

Abstract of Initiative 73 - 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 Expenditures. Beginning in FY 2022-23, the measure increases state expenditures by up to \$2.4 billion for school finance. The measure does not specify a revenue source for the additional school finance expenditures. The General Assembly could choose to increase state funding by diverting existing funds from other programs or by increasing state and local revenue.

School District Impact. The measure increases revenue and expenditures for school districts by an estimated \$2.4 billion. A portion of the increased funding may be generated at the local level, as the measure allows the General Assembly to direct school districts to increase their contributions to school finance by augmenting local revenue.

Economic Impacts. In order to increase funding for public education by \$2.4 billion, state and/or local revenue must increase or spending in other areas of state government must decrease. The balance between these options will be determined by the General Assembly. Additional spending on public education will increase employment in some industries and may increase economic opportunities for students. If taxes increase, households and/or businesses will have less money after tax to invest, spend, or save elsewhere in the economy. Cutting spending in other areas of state government may reduce employment in some industries and/or reduce services to households and/or businesses.