in 2018. This compensation gap has significantly increased in recent years. As the below chart shows, the total compensation gap between Colorado state employees and the peer group was only 2.4 percent in 2016 but has quickly and steadily increased each year to a high of 16.4 percent in 2020. The total compensation gap tripled between 2017 and 2020.

*Total compensation gap*

![Chart showing the total compensation gap between 2016 and 2020, with gaps increasing from 2.4% to 16.4%]
State employees are earning less than the prevailing market rate, in part because state workers did not receive annual raises in six out of the last 13 years. During the time period 2009 – 2020, the cost of living in Colorado increased, but wages did not keep pace with inflation. Without consistent annual raises to account for inflation, the purchasing power of state employees’ wages has declined, eroding living standards for workers and their families. In the six annual raises that state workers received, pay increased a total of 19 percent. However, inflation for the state of Colorado increased by 26 percent. This means that on average, state workers across Colorado actually experienced a seven percent pay cut after accounting for inflation during that time period.41

The situation was even more stark in the Denver area, where 46 percent of state workers reside.42 Inflation from 2009-2020 was even higher in the Denver area, totaling 31 percent. This means that state workers living in the Denver area experienced a twelve percent decline in purchasing power after accounting for inflation.43

Moreover, employees of color face some of the lowest pay of state employees. Over a third of state employees are workers of color. The state pays Black, Latinx, and Native American employees, on average, between 13 and 15 percent less than White employees.44 Across all occupational groups, Black, Latinx, and Native American workers make less than White workers in the same occupational group.45 The chart below shows these racial pay gaps.46

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<td>Difference with White avg</td>
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2019 – 2020 Colorado classified employee average pay by selected ethnicities
MOST COLORADANS—NO MATTER WHERE WE COME FROM, WHERE WE WORK, OR THE COLOR OF OUR SKIN—want the same things: to be able to make a decent living and afford to live in our state, save for the future, have a work environment where we can excel, and give our kids a great start in life. We know that, in Colorado, we define ourselves by who we are and how we treat others, not by what we look like or what’s in our wallets.

But according to the state’s own workforce report, average pay is 13 – 15 percent lower for Black, Latino, Native, and Pacific Islander workers than for White workers. It’s high time that the State of Colorado lead by example and take steps to ensure that every worker, no matter what we look like or where we live, knows that we are valued for the work we do to serve our communities instead of the color of our skin.”

In addition to not receiving raises in six of the last 13 years, the state has required employees to increase their contributions to the retirement system. State employees do not contribute to or receive Social Security benefits for their time as state workers, so instead they contribute to and receive Public Employees’ Retirement Association (PERA) benefits. Under the 2018 Senate Bill 200, state employees had their individual contributions to PERA increased by 2 percentage points over a three-year period. This is equivalent to a 2 percent pay cut, effectively decreasing the amount of take-home pay state workers have to spend on living essentials. The 2018 bill also cut retirement benefits for future retirees. According to the Colorado Sun, “Senate Bill 200 suspended cost of living raises for retirees for two years and cut annual benefit increases to 1.5% from 2%.” The average retirement benefit for state workers went down from about $41,000 per year to about $34,000 per year. For the average state worker, cuts to retirement benefits will equate to a loss of about $120,000 over 25 years.

It’s also important to note that Colorado does not provide pay increases commensurate with years of service. The state used to have a “step” system, a wage scale that increased pay with years of service, but this was eliminated in 1998. Without this type of system, state workers are often not rewarded for their longevity in working for the state. As Brian Hines, Corrections Officer II at the Buena Vista Correctional Facility explains, “It’s been 27 years since I started working here. Our pay hasn’t kept up with the times. Now I’m seeing people start working at Buena Vista and make just as much money as I am, or get hired brand new into positions I apply for. I feel like my dedication and loyalty is just brushed aside.” A “step” system could help address shortages in staffing, including high rates of turnover and vacancies, as discussed in the next section.
INVEST FOR A CHANGE: COLORADO’S PEOPLE AND WORKFORCE DESERVE BETTER

SECTION 3:
IMPACTS OF DISINVESTMENT

Disinvestment in public services has had detrimental impacts on the residents who rely on these services, the workers who provide these services, and the broader Colorado economy. This section explores these impacts to gain a better understanding of how public disinvestment undercuts the goals of an equitable and prosperous Colorado.

