Tobacco Tax Referred Measure

Thousands of youth become addicted to tobacco each year and Colorado’s teen vaping rate is twice the national average. It has been proven that higher taxes reduce teen use.

Colorado’s tax rate on cigarettes ranks 39th in the nation and we currently do not impose any excise tax on liquid nicotine used in e-cigarettes.

This Proposal:
- Raises the tax on a pack of cigarettes by $1.75 to $2.59 per pack and by 22% for other tobacco products, bringing Colorado more in line with other states.
- Regulates and taxes nicotine sold for e-cigarettes the same as other tobacco products.

<table>
<thead>
<tr>
<th>TOBACCO TAX REVENUE DISTRIBUTION</th>
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<td>$317 Million Projected Revenue</td>
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50% Healthcare $158.5M
- Prevention
  - Cessation
  - Hold Harmless $45M
- Lower Health Care Costs $75M
- Behavioral Health $38M

50% Education $158.5M
- Pre-K
  - YR1 $111M
  - YR2 $95M
  - YR3 $87M
- Out-of-School
  - YR1 $47M
  - YR2 $64M
  - YR3 $71M

Health Care

$30 million for tobacco prevention, education and cessation
- This amount meets CDC guidelines for prevention.

$15 million to hold harmless programs currently funded by tobacco tax revenues
- Includes CHP+ and early detection and treatment of cancer, heart and lung disease.

$79 million to reduce health care costs
- includes funding mechanisms to reduce health insurance premiums and out of pocket costs, such as a reinsurance program or a program to assist with high out of pocket expenses.

$34 million for behavioral health care for children and youth
- Includes suicide prevention, school-based programs to provide mental health services, crisis response services and care for children and youth with serious behavioral needs.
Education

$87 million to expand and enhance the Colorado Preschool Program plus $32 million over the next two years to improve quality and supply.

- Provides funding to significantly expand voluntary, quality preschool throughout the state, as a pathway to universal preschool.
- Includes funding for planning and implementation to address the supply of teachers, quality enhancements, a mixed delivery system, coordination with other children’s services, facility planning, service duration, and evaluation.
- Provides funding for nearly 20,000 half-day CPP slots (there are currently 29,360 students enrolled in CPP across the state).

$47 million in year 1 growing to $71 million ongoing for expanded learning opportunities outside of school: The bill will create a new Colorado Expanded Learning Opportunities Program to provide expanded learning opportunities for children and youth ages 3-18. The bill:

- Creates a new agency within the Department of Education with an appointed board to oversee the expanded learning opportunities program, including developing a sliding scale to determine payments to providers, certifying approved providers, and ensuring robust oversight for program funds.
- Provides assistance for children and youth to enroll in eligible before school, after school, and summer programs, including programs provided by school districts. Payments are made from the administering non-profit to eligible providers.
- Prohibits funding from being used for tuition at a private school or for religious instruction.
- Ensures that low-income families are prioritized for expanded learning opportunity program funds.