What Will It Take to Move Toward More Adequate and Equitable Funding?
Today’s Speakers

Lisa Weil
Executive Director
Great Education Colorado

Tracie Rainey
Executive Director
Colorado School Finance Project

Susan Meek
Director of Strategic Engagement and
Colorado Association of School Boards (CASB)
Communications
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.
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
2017 Action Summit
Public Education: Fulfilling the Promise

More than 260 individuals from the education community attended this action summit to learn and advance our work as a coalition.
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.
New Tools:
CASB District Fact Sheets

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

What is Amendment 73?
Amendment 73 (A73) is the result of the citizen’s ballot initiative #A73, 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.

<table>
<thead>
<tr>
<th>2018-2019 Per Pupil Budget Allocation Factor for Boulder Valley Re-2J</th>
<th>Additions/Reductions resulting from Amendment 73</th>
</tr>
</thead>
<tbody>
<tr>
<td>$743</td>
<td>$573</td>
</tr>
</tbody>
</table>

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 decrease for nonresidential property owners and it stabilizes the local share of school funding by permanently capping 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 increases and permanently sets the assessment rate at 24% (currently at 25%) for business property owners, farmers and ranchers — for properties taxed by local school districts.

A73 is an income tax increase for 8% of Colorado tax filers with taxable income (income above exemptions and deductions) over $150,000. In addition, A73 increases the state corporate income tax rate by 1.37% for “C” Corporations (does not include LLCs, sole proprietors and S corporations). A73 raises $1.8 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 focus on the following priorities: strategies 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 taxes hurt school funding?
Yes. Setting the residential assessment rate at 7% 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 state 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 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 this profile:
- Average Income: $197,750
- Percent of taxpayers with income between $160,000 and $200,000: 16%
- Percent of taxpayers with income over $200,000: 12%

The following scenarios provide an example of local Boulder Valley-Re-2J tax filers with various income levels, home values and business properties.

Based on average income in Boulder county

| Income | Taxable Income | Tax Rate | Taxable Tax | Home Value | Home Tax | Tax Changes Under Amendment 73
|---|---|---|---|---|---|---|
| $100,000 | $80,000 | 1% | $800 | $300,000 | $3,000 | $0 + $120
| $200,000 | $160,000 | 1% | $1,600 | $600,000 | $6,000 | $0 + $240

Business scenario (not a C Corporation)

| Income | Taxable Income | Tax Rate | Taxable Tax | Home Value | Home Tax | Tax Changes Under Amendment 73
|---|---|---|---|---|---|---|
| $100,000 | $80,000 | 1% | $800 | $300,000 | $3,000 | $0 + $120
| $200,000 | $160,000 | 1% | $1,600 | $600,000 | $6,000 | $0 + $240

Business scenario (not a C Corporation)

| Income | Taxable Income | Tax Rate | Taxable Tax | Home Value | Home Tax | Tax Changes Under Amendment 73
|---|---|---|---|---|---|---|
| $100,000 | $80,000 | 1% | $800 | $300,000 | $3,000 | $0 + $120
| $200,000 | $160,000 | 1% | $1,600 | $600,000 | $6,000 | $0 + $240

Arguments For
- The state needs a sustainable source of revenue to adequately and equitably 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.
- One of government’s most important functions is to provide children with a high-quality education.
- This measure will provide property tax relief by funding and creating a dedicated source of state revenue for education which will provide additional flexibility for the state to use more of its general operating budget for other core programs such as transportation, public safety, and health care.

Arguments Against
- The measure imposes a tax increase without any guarantee 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 measure complicates an already complicated property tax system. By creating one assessed value for all property types and creating an uneven tax burden among local taxing entities, the measure will lead to confusion among taxpayers and further complicate the administration for state and local governments.
- The measure does not allow the state legislature to adjust the income tax threshold to account for inflation

Resource documents for additional information:
- Fiscal Impact Analysis for Initiative #73 (Colorado Legislative Council Staff)
- ballot Question in Colorado (Citizens’ Legislative Council Staff)
- ballot Question in Colorado (Citizens’ Legislative Council Staff)

Footnotes:
- A73 is an income tax increase for 8% of Colorado tax filers with taxable income (income above exemptions and deductions) over $150,000. In addition, A73 increases the state corporate income tax rate by 1.37% for “C” Corporations (does not include LLCs, sole proprietors and S corporations). A73 raises $1.8 billion in revenue that is deposited in the Quality Public Education Fund.
- A73 is an income tax increase for 8% of Colorado tax filers with taxable income (income above exemptions and deductions) over $150,000. In addition, A73 increases the state corporate income tax rate by 1.37% for “C” Corporations (does not include LLCs, sole proprietors and S corporations). A73 raises $1.8 billion in revenue that is deposited in the Quality Public Education Fund.
- A73 is an income tax increase for 8% of Colorado tax filers with taxable income (income above exemptions and deductions) over $150,000. In addition, A73 increases the state corporate income tax rate by 1.37% for “C” Corporations (does not include LLCs, sole proprietors and S corporations). A73 raises $1.8 billion in revenue that is deposited in the Quality Public Education Fund.
Accomplishments:

○ 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 and providing opportunities for Coloradans to stand up and demonstrate their desire to adequately and equitably fund our schools.
Now what?
Vision 2020?
Timeline?
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.
Questions?