Initiative 64

Legislative
Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Summary

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LCS TITLE: ADDITIONAL DEDICATED REVENUE TO THE STATE EDUCATION FUND

Fiscal Summary of Initiative 64

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at **www.ColoradoBlueBook.com**. This fiscal summary identifies the following impact.

State transfers. Based on the December 2021 Legislative Council Staff Revenue Forecast, the measure transfers $706.0 million in budget year 2022-23 (half-year impact) and $1.5 billion in budget year 2023-24 from the General Fund to the State Education Fund. This transfer is equal to one-half of one percent of federal taxable income, as specified in the measure, and is diverted from currently collected income tax revenue. The transfer amount is not subject to constitutional revenue limits.

State expenditures. Increased spending on education may result in a reduction in the amount spent or saved elsewhere in the state budget; however, actual funding decisions are determined by the state legislature and cannot be estimated at this time. The measure also increases workload by minimal amount for Legislative Council Staff to report to the public on the amount of money diverted to the State Education Fund and how that money is spent.

Local government impact. To the extent that the additional money in the State Education Fund is distributed to school districts through the school finance formula or other educational programs, school districts will have additional revenue and expenditures. The specific uses and distribution of the money will be determined by the General Assembly.

Economic impacts. The bill may increase spending on K-12 education, which may improve educational outcomes. To the extent that the measure improves educational outcomes, it may increase employment opportunities, workplace readiness, and wage earnings. To the extent that it reduces spending on other state programs, it may impact employment and outcomes in those areas.