The 2020 Statewide Election: What could it mean for school funding?
Today’s Speakers

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Today’s Agenda

School Funding and the 2020 Ballot

● What does recent history teach us?
● What’s going to be on the 2020 ballot?
● How and why are we going to win this time?
History: Great Schools, Thriving Communities

- Diverse and inclusive coalition of organizations focused on the Colorado school funding crisis began meeting in July 2016
- Organizations included the traditional education community as well as equity and civil rights organizations who hold a deep belief in supporting public education
The Coalition
We believe . . .

- Every student needs the **opportunity** to reach his or her full potential and to participate meaningfully in the civic and economic life of the **community**.
- The Colorado way of life should be about every student having the **chance to succeed** regardless of their zip code or their learning needs.
- A strong economy requires quality public education as it develops a **quality workforce** that will drive a **vibrant Colorado economy** for decades to come.
Our Story
so far...

Great Schools
Thriving Communities
Colorado Education Network website launches
When launched, more than 70 organizations had already joined the Colorado Education Network, a coalition of individuals and organizations committed to promoting public education in Colorado.

Sep 2017

www.ColoradoEducationNetwork.org
Great Schools, Thriving Communities historic petition drive begins

Initiative #93 is selected and the signature drive begins to collect the 98,492 signatures required from across Colorado with a minimum of 2% collected in each Senate District to qualify for the ballot.

22 Ballot Initiatives Filed

The coalition received title to 19 ballot initiatives, all of which fit within three main categories. Feedback loops focused on soliciting input from the greater education community helped in the selection process that led to Initiative #93 being selected.
Amendment 73 makes the ballot and the unprecedented campaign begins

With the strategy to run the most locally-driven statewide campaign in Colorado's history, supporters and credible messengers across Colorado worked to localize the messages for each community.

Petitions are delivered to the Secretary of State to qualify for the ballot

More than 1,400 volunteers collected signatures and over 2,000 volunteer hours went into validating and processing signatures. With almost double the required signatures collected and submitted, Amendment 73 was the first citizen-initiated ballot measure to make the November ballot.

Great Schools, Thriving Communities

Amendment 73

- 98,492 signatures required
- 179,390 signatures
- 138,432 verified signatures
- 2% registered voters in every Senate district
- 20% buffer in every Senate district
- 6,196 petitions submitted to Secretary of State
- 1,444 GSTC petition circulators collected
- 2,000+ volunteer hours for validating signatures
New Tools:
CASB District Fact Sheets

Amendment 73 Factual Summary for Boulder Valley Re-2J School District

What is Amendment 73?
Amendment 73 (A73) is the result of the citizen’s ballot initiative (A7), known as Great Schools, Thriving Communities (GSTC). A73 is a statewide school funding initiative that will increase income taxes for 8% of tax filers and for C Corporations, while decreasing property taxes for property business owners, farmers and ranchers. It will:

- stabilize and increase funding statewide for preschool through twelfth grade (P-12) public education
- create the Quality Public Education Fund that can only be used for public education, is exempt from the TABOR revenue limit, must be used to supplement General Fund appropriations for P-12 public education, and is adjusted each year for inflation up to 3 percent

How would it impact funding for Boulder Valley Re-2J School District?
Based on the most recent CDE estimates for 2018-2019, Boulder Valley Re-2J School District would receive $46.7 million in additional ongoing revenue if the initiative were implemented for the 2018-2019 school year:

- $743 per pupil
- $5,737 per district

The A73 estimate is based on current student count and demographics that are subject to change. Funding estimates will be revised when updated data is released.

How is funding stabilized and raised?
A73 is a property tax increase for nonresidential property owners and it stabilizes the local share of school funding by permanently setting property tax assessment rates. A73 will prevent future reductions to the residential assessment rate (RAR) as currently required by the Gallagher Amendment. It permanently sets the RAR at 7% (currently 7.2%) and decreases and permanently sets the assessment rate at 24% (currently at 25%) for business property owners, farmers and ranchers — for property taxes levied by school districts.

A73 is an income tax increase for 8% of Colorado tax filers with taxable income (income other than exemptions and deductions) over $100,000. In addition, A73 increases the state corporate income tax rate by 1.73% for “C” Corporations (does not include LLCs, sole proprietors and S corporations). A73 raises $1.6 billion in revenue that is deposited in the Quality Public Education Fund.

How will the revenue be spent?
The Boulder School Board passed a resolution in support of Amendment 73 committing to focusing on the following priorities and support to close the opportunity and achievement gaps; programs and services to meet the educational needs of all students; and, maintaining and ensuring adequate district operational functions, while acknowledging that priorities will evolve as community engagement is an ongoing process and revenue from Amendment 73 is annual funding.

How are property taxes for other local governments impacted?
A73 cuts property tax assessment rates only for property taxes levied by school districts. Property taxes levied by other local governments are unaffected by A73.

Will the drop in property tax rates hurt school funding?
No. Setting the nonresidential assessment rate at 24% and the nonresidential assessment rate at 24% for mills levied by school districts, the measure decreases local property tax revenue to fund P-12 public schools in FY2019-2020. However, under the School Finance Act, each district’s local share is calculated first, and state aid makes up the difference between the local portion and the total funding need identified through the formula.

