QUICK FACTS on *Great Schools, Thriving Communities*

Littleton 6 School District

What is the citizen's ballot initiative known as *Great Schools, Thriving Communities*?

The citizen's ballot initiative number is #93 and the campaign is called *Great Schools, Thriving Communities* (GSTC). GSTC will:

- raise $1.6 billion in additional, annual revenue for Colorado schools, bringing them closer to the national average in school funding
- provide sustainable local share funding by lowering and freezing property tax rates, which are already third lowest in the nation, providing some property tax relief for business property owners, farmers and ranchers
- create the **Quality Public Education Fund** that can be used only 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 5 percent

How would it impact funding for Littleton 6 School District?

Based on the most recent CDE estimates for 2018-2019, Littleton 6 School District would receive **$23.1 million in additional ongoing revenue** if the initiative were implemented for the 2018-2019 school year.

	2018-2019 Per Pupil Funding	2018-2019 Loss in Per Pupil Revenue Since Great Recession (adjusted for inflation)	2018-2019 Additional Per Pupil Funding with GSTC
Based on 2018-2019 Student Count of : 15,091	$7,810	-$721	$1,529

How is the revenue raised?

The initiative is financed by Coloradans through an additional tax on federal taxable income *(income after exemptions and deductions)* above $150,000, including a 1.37% tax increase for "C" Corporations (not LLCs and S corporations). According to the Colorado Legislative Council Staff's Fiscal Impact Statement on the initiative, the income tax change will affect 8% of taxpayers. The corporate tax change moves Colorado from 3rd to 9th lowest rate of the 44 states that impose a corporate tax.

How will the revenue be spent?

The initiative allows school districts to make local decisions about the best use of new funds that reflect local community priorities and needs — examples of how funding could be used include programs supporting mental health, safety and security, career and technical education, school maintenance and repair needs, reducing class size, etc.

How are property taxes for other local governments impacted?

The initiative cuts property tax assessment rates *only* for property taxes levied by school districts. Property taxes levied by other local governments are unaffected by the measure. The calculation for the target percentage and the residential assessment rate will be determined by the assessed values used for all other local governments and is unaffected by the measure.

Will the drop in property tax rates hurt local school district funding?

No. Setting the residential assessment rate at 7.0% (reduced from 7.2%) and the nonresidential assessment rate at 24% (reduced from 29%) 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 taxpayers will be impacted in Arapahoe county?

Based on US Census Bureau data on income levels by county, the average income is $91,236 in Arapahoe and 7% of taxpayers have an income between $150,000 and $200,000, while 8% make more than $200,000. Income of $180,000 is estimated to equate to $150,000 in federal taxable income (income after deductions and exemptions).

The following scenarios provide examples of local taxpayers with various income levels, home values and business properties.

Actual property tax savings may vary depending on the language used in school districts' local mill and bond elections.

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Income: $91,236
Federal Taxable Income: $69,684
Home Value: $347,000

State Tax Changes Under Initiative

- $0 additional income tax
- $18 - $37 property tax savings

Littleton 6 Revenue from the Quality Public Education Fund:

$1,529 per student in additional dollars

$23,077,226 Total

Income: $200,000
Federal Taxable Income: $166,306
Home Value: $400,000

State Tax Changes Under Initiative

- $60 additional income tax
- $20 - $43 property tax savings

Littleton 6 Revenue from the Quality Public Education Fund:

$1,529 per student in additional dollars

$23,077,226 Total

Impact on Non-C Corp Business Owners
Income: $550,000 (passthrough $400,000)
Federal Taxable Income: $425,682
Home Value: $750,000
Business Property: $1,000,000

State Tax Changes Under Initiative

- $4,534 additional income tax
- $38 - $80 property tax savings
- $1,268 - $2,671 property tax savings (non-residential)

Littleton 6 Revenue from the Quality Public Education Fund:

$1,529 per student in additional dollars

$23,077,226 Total

Impact on: C-Corporations

Corporate Profits	Federal Tax Change	State Tax Change for Public Schools
$50,000	$7,000 savings	$685 increase
$500,000	$70,000 savings	$6,850 increase
$2,000,000	$280,000 savings	$27,400 increase

Arguments For

- One of government's most important functions is to provide children with a high-quality education. Colorado's economy is one of the strongest in the nation and now is the best time to invest.
- Addressing the chronic underfunding of our schools and investing in public education support a prepared workforce, safe and healthy communities, a vibrant economy and the next generation of leaders, entrepreneurs and care takers.
- All Colorado students and schools benefit through increases to base funding, full day K, at-risk, ELL, Special Needs and GT. Dollars are under control of your locally elected school board.

Arguments Against

- Initiative #93 is a $1.6 billion tax increase that may impede economic expansion. Increasing state income taxes reduces the money that households have to spend or save. As a result, consumer spending and overall economic activity may also decline.
- This measure imposes an additional tax burden on state taxpayers without any guarantee of increased academic achievement.
- A graduated income tax decreases productivity because as a person's income rises, the percentage of their income that they get to take home decreases because the marginal tax rate increases. It will drive wealth out of the state.

Resource documents for additional information:

- Fiscal Impact Statement for Initiative #93 (Colorado Legislative Council Staff)
- School Finance in Colorado (Colorado Legislative Council Staff)