Impacts to residents relying on services

Without adequate investment, public services aren’t able to operate at full capacity with highly qualified and dedicated staff and residents don’t get the services they need. We see this dynamic in Colorado’s public education system. Even though recent research shows that public investments in education are some of the most important investments that Colorado can make to reduce financial inequalities and improve the economic status of low- and middle-income families, lack of meaningful public investment in public education, from early childhood to higher education, has left many children unable to access important services. For example, the 2020 Colorado Preschool Program Legislative Report reported that the program is only serving about 40 percent of eligible children. About 47,050 potentially eligible 3- and 4-year-olds were not enrolled in the program in the 2019 – 2020 school year due to insufficient state funding for the needed slots, even though this program has proven to increase long-lasing academic outcomes for participating students. In response, voters approved a proposition increasing taxes on nicotine products last November, which will hopefully increase the number of kids enrolled in the preschool program in the next few years. At the K-12 level, 113 districts used a four-day week during the 2020 – 2021 school year, making Colorado the state with the greatest number of school districts to reduce the standard five-day school week.

In higher education, the College Board calculates that tuition at public two-year institutions in Colorado, adjusted for inflation, rose by 30 percent from 2011 to 2021, now costing $4,820 per year on average. At public four-year institutions during the same time frame, tuition, adjusted for inflation, climbed 36 percent to an average of $11,420 per year. Rising tuition makes it harder for students hurt by the pandemic to afford higher education, particularly low-income students and students of color. An April 2021 report by the Colorado Department for Higher Education explains that equity gaps in higher education are concerning. In 2018, 64.9 percent of White Coloradoans earned a college degree or certificate, while the attainment rates for American Indian or Alaska Native (27.87 percent), Black or African American (43.94 percent), and Hispanic and/or Latino (32.16 percent) were much lower. Without adequate funding, costs of higher education are often transferred to students and their families through tuition hikes. Ensuring that Colorado’s public colleges and universities are funded at levels that can slow the rise in tuition costs will allow more students to access higher education, which is especially important at a time when the majority of jobs in Colorado require a postsecondary education.

Inadequate investment also hampers the ability of public services to serve vulnerable residents. Debi Macias is a Health Care Technician at the Pueblo Regional Center, which serves individuals with developmental disabilities. In a recent op-ed, she describes the impacts that underfunding and understaffing has on both workers and the vulnerable residents she serves. As she explains, “I love my work caring for residents, but it is incredibly demanding, and the Center has been drastically underfunded and short-staffed for years. COVID-19 has only made this worse. I work 12-hour shifts, and also have to take an additional mandatory 12-hour shift every other week. And while there’s
no doubt that the pandemic has stretched state and local budgets, state facilities like the one I work for have been underfunded for years. This has led to severe understaffing, low wages, and environments that are unsafe for both workers and residents.”

**Impacts on workers**

As discussed, Colorado’s state services have been critically understaffed, resulting in the erosion of critical public structures like education, public health, environmental protection, and important social safety net programs necessary to keep the economy healthy and our communities safe. Underfunded and understaffed agencies also have negative impacts on the state workers who perform the essential work of public departments and programs.

Current workforce conditions mean that Colorado is losing valuable and dedicated employees. Across state government, staff turnover was almost 14 percent for the 2019 – 2020 fiscal year. In other words, every year about one in seven workers leaves state employment, taking valuable skills, institutional knowledge, and experience with them. Recent research from the Economic Analysis and Research Network (EARN) shows that high turnover is expensive, makes it hard to provide quality service to residents, reduces the efficiency and effectiveness of state agencies, and puts a strain on remaining state workers. Researchers estimated that replacing the 4,268 Colorado state workers who left state government in FY 2017 – 18 (which is only slightly more than the number who left in 2019 – 2020) conservatively cost the state $48 million.

As the chart below shows, turnover has been steadily increasing in recent years, with a slight dip between FY 2018 – 2019 and 2019 – 2020.

