

Abstract of Initiative 79 - Funding for Public Schools

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of December 2017, identifies the following impacts:

The abstract includes estimates of the fiscal impact of the initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

State Revenue. The measure increases state revenue to the Quality Public Education Account by \$1.4 billion in FY 2018-19 (half-year impact) and \$2.8 billion in FY 2019-20. This amount is from individual income taxes and corporate income taxes. This revenue is exempt from TABOR and must be used for purposes identified in the measure.

State Expenditures. The measure increases state expenditures by \$94,861 and 0.5 FTE in FY 2018-19 and by at least \$868 million beginning in FY 2019-20. Expenditure increases in FY 2018-19 are for administrative costs, and expenditure increases in FY 2019-20 include \$868 million from the Quality Public Education Account, and \$39,403 from the General Fund.

School District Impact. The measure increases revenue from individual and corporate income taxes by \$1.4 billion in FY 2018-19 and \$2.8 billion in FY 2019-20 and beyond. This revenue will be deposited in the Quality Public Education Account. Beginning in FY 2019-20, school districts will be allocated and be allowed to spend this revenue on educational services.

Economic Impacts. Additional spending on public education will increase employment in some industries and may increase economic opportunities for students. Households and businesses will pay more in income taxes, reducing investment, spending, or saving elsewhere in the economy.

Taxpayer impacts. This analysis estimates that taxpayers with taxable incomes in excess of \$100,000 will pay an additional \$999 in individual income taxes on average each year. On average, corporate income taxpayers with an income tax liability are expected to pay an additional \$11,200 per year under the measure. The actual amount will vary for each individual and corporate taxpayer depending on the taxpayer's taxable income.