

STATE OF COLORADO

Colorado General Assembly

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MEMORANDUM

TO: Martha Olson and Donald Anderson
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: February 19, 2019

SUBJECT: Proposed initiative measure #28, concerning funding for public schools

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2019-2020 #24 to #29. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2019-2020 #24 to #27 and #29, except as necessary to fully understand the issues raised by the proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are hereby incorporated by reference in this memorandum.

Purposes

1. The major purpose of the proposed amendments to the Colorado constitution appears to be:
 - a. To eliminate the requirement that all income be taxed at one rate for income tax.
2. The major purposes of the proposed amendments to the Colorado Revised Statutes appear to be:
 - a. To express the goals of the initiative and the intention of the people that a more sustainable, fair, and adequate system for financing public schools is necessary to achieve the goals of the proposed initiative;
 - b. To create the quality public education account (account) in the state treasury, as an account within the state education fund, to receive all revenues collected through an income tax increment for public school funding and to allow the general assembly to annually appropriate money from the account for purposes specified in law;
 - c. To express the intention of the people that the general assembly enact a new public school finance law that substantially meets the requirements set forth in the proposed initiative;
 - d. To require appropriations from the account for specific purposes until the enactment of a new school finance law that complies with the provisions of the proposed initiative;
 - e. To require money appropriated from the account to supplement, not replace, the level of general fund appropriations existing on the effective date of the initiative, plus annual inflation adjustments;
 - f. To require each school district receiving money from the account to make publicly available certain financial and student performance information;
 - g. To require the review and study of a successor public school finance act within specific time frames;
 - h. To reduce the income tax rate by .13% for individuals, trusts, and estates who have taxable income of \$50,000 or less;

- i. To increase income tax rates incrementally for individuals, trusts, and estates using four tax brackets starting at .37% for income above \$150,000 and increasing to 3.12% for income above \$400,000;
- j. To increase the corporate income tax rate by 1.37%;
- k. To require revenue from the income tax increase to be deposited in a dedicated public education account; and
- l. To allow the revenue collected to be retained and spent as voter-approved revenue changes.

Substantive Comments and Questions

The substance of the proposed initiative raises the following additional comments and questions:

- 1. Article V, section 1 (5.5) of the Colorado constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?

Technical Comments

There are no additional technical comments.