**Increasing turnover**

Similarly, there are a significant number of job vacancies across the state government. Recent data show that one in five jobs is vacant. In some departments, the vacancy rates were even higher. In 2018, the Department of Natural Resources had a vacancy rate of 40 percent, while the Department of Military and Veterans Affairs had an astonishing vacancy rate of 82 percent. Vacant positions mean that critical work is not being completed, and the remaining workforce take on a heavier load. Across Colorado state government, almost 34 percent of workers are eligible to retire within the next five years. This upcoming wave of retirements could exacerbate problems with vacancies if departments do not restore adequate staffing levels.

Doing more with less staff has also led to an increase in state workers working more overtime hours. For example, employees at the Department of Corrections (DoC) increased their overtime hours by 40 percent from the same
6-month period in 2019 to 2020. From November 2020 through April 2021, staff at Colorado’s prisons worked 300,000 overtime hours. That is a sizable increase from about 214,000 overtime hours in the period November 2019 through April 2020. In the most recent six-month period, DoC staff worked about 170 overtime hours a year on average. This is almost 50 hours more than the annualized average of about 121 hours in the previous six-month period. Overtime hours increased at 14 of the 19 facilities that had available data. In six of the 19 facilities, overtime hours more than doubled, while overtime hours increased between 49 to 91 percent at an additional five facilities. This increase in overtime can have serious ramifications for workers and prisoners at these facilities. Substantial amounts of overtime can put correction employees at risk of increased stress, tiredness, and other health issues, leading to dangerous conditions for both workers and prisoners.

Kris Olson | Corrections Officer, Buena Vista Correctional Facility, Department of Corrections

“I’VE BEEN WORKING HERE FOR SIX YEARS NOW, but in the last couple of years short staffing has started to really impact our work in the prisons. My job is to maintain security in the prisons. I do mainly external security in the tower or perimeter. My hours would be 10pm – 6am if short staffing didn’t change my scheduling so much. I now work mandatory overtime at least two or three shifts a week. The worst is if we have to work multiple 16-hour shifts a week. That never used to happen, now it is becoming more and more frequent. Short staffing affects everyone. We’re 40+ short in my job class at the facility. So, we have to cover for the empty spots by working extra hours or picking up mandated extra shifts. When you come to work you don’t know if you’re going home in 8 hours, 12 hours, or maybe 16 hours. I start checking the staffing sheet the night before to see how many holes there are so I can tell my wife if I might stay late. But there are call-offs too, from other people who have been working. Two to three call-offs per shift. It’s hard on my family to work those extra hours if you already made plans to pick your child up from day care or need to be present for a school event. It makes it hard to plan and work it out with your spouse. I don’t get to spend as much time with the family as I want. I can’t help them with the homework. When I am home, I’m tired and trying to sleep for the next shift. Back in April we were doing two to three doubles (16-hour shifts) a week. It’s just too much.”

Even though many state workers are working harder in understaffed agencies, they aren’t receiving commensurate—and, for many, even adequate—compensation. Without adequate compensation, many state workers are unable to make ends meet. Not only do Colorado state employees earn less than the prevailing market rate for similar jobs as discussed in Section 1, but many do not earn enough to provide basic necessities for their families. The average salary for FY 2020-2021 for a Colorado state employee is $66,033 per year. This is below the threshold for a living wage for even a small family in Colorado. Paying for food, housing, transportation, and other necessities for one adult and one child costs $71,365 on average. In Denver, where about 46 percent of state workers live, this disparity is even more stark. The 2021 living wage threshold for the one adult and one child...
family is $75,192, over $9,000 above the average Colorado state worker’s salary. Additionally, rents in Denver have dramatically increased in recent years. While it took 30 years for fair market rent to double, it only took five years for it to nearly double again from 2013 to 2018 (Denver fair market rent went from $940 to $1,418). State workers’ salaries are not keeping pace with the changing reality of housing costs in Denver. Not only are these workers and their families struggling to make ends meet, but without a living wage, workers and their families have diminished purchasing power, which slows economic recovery.

Moreover, state jobs that do not provide a living wage contribute to growing economic and racial inequality in Colorado. The average salaries for Black, Latinx, and Native American employees are even further below the living wage threshold for the state than the average state worker. The following chart shows how state employee salaries by race stack up against the living wage threshold for a small family of one adult and one child. Note that this chart is examining living wage data for 2020, since the latest average wage data by race is currently from FY 2019-2020.