What percentage of tax filers will be impacted in Boulder county and by how much?
The income tax change will impact tax filers with taxable income over $150,000. Income of $190,000 is estimated to equate to $150,000 in taxable income (income after deductions and exemptions). According to the US Census Bureau data, Boulder county tax filers fit the profile:
- Average Income: $197,755
- Percent of taxpayers with income between $160,000 and $200,000: 15%
- Percent of taxpayers with income over $200,000: 12%

The following shows various examples of local Boulder Valley Re-2J school filers with various income levels, home values and business properties:

Based on average income in Boulder county

<table>
<thead>
<tr>
<th>Tax Filer</th>
<th>Income</th>
<th>Taxable Income</th>
<th>Home Value</th>
<th>Annual Income Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$200,000</td>
<td>$196,000</td>
<td>$500,000</td>
<td>$3,920</td>
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</tbody>
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88% of Boulder tax filers have income below $200,000

Based on average income in Boulder county

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Business scenario (not a C Corporation)

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Arguments For
- The state needs a sustainable source of revenue to continue to fund education and equality fund public education
- The measure provides property tax relief for business property owners, farmers, and ranchers who have paid an increasingly higher proportion of property taxes compared to residential property owners.
- The measure is designed to provide children with a high-quality education.
- Stabilizing the local share of required school formula funding and creating a dedicated source of state revenue for education provides additional flexibility for the state to use more of its general operating budget on other core programs, such as transportation, public safety, and health care.
- The measure includes a tax credit for local districts and makes any assessed value for all other local taxing entities, the measure will lead to confusion among taxpayers and further complicate the state’s administration for state and local governments.
- The measure does not allow the state legislature to adjust the income tax thresholds to account for inflation.

Arguments Against
- The measure imposes a tax increase without any guarantees of increased academic achievement.
- Increasing the state income tax rate could negatively impact the state’s economy. Businesses will have less money to invest in their workers and individuals will have less money to spend, save, and invest.
- The property tax is regressive and impacts people with the lowest income the most.
- The measure creates an additional assessable value for school districts and makes assessed valuation value for all other local taxing entities.
- The measure would lead to confusion among taxpayers and further complicate the state’s administration for state and local governments.

Renewed endorsement from additional organizations:
- Great Schools, Thriving Communities (GSTC)
- Colorado League of School Boards (CLS)
- Colorado Association of School Administrators (CASA)
- Colorado Council of School Boards (CCSB)
- Colorado League of Cities (CLC)
- Colorado Municipal League (CML)
- Colorado Mayors Association (CMA)
Accomplishments:

○ First and least expensive to qualify under “Raise the Bar”
○ Localized a statewide ballot measure
○ Received **46.5%** -- a “new floor” replaces the old 35% ceiling
○ Received **1.13 million votes** (most of any non-sin tax)
○ Bipartisan support (outperforming Democrats in numerous rural counties)
○ $1 million in funding from start to finish (about $650,000 in the fall) -- about $1/vote  [Amendment 66 = $24/vote]
This unprecedented coalition of public education supporters has changed the education landscape by

- creating a new narrative about the importance and value of public education
- providing opportunities for Coloradans to stand up and demonstrate their desire to adequately and equitably fund our schools
What Worked: A73 > A66
What Worked: A73 > Prop CC
Now what?

Vision 2020 is a network of people across the state who are working together to come up with commonsense solutions to solve the challenge of how we build up and improve our communities. By untying the state’s fiscal knot, we can reshape our upside-down tax code that is currently tilted towards the wealthy and powerful.
Vision 2020 Timeline

**Input**
- Present: Collect community input on strategies

**Submit Measures**
- December 2019: Submit Ballot measures

**Gather Signatures**
- February-July/August 2020: Collect signatures with volunteer signature gatherers

**Campaign**
- November 2020: Initiative on the ballot
V2020: Options

- Repeal Article X Section 20 (TABOR)
- Replace TABOR with a different constitutional limit on government growth
- Raise Revenue through a graduated income tax
Vision 2020: Help us gather input

1. Join the Vision 2020 email list to stay up to date on events and policy developments: vision2020co.org/get-involved
2. Invite Vision 2020 to present to your stakeholders: vision2020co.org/presentations
3. Share this input tool with your networks (friends, family, professional). We have a toolkit available that makes asking for input easy. Just email abby@vision2020co.org.
Building on the Lessons of A73

1. Signature gathering is the campaign.
2. Invite Vision 2020 to present to your stakeholders: vision2020co.org/presentations
3. Share this input tool with your networks (friends, family, professional). We have a toolkit available that makes asking for input easy. Just emailabby@vision2020co.org.
How and why can we win.

1. We know what works:
   a. Building on petitioning infrastructure and experience
   b. Identifying local leaders
   c. Localizing the election
2. We only need 50% (instead of 55%)
3. Less complicated message than 73.
4. Broader coalition beyond P-12
5. Resources available
   a. Presentations, materials, speakers’ training
   b. Petition Training
   c. FCPA Compliance
What will work: A7? > A73
What you can start doing today.

1. Take the Vision 2020 survey  http://vision2020co.org
2. Sign up with your personal email and forward the emails you receive
3. Connect with your teachers about the March 19th rally
4. Prepare your unique community team (e.g, school board, DAC, SAC, PTAs, hospital, community college, and county leaders, etc.)
5. Start conversations with your community about how your district would invest new revenues and (later) pass a resolution so this can be included in your district fact sheet and local messaging
Resources:

Colorado School Finance Project
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Great Education Colorado
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Betsy Bevis  303-722-5901  betsy@greateducation.org

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Questions?