



STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

RESOLUTION OF OPPOSITION TO: INITIATIVE 50-VOTER APPROVAL TO RETAIN ADDITIONAL PROPERTY TAX REVENUE COLORADO PROPERTY TAX REVENUE CAP; and INITIATIVE 108-COLORADO PROPERTY TAX VALUATION REDUCTION

August 7, 2024

On November 5, 2024, the citizens of Colorado will vote on Initiative 50 and 108.

Impact of Initiative 50

If passed, Initiative 50 would cap the yearly growth in statewide property tax revenue collection at 4 percent. Any revenue beyond this limit would require voter approval via a statewide ballot measure to be retained. If voters do not approve to retain the excess revenue, Legislative Council forecasts that Initiative 50 will decrease local property tax revenue by \$115 million in 2025.

Impact of Initiative 108

If passed, Initiative 108 would lower residential and non-residential assessment rates from 7.06% and 29% to 5.7% and 24%, respectively. According to Legislative Council forecasts, this would decrease property tax revenue by \$3 billion in 2025. The state would need to cover \$2.25 billion of this reduction using state tax revenues, with \$1.45 billion mandated by Initiative 108 to reimburse local governments (excluding school districts) and \$800 million required by current law for K-12 total program funding. The remaining \$750 million reduction would affect school district revenue but is not required to be reimbursed by the state.

Consequences for K-12 Funding

Initiative 50 and Initiative 108 could have serious implications for K-12 funding, as property taxes are a primary source of revenue for this sector. The projected reduction in

the K-12 local share raises concerns about the state's ability to meet its constitutional funding requirements under Amendment 23. The state has met these requirements for the first time in over a dozen years largely due to increased local property tax revenue.

Implications for Higher Education

If Colorado's property tax collections decline as a result of Initiative 50 and Initiative 108, the state may need to increase contributions from the General Fund or the State Education Fund (SEF) to backfill the reduction. However, using these sources to offset a reduction in local property tax revenue would likely negatively impact state higher education funding. Without dedicated funding or reimbursement mechanisms built into either initiative for higher education, institutions will be expected to cover costs. The Office of State Planning and Budgeting estimates overall reductions to state funding for higher education ranging from 13.5% to 48% in fiscal year 2024-25.

Impact on the Colorado Community College System

CCCS is reliant on state general fund dollars to operate and to keep tuition affordable. The impact of estimated reductions in state operating funding to CCCS equate to a cut of \$39.6 million to \$140.8 million and a cut of \$10.4 million to \$37.1 million in state financial aid allocated to CCCS students.

As a result of these severe budget cuts, CCCS would face significant reductions in its capacity to serve students and respond to workforce development needs through staff and operating expense reductions. In order to cover the forecasted state revenue reductions, CCCS would have to increase tuition between 14% to 49% in a single year. Tuition increases like this are not realistic for the student populations served by CCCS, who are disproportionately low-income, first-generation, and students of color.

CCCS's mission is rooted in providing economic mobility for students and Colorado cannot afford to shut these students out of affordable postsecondary education and training.

Be it resolved that:

The State Board for Community Colleges and Occupational Education (State Board) will continue to advocate against constitutional and statutory changes that would significantly impact its ability retain the operational capacity to offer an affordable, quality educational experiences that allow for economic mobility for our students.

THEREFORE, the State Board is passing this Resolution as evidence of opposition to Initiative 50 and 108.

PASSED AND ADOPTED by the State Board for Community Colleges and Occupational Education this 7th day of August, 2024.

State Board for Community Colleges and
Occupational Education

Landon Mascareñaz
Chair, State Board for Community Colleges
and Occupational Education

Attest:

Angela Gramse
General Counsel
State Board for Community Colleges and
Occupational Education