2020 Average salary by race compared to CO Living Wage (1 adult, 1 child)

![Chart showing average salary by race compared to CO Living Wage](chart.png)

Just under half of Colorado state employees are women and the job category with the highest percentage of women is also the lowest paid. Eighty-four percent of administrative support employees are women, and they earn less than $44,500, on average. This is substantially below the statewide living wage threshold of $71,365 for a one adult and one child family. For state administrative support workers living in the Denver area, this is also below the “scrape-by” wage of $45,000 identified by Prosper CO, a project of the Denver Metro Chamber of Commerce and its affiliates.

Improving home health care for vulnerable Coloradoans

An increasing number of disabled or elderly Coloradoans rely on the state’s home health care program. Public dollars currently pay for most home care services, with the largest share of funding coming from Medicaid, a state-federal program. There are about 36,000 home care workers in Colorado helping elders and people with disabilities. That number has increased by 87 percent since 2009, and the need will only grow, as Colorado’s over-60 population is one of the fastest growing of any state.

As important as these jobs are, the median annual earnings for home care workers in Colorado is only $17,200, substantially below the state’s living wage threshold. Moreover, turnover is very high in home care, with rates up to 82 percent. These levels of high turnover hurt the quality of care that vulnerable residents receive.

Direct care workers are calling on the state to convene a wage board to set minimum standards for direct care providers and their clients. Colorado has a long-standing though little-used law that would enable the creation of a wage board for care workers. By setting minimum standards for providers and clients, the quality of care provided through home health care can improve, increasing the quality of life for both workers and the elderly and disabled residents they support.
Megan Fraser worked as an Administrative Assistant II at the Department of Military and Veteran Affairs through January 2021. She currently works as an Administrative Assistant III at the Department of Regulatory Affairs.

IN THIS DAY AND AGE, there is no reason everyone shouldn’t make a living wage.

The Division of Veterans Affairs (DVA) assists veterans, their survivors, and dependents to access state and federal benefits. As an administrator, I was a primary point of contact for assisting our clientele in accessing all benefits and sister organizations who could provide services to them outside of the scope of services provided by a veteran service officer.

I triaged all calls that came into the office, having to recognize if the individual was suicidal or simply how emergent their case situation was. The DVA is frequently called when a veteran is put onto hospice, whether or not they have previously had the federal Veterans Affairs identify a service-connected disability. As benefits available to survivors and dependents can vary, it is important to process these cases as quickly as possible. It is imperative to connect these individuals to the person who can most readily and skillfully assist them in these pressing circumstances.

I also did a considerable amount of processing the Property Tax Exemption for Qualifying Disabled Veterans for the State of Colorado, something that was far outside my scope of duty.

Even with all of my expanded duties at the Department of Military and Veteran Affairs (DMVA), I was kept at an ‘Admin Assist II’, instead of the ‘Program Administrator I’ that I was performing the duties of and was therefore unable to qualify for the cheapest apartment on the market. It took a second job of nannying to qualify for housing and receiving food from a colleague going to a food bank in order to make ends meet and put food on my table.

I wanted to help veterans but ultimately just couldn’t do it anymore. The financial stress that I was under every month was unsustainable. I was cut out of every promotion that came up in my division, and when they announced a major restructure, the administration was ignored. I inquired about moving up in the salary quartiles to our HR director and was told that did not happen. In this day and age, there is no reason everyone shouldn’t make a living wage.

In February, I left the DMVA for the Department of Regulatory Affairs (DORA). At DORA, I assist a team that does complaint and licensing review for 17 different professions. As an Admin III I have some room to breathe but still can’t afford proper medical care for my autoimmune condition nor put any money away in savings.

Impacts on the broader community and state economy

While Colorado is exceeding revenue expectations, it is important to note that the current TABOR cap limits the extent to which the state can increase public investments. As a March 2021 presentation from the Governor’s Office of State Planning and Budgeting noted, the state has a structural general fund deficit, as the general fund can only
grow in accordance with the allowable growth under TABOR, and proportionate general fund growth cannot be sustained once Colorado is above the TABOR cap. With many residents still struggling, the demand for public services will continue to be high. Additionally, many services and programs were not adequately funded and/or staffed before the pandemic. While the state plans to provide refunds of tax revenues to Colorado residents, those refunds are not evidence that the state is adequately paying for public services.

