

PEBC Catalysts Meeting: Prioritizing Education Initiative

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COLORADO SCHOOL FINANCE PROJECT

Support Children - Support The Future

Colorado School Finance Project

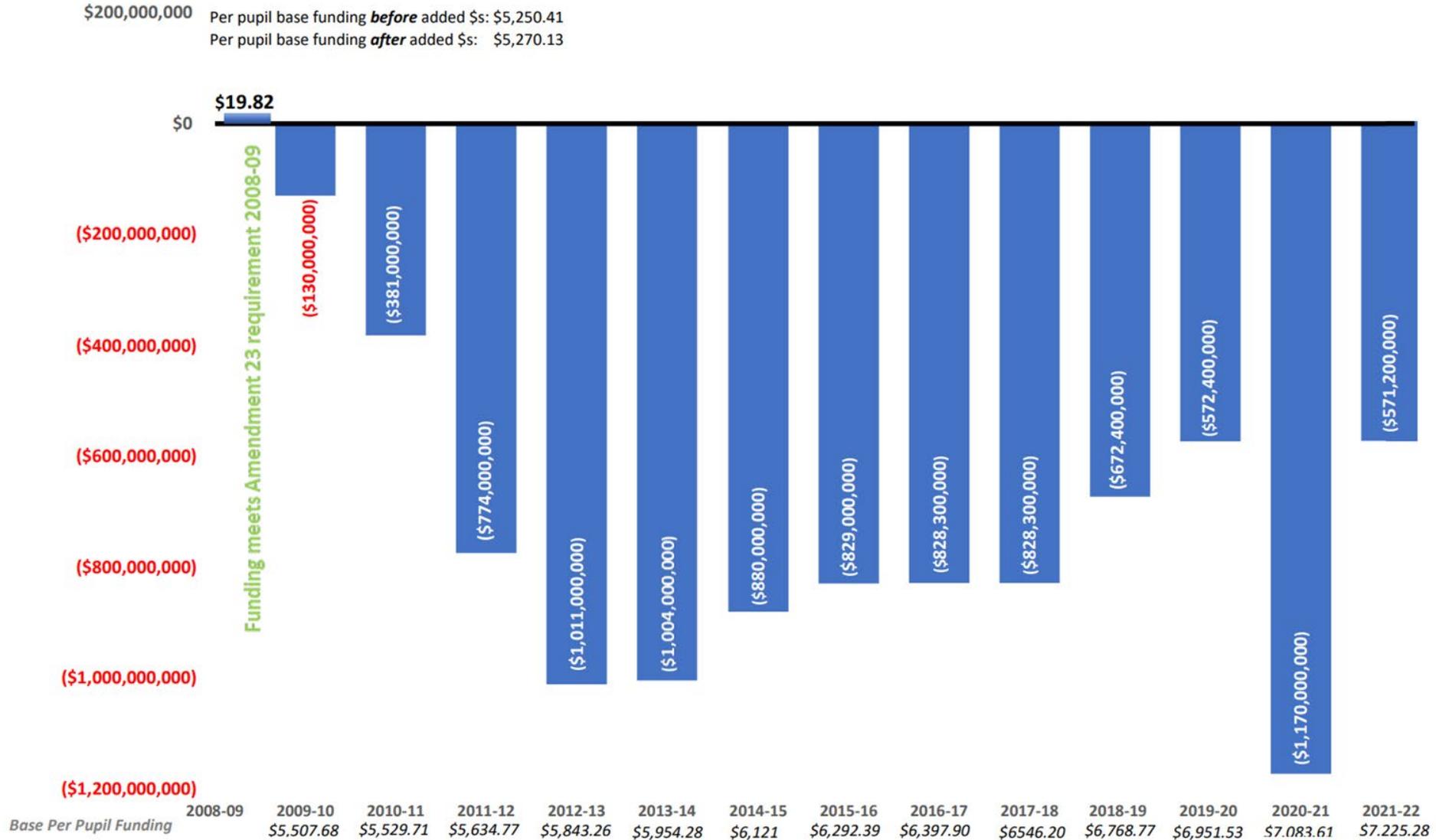
Non-profit, non-partisan- Supported by school district contributions- School finance analysis for local and state policy makers since 1995- Governed by a board comprised of national and state experts on school finance

