



# Proposition CC Factual Summary for Hanover 28 School District

## What is Proposition CC?

The 2019 Colorado General Assembly, through [House Bill 19-1257](#), referred a measure to the 2019 November ballot. This measure is known as Proposition CC, and the ballot language states:

**“Without raising taxes and to better fund public schools, higher education, and roads, bridges, and transit, within a balanced budget, may the state keep and spend all the revenue it annually collects after June 30, 2019, but is not currently allowed to keep and spend under Colorado law, with an annual independent audit to show how the retained revenues are spent?”**

**A “yes” vote on Proposition CC:** Changes state law and means the state can keep all of the money it collects over its revenue limit to spend on education and transportation.

**A “no” vote on Proposition CC:** Means that any money the state collects over its revenue limit must be refunded to taxpayers, as required under current law.

## How would the retained revenue be allocated?

The 2019 Colorado General Assembly passed [House Bill 19-1258](#) that allocates the retained revenue in the following manner:

- One-third of the retained amount for higher education;
- One-third of the retained amount for public schools, to be distributed on a per-pupil basis and used only for nonrecurring expenses for the purpose of improving classrooms; and
- One-third of the retained amount to the Highway Users Tax Fund (HUTF).

## How would Proposition CC impact funding for Hanover 28 School District?

Based on House Bill 19-1258 and Hanover 28 School District’s 2019-20 Funded Pupil Count of 248 , Hanover 28 School District could receive the following estimated allocations based on the most recent state forecasts. *It is important to note that state forecasts are updated quarterly and are subject to change.* **Revenue generated from Proposition CC may not be used for on-going expenses.** The following revenue amounts are based on forecast estimates from the Legislative Council Staff and the Governor’s Office of State Planning and Budgeting:

Estimate based on	FY2019-20 Estimated Revenue from Prop CC	FY2020-21 Estimated Revenue from Prop CC	FY2021-22 Estimated Revenue from Prop CC
Legislative Council Staff forecast numbers	<b>\$24,865</b> (based on \$100/student)	<b>\$13,444</b> (based on \$54/student)	<b>\$12,654</b> (based on \$51/student)
Governor’s Office of State Planning and Budgeting forecast numbers	<b>\$32,749</b> (based on \$132/student)	<b>\$51,894</b> (based on \$210/student)	<b>\$72,291</b> (based on \$292/student)

*These estimates are based on current student count and do not include the newest kindergarten count numbers. The forecast numbers are estimates subject to change with future economic forecasts.*

## How much has Hanover 28 School District been underfunded through the state share of school funding due to the Budget Stabilization Factor?

2019-20 Budget Stabilization Factor for Hanover 28 (the reduction in state funding to the local district in order to achieve budget savings)	Total amount withheld cumulatively since 2009-10 from Hanover 28
<b>\$241,186</b>	<b>\$3,625,937</b>

## How will the retained revenue be spent?

The initiative allows school districts to make local decisions about the best use of new funds that reflect local community priorities and needs. Examples of how funding could be used include programs supporting mental health, safety and security, career and technical education, school maintenance and repair needs, teacher bonuses, etc. Revenue must, however, be used only for nonrecurring expenses.

## Have voters in El Paso County given approval for the local county government to keep and spend all the revenue it annually collects?

No, El Paso County local government is not permitted to keep and spend all revenue it collects beyond the TABOR cap.

### Arguments For Proposition CC

1. Proposition CC provides more money for critical investments in Colorado's future without raising tax rates. By allowing the state to keep the money it already collects, the measure provides needed funding for K-12 education, higher education, and transportation. While Colorado currently ranks in the top third of states in household income, it ranks in the bottom third in per-pupil public spending on both K-12 and higher education. Further, the state's roads are deteriorating while the cost of improvements continues to increase. Addressing these challenges requires statewide investment, and Proposition CC provides revenue for these investments immediately and into the future.
2. Proposition CC allows elected officials to make better policy decisions while preserving the citizens' right to vote on any new state taxes and tax rate increases. Because these tax increases will still require voter approval if the measure passes, state government spending will remain limited. Proposition CC simply allows the state government to keep the money it already collects. Similar measures have been approved by voters in most Colorado counties, cities, and school districts.

### Arguments Against Proposition CC

1. Proposition CC results in higher taxes by permanently eliminating all state TABOR refunds required by the Colorado Constitution. Taxpayers are being asked to sacrifice their refunds to pay for programs that should already be funded within the state budget. Even with the limit, the state government has already shifted money between funds and raised fees and tolls to increase its revenue faster than inflation and state population growth. Proposition CC will cause government to expand at an even faster pace.
2. Proposition CC continues to erode taxpayer protections in the Colorado Constitution. Instead of asking voters for permission to keep specific amounts of money collected above the revenue limit each year, the state government is asking voters to give up refunds of unknown amounts forever. The measure broadly directs where the new money will be spent, but the specifics can be changed in the future without voter approval. Further, while spending this new money for education and transportation, the legislature could redirect existing funds to any other purpose.

Resource documents for additional information:

- [2019 State Ballot Information Booklet](#) (Blue Book)
- [2019 Blue Book Fiscal Impact Statements](#)
- [Legislative Council Staff fiscal forecast](#) - Sep 20, 2019
- [Governor's Office of State Planning and Budget fiscal forecast](#) - Sep 20, 2019
- [School Finance in Colorado](#) (Colorado Legislative Council Staff)
- [Budget Stabilization Factor](#) (Colorado School Finance Project)
- [County Spending Waiver Limit Ballot Questions](#) (Colorado Counties, Inc.)
- [Eleven Years of Colorado K-12 School Funding Cuts](#) (Colorado School Finance Project)