The state has largely restored budget cuts made during the pandemic, and Colorado has recently enacted legislation that would direct federal stimulus funds into important public infrastructure, including increasing access to broadband. We applaud these public investments, and encourage adequate public investment across all state programs and services. It is important that the state make additional public investments to ensure an equitable recovery and sustained broad-based economic growth. Importantly, when the state makes investments, it needs to ensure proper staffing so those investments can serve residents for years to come. As discussed below, sometimes the state has created programs without hiring enough staff to implement them.

**Steven Arauza | Environmental Protection Specialist, Colorado Oil and Gas Conservation Commission**

"I TAKE PRIDE IN MY WORK, and I also know it’s important to the state. I’m a geologist and my job is to make sure proper practices are used for waste management at oil and gas facilities in order to protect Colorado’s environment for its wildlife and people. I also receive and respond to notifications and reports from well operators in the event of a spill or release to make sure it is safely controlled and cleaned up to mitigate contamination of our communities’ soil, groundwater, and surface water. I love my job because I get to do my part to help Colorado build back better.

In 2019, the Act to Protect Public Welfare regarding Oil and Gas Operations passed through the Senate. This bill better regulates the oil and gas industry so that our communities’ and neighbors are better protected from environmental concerns. I’m proud of this bill. I am proud to have been involved in the rulemaking process that it required to better protect our state’s environment. Still, implementing these new protections has been physically demanding on staff.

Previously my job was focused on active spills and cleanups that come in week to week. When the new rules took effect, we took on additional important roles for oil and gas regulation. My workload essentially tripled. State employees and regulated entities are now tackling the important work of updating hundreds of legacy projects to ensure that historical impacts are identified and addressed in addition to meeting the demands of active projects. Combined with a general increase in reporting frequency, it’s more work than ever before, and certainly more work than I can handle alone.

Our leaders are passing important legislation in the state house to protect our communities and wildlife. Even before these new regulations passed, my office was understaffed. The regulations have improved, but the increased workload and vacancies make it more challenging than ever to carry out our protective mission. If we’re going to protect our environment, we need to invest in hiring enough people to do that."
Inadequate public investment imperils our broader community and state economy. While the state economy is currently rebounding, we must ensure that lower-income residents are not left behind. One of the best ways to ensure an equitable economic recovery is to ensure robust and well-funded public services to meet the needs of the most vulnerable Coloradans. Public investment drives broad and long-term economic growth. In the long run, investments in important public services, programs, infrastructure, and goods generate high economic returns. If Colorado fails to make adequate public investments, it risks losing out on these high societal and economic returns. For example, every dollar invested in K-12 public education yields an average of three dollars in future economic activity. Increased spending in public health, especially in light of the pandemic, is also a wise public investment. The American Public Health Association estimates that one dollar in public health investment can save $5.60 in future health spending. Public investment in green infrastructure has been estimated to yield a benefit-to-cost ratio of well over 2-to-1. There is also growing evidence that programs that provide support to families with children, including food assistance and rental assistance programs, not only reduce poverty but also have significant long-term impacts on poor children in school performance, high school completion, and labor market outcomes in adulthood, which are known to deliver positive economic impact in the future.

While greater public investments can have substantial positive and measurable impacts on the economy, they also may produce conditions that are less easy to measure but incredibly important for a healthy society, such as better environmental outcomes, like cleaner air and water. Additionally, research suggests that countries with greater public investment and more public infrastructure tend to have less income inequality among residents. Public investments are more broadly shared and can help lift up lower-income households since the benefits of these investments are more broadly distributed. States that center meeting the needs of residents, especially those who are and were already vulnerable and struggling, can promote and increase more broadly shared prosperity and equality.

