

Amendment 66: Not just a Billion Dollar-a-Year Tax Increase... 31 other things you should know

Extra Tax Burdens

- 1) Individuals' state income taxes will increase between 8 and 27 percent
- 2) A balance of \$1.6 billion already is anticipated in the State Education Fund for 2013-14, more than enough one-time money to cover the few real reforms in SB 213
- 3) \$2 billion have been spent in additional local taxes since 2008; there isn't a need to backfill State spending
- 4) The proposed 5.0% rate for incomes up to \$75,000 gives Colorado one of the five highest income tax base rates in the nation
- 5) Three new types of local taxes are created: Building Maintenance, Cost of Living Increase, and Early Childhood
- 6) Businesses still carry a heavy share of property taxes while getting hit with higher income taxes

Losers, Not Just Winners

- 7) Redistributes money from Boulder, Douglas and Jefferson County to Denver and Aurora (already two of the highest-spending districts per student in the state)
- 8) Codifies "Zip Code" education by setting a formula based on district numbers compared to State averages (a student on the northeast corner of 52nd and Sheridan gets more money than an identical peer on the southwest corner)
- 9) Many rural school districts actually lose money on a per-student basis: Cheyenne County, Clear Creek, Hanover, Gilpin County, Ignacio, Aguilar, Kim, Plateau Re-5, Debeque, West End, Ouray, Aspen, Telluride, Norwood, Cripple Creek, Arickaree, Briggsdale, Prairie, Pawnee, Liberty J-4

Fiscal Challenges

- 10) Most of the money will help backfill the \$20 billion school division PERA shortfall
- 11) The Legislature's hands will be tied in setting fiscal priorities by requiring at least 43% of the General Fund be spent on preschool-through-12 education

Weak on Innovation

- 12) Districts continue to get money for students that no longer attend schools in their district: "Phantom students" still are funded through five-year averaging despite millions being spent on a new student count system
- 13) Less than 4 percent of the money follows students through "backpack funding" for principals to decide on programming that can serve students

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- 14) New “Innovation Education Fund” board creates more bureaucratic overhead with a 15-person panel (11 of whom are appointed by the Governor) that determines the granting of \$100,000,000 each year
- 15) Largely limits the definition of Innovation to more time (i.e., longer school days and school years): How can you define Innovation without using the word *Technology*?
- 16) Innovation funds inequitable to small rural districts who have to have a grant staff to apply for Innovation funds
- 17) Uses inaccurate markers to fund students who need help: we have test data if we want to give extra help to students who are behind
- 18) Nothing new in the funding scheme: Utah and Florida are way ahead in digital access and assuring choices are available; the proposal codifies Colorado’s horse-and-buggy, factory-style method of funding schools
- 19) Success is not defined: No measure ensures funds help raise academic performance
- 20) Schools and districts with exceptional performance receive no additional dollars

Centralizing Power

- 21) Protects state control over education policy by setting the State funding share at 60% and capping the local funding share at 40%: *“He who has the Gold rules”*
- 22) Districts that don't collect the amount of local taxes deemed appropriate by the State will lose some share of State funding
- 23) Limits the authority of school boards to control programs at the school level, but gives central administrators veto power even over the limited “backpack” funds
- 24) State pays for local mill levy elections, taking local school boards off the hook for asking to raise taxes even further
- 25) Dollars don’t get to the classroom: too much new bureaucratic overhead

Missed Opportunities

- 26) Charter schools still pay for capital requirements out of general fund money
- 27) Does not fund what is needed to raise the ceiling for our gifted students
- 28) Doesn’t improve rural or mountain access to AP classes
- 29) Doesn’t fund technology infrastructure
- 30) Does not do anything to fix the \$8 billion infrastructure needs of buildings across the State
- 31) The need for higher education funding is much more pressing