Our Mission: *To compile, collect and distribute research-based, non-partisan information and data on topics related to school finance for state and local policymakers.*

Current state of funding for Colorado's Schools

- 115 (65%) of school districts with at least one school on a 4-day week
 - 109 (59%) with every school on a 4-day week
- 13 years of the Budget Stabilization Factor
 - Over \$9.7 billion taken from school districts' budgets
 - This has impacted a generation of students
 - Created teacher shortages
 - Reduced programs

Budget Stabilization Factor Statewide Total 2009-10 to 2021-22



Great Schools Thriving Communities (GSTC)

- Created in 2016 as the “2018 Table”
- First durable coalition with practitioners and social justice orgs.
- Developed Amendment 73 and qualified it for the ballot. A73 received 47% on \$1.3M.
- Filed measures in 2019
- Participated in Vision 2020/Fair Tax Colorado
- Ballot measures are central to the work
- Weekly Policy Committee meetings most of 2021

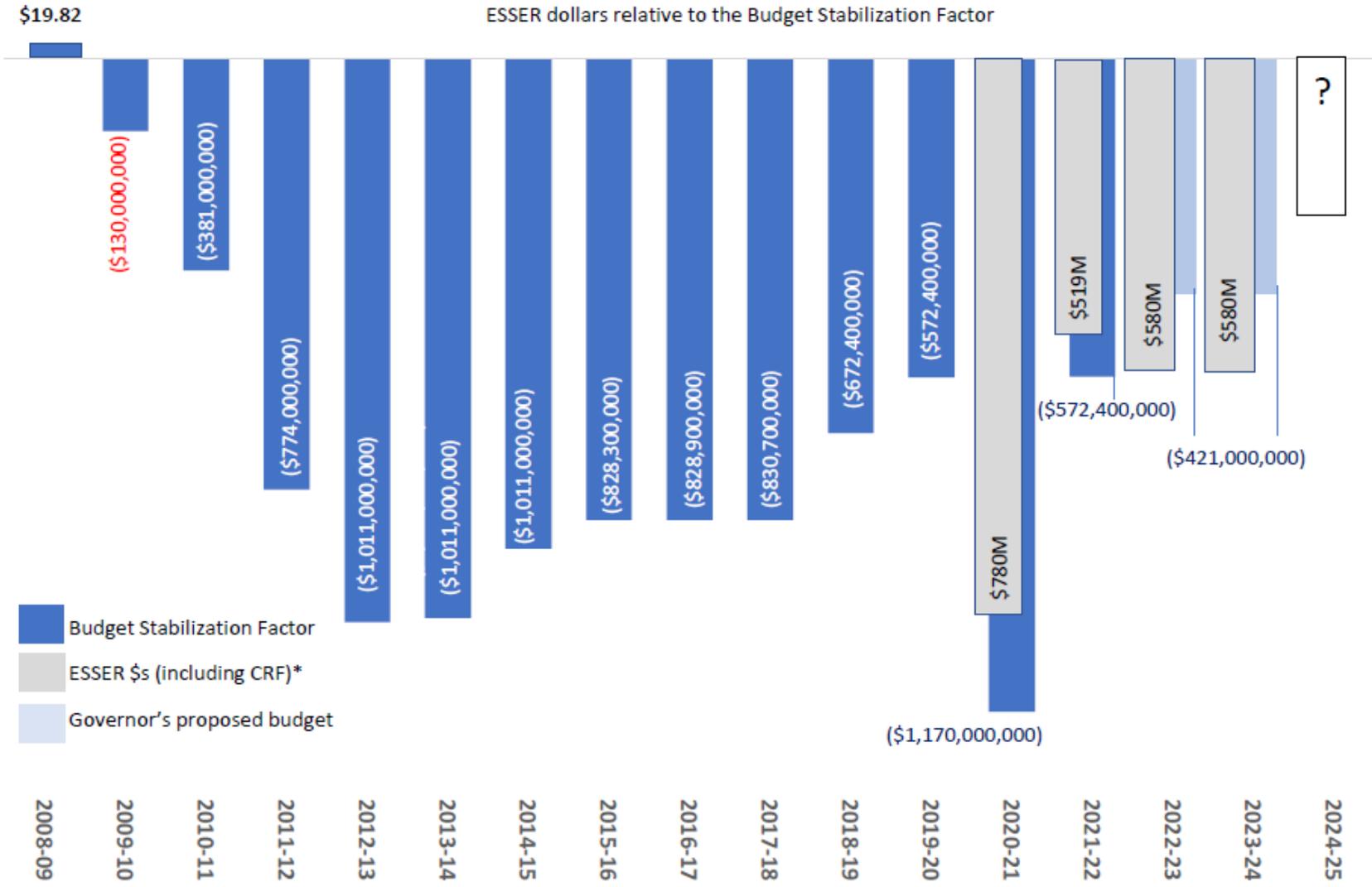
GSTC Member Organizations



Education Funding Context

- TABOR surplus territory
 - Strong economy will require rebates in the current year and beyond
 - Over \$1 billion in refunds forecasted for EACH year through 2023-24
- Federal dollars (ESSER) are masking inadequate state funding across budget areas.
 - School district's facing a funding cliff in 2024-25

Colorado Education Revenues:
ESSER dollars relative to the Budget Stabilization Factor



*ESSER \$s are one-time, cannot be used as replacement \$s, have restricted uses and must be spent by CRF/ESSER I (\$780M) -2022, ESSER II (\$519M)-2023, ESSER III (\$1.16B)- 2024

? shows that dollars in 2024-25 are unknown

Context for Ballot Initiative

- Education playing defense:
 - Initiative 31 Income Tax Cut
 - Sales Tax just got title
 - “Don’t cut taxes” is a limiting message
- Narrative headwinds
 - TABOR “surplus”
 - For an individual, that’s ~\$70/year on average (\$6/month) **BUT** the wealthy will disproportionately receive the highest rebates due to our regressive tax system