It’s important to note that the rise in state workers who can’t make ends meet and struggling residents who can’t get the public services they need increase economic inequality in the state. Research shows that inequality negatively impacts economic growth and productivity. For example, rising inequality nationally has slowed growth in aggregate demand by an estimated two to four percentage points of GDP annually in recent years. Inequality also impedes an economy’s ability to recover from crises. This is especially important now, as the state experiences a burgeoning economic recovery that has not reached all Coloradans. The state must ensure that it is not inadvertently increasing economic inequality by failing to make real investments in the types of public services that help lift up vulnerable residents and create a prosperous and healthy state.
IN COLORADO, MINING RUNS DEEP IN OUR HISTORY. But today there are many inactive mines that pose environmental threats or could be dangerous for people who find them. My division monitors old mines, and if they open back up or start to pose a more imminent threat to the community nearby, we start a reclamation process. We buy up that land, make sure the mine is properly closed up, and then keep our eyes on it. If a mine opens back up from flooding, high winds, or even property developments, it can pose a threat to the people and wildlife nearby. People don’t understand that old mines are dangerous, so we also educate people about the dangers and what not to do if you find an old or open mine.

Because we are underfunded, we can’t reclaim as many mines as we would like. We have to prioritize which ones to reclaim by the threats they pose to the community. The amount of funding has a direct correlation to the amount of work we can do.

If we’re fully funded, we would be in a better position to avoid disasters—we cannot anticipate all of them. We would have more inspectors and be able to reclaim more mines. It would mean we can plan and hopefully prevent future disasters from unsafe mines.”

SECTION 4: THE SOLUTION — INVEST IN PUBLIC SERVICES AND THE WORKERS WHO PROVIDE THEM.

If Colorado wants to ensure an equitable recovery for all Colorado residents and a strong economy for the future, while tackling important issues such as income and racial inequities, caring for the elderly and people with disabilities, educating children, protecting our environment, and reducing and mitigating climate change, then the state must adequately invest in public services.

REBUILD PUBLIC SERVICES

The following recommendations help ensure that the state can provide robust public services and has the ability to continue providing quality public services even when demand for services significantly increases, as we’ve experienced during the Covid crisis.

1. The state should build an adequate reserve to protect against further cuts during the next economic downturn.

2. The state legislature should refer to voters a ballot measure to set aside current requirements to cut investments during economic expansions.
The state legislature should develop recommendations for a more equitably, sustainable, and adequate tax code and should undertake an extensive public outreach effort to educate voters on the limitations of the current code.

**Invest in the State Workforce and in Equal Pay for Equal Work**

Colorado has been failing to invest in the dedicated people who provide the services we need to survive and thrive. This needs to change before the next crisis hits. It is time to slow the rapid turnover that robs the public of the experience and knowledge of the thousands of dedicated state workers who leave state service every year. It is time to entice new workers fill the state’s thousands of vacant jobs—vacancies that burden both state employees and the people they serve, from transit riders and drivers to veterans and people with disabilities to those who need help finding a job or home.

Fortunately, last year the legislature and governor enacted a law that requires the state to negotiate a partnership agreement with the state employees’ union. That process is the way the state can commit to investing in public service and commit to fairness for the workers who have shared their stories in this report—and their 27,000 coworkers. That commitment should:

1. **Raise pay significantly to bring state workers’ wages closer to their peers in the private sector and other governments and to partly make up for six years of no increases in the last 13.**

2. **Set minimum state employee pay at $15 per hour.** That’s below the $16.35 living wage for a single adult in Colorado. But it’s a nationally recognized benchmark, adopted by the federal government, by states from Florida to Illinois to California and by private employers from Aetna to Google to Target. Colorado needs to join them.

3. **Reward dedication to state service by increasing pay with every year of experience.** The state eliminated its “step” system 1998. It is time to create a new one that ensures that workers who stick with public service are fairly compensated.

4. **Assure equal pay for equal work.** Raising the wage floor to $15 an hour and rewarding all state workers for their years of service will likely narrow the documented differences in pay between workers of color and their White coworkers, and between women and men in state employment. But the state needs to commit to determining the cause of these disparities and to pay fairness regardless of race, color or gender.
ENDNOTES

1 Jesse Paul and Thy Vo, “Colorado’s economy has recovered so quickly that the legislature will have to refund taxpayers under TABOR,” Colorado Sun, June 18, 2021. https://coloradosun.com/2021/06/18/colorado-tabor-refunds-2022-coronavirus/?mc_cid=45c4e350b7&mc_eid=851421ff1d

2 Office of State Budgeting and Planning, Colorado Economic and Fiscal Outlook, Presentation to Joint Budget Committee, June 18, 2021.

3 Ibid.


7 Office of State Budgeting and Planning, Colorado Economic and Fiscal Outlook, Presentation to Joint Budget Committee, June 18, 2021.


9 Office of State Budgeting and Planning, Colorado Economic and Fiscal Outlook, Presentation to Joint Budget Committee, June 18, 2021, slide 5.


15 Tamara Chuang, “Thousands of Coloradans struggling to pay rent asked the state for help. $6.5 million later, phones are still ringing,” Colorado Sun, June 10, 2021. https://coloradosun.com/2021/06/10/colorado-horne-contractor-housing-rent-assistance/

16 Ibid.

17 Ibid.

18 Interview of Stephanie Maney, Administrative Assistant II, Department of Local Affairs, Division of Housing, July 2021.


20 Legislative Staff, “Economic and Revenue Forecast,” June 2021, pp.15.


23 Ibid.

24 Ibid.


30 Interview of Mike Powers, Colorado Department of Transportation, July 2021.

31 Interview with Jessica Mathis, Rehab Specialist, Division of Unemployment, Department of Labor and Employment, July 2021.

32 Analysis of data from State of Colorado annual Workforce Reports, 2010 to 2019, retrieved from https://dhr.colorado.gov/dhr-resources/workforce-data. These reports cover parts of two calendar years since Colorado fiscal years run July 1 to June 30. We assigned the workforce figures to the calendar year in which the fiscal year began, and the U.S. Census Bureau, Table 1, Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2019. Retrieved January 9, 2021 from https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html


35 A patient-day is a unit of care provided in a hospital or residential facility, defined as “the care of one patient during a day of service.” See “Patient day definition;” Law Insider Dictionary, retrieved April 21, 2021. https://www.lawinsider.com/dictionary/patient-day


Interview of Jessica Koster, Colorado Mental Health Institute at Pueblo, July 2021.


Total compensation for employees in the peer group is $101,620, while Colorado total average compensation is $84,937. The difference between the two is $16,683. See Colorado Department of Personnel and Administration, “Annual Compensation Report FY 2021-22,” pp. 2.


Interview of Skip Miller, president of Colorado WINS, July 2021.


Interview of Brian Hines, Corrections Officer II, Buena Vista Correctional Facility, Department of Corrections, July 2021.


Ibid.


“Department of Personnel FY 2019-20 Joint Budget Committee Hearing Agenda,” January 15, 2019, pp. 10. https://leg.colorado.gov/sites/default/files/fy2019-20_perhrg.pdf. This document reports that the vacancy rates across state agencies in 2018 was 20%. The state has provided 2020 data indicating a slightly higher vacancy rate in a presentation titled “FTE Vacancy Data Overview,” by Audra Payne.


Ibid, pp. 4.

This figure is based on analysis of data on overtime hours worked by staff in Colorado prisons from October 2019 through April 2021 provided...
by the Department of Corrections in response to a SEIU information request.

Ibid.

Figures derived by dividing the number of overtime hours (300,775 for Nov 2020 to Apr 2021 and 213,868 for Nov 2019 to Apr 2020) by 3,545, which is the total number of non-exempt employees in the state's prisons as of June 30, 2020. See Colorado Department of Corrections, Correctional Officer Staffing Level Reports, FY 2020, p. 2.

This data is from information provided by the Department of Corrections in response to a SEIU information request.

These facilities include Arrowhead Correctional Center, Arkansas Valley Correctional Facility, Colorado State Penitentiary, Fremont Correctional Facility, Four Mile Correctional Center, and Youthful Offender System.

These facilities include Buena Vista Correctional Complex, Limon Correctional Facility, Rifle Correctional Center, San Carlos Correctional Facility, Trinidad Correctional Facility.

Interview of Meghan Fraser, Administrative III, Department of Regulatory Affairs, July 2021.


Interview of Megan Fraser, Administrative III, Department of Regulatory Affairs, July 2021.


Interview of Steven Arauza, Environmental Protection Specialist, Colorado Oil and Gas Conservation Commission, July 2021.


INVEST FOR A CHANGE: COLORADO’S PEOPLE AND WORKFORCE DESERVE BETTER

102 Interview of Teresa Ryan, Department of Natural Resources, July 2021.