 - Governor touting tax cuts and rebates

Ballot Initiative: Initial Idea

Prioritizing Education (PE)- Modernizing Amendment 23

- Part of GSTC's mission of developing and testing policy to secure equitable and adequate funding of schools
- GSTC Coalition has been pressure testing for months
- A response to the desperation of school districts trying to hire staff and hoping to avoid the cliff in 2024
- A possible step forward in the movement toward fair and adequate investments in public institutions

The Proposal

- Divert an additional 0.33 - 0.5% **of the current 4.55%** individual and corporate income tax to the State Education Fund and remove it from the TABOR surplus calculation.
- Funding mechanism is currently in place through Amendment 23
 - .33% would be about \$721 million (B.S. Factor is \$572M). This is less than anticipated surplus.
 - Aimed at retaining needed revenues generated by Colorado's economic recovery

Considerations

- Statutory, so requires only 50%+1 and has no geographic signature requirements.
- Would **not** require “SHALL TAXES BE INCREASED” language.
- Impact can be localized by district – voters will know how dollars will be spent.

Moving forward

- Polling right after the election
- Testing the concept with various communities, organizations and individuals.
- Preliminary drafting to surface any legal/single subject issues.
- Take quarterly forecasts into account, most recent update in September.
- Investigate/brainstorm how this initiative could promote a broader movement for meaningful revenue changes.

Engage with us

We Need:

- Any feedback/thoughts/reactions hearing this today?
- Would this coalition like continued updates and opportunities to provide input? If so, what structure(s)?
- Any interest in engaging with your institutions and/or members directly?

QUESTIONS & STAY CONNECTED

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- **Stay connected**
- <https://cosfp.org/>
- @COSFP
- Colorado School Finance Project - Facebook