

PROPERTY TAX INITIATIVES THREATEN CRITICAL SERVICES, PROGRAMS FOR COLORADO KIDS

EXAMINING THE IMPACTS OF PROPOSITIONS 50 & 108

When Coloradans get their ballots in the mail this fall, they could potentially vote on two measures that would have disastrous consequences for Colorado kids and families if passed:

- Initiative 108 would cut property tax assessment rates and require the state to reimburse local governments for the lost revenue. The Governor's Office has estimated this would result in cuts totaling **between \$2.2 and \$3 billion** from existing programs and services in the state budget in the first year alone.
- Initiative 50 would change our state's constitution to create a 4% annual growth cap on property tax revenue and require statewide voter approval for any community to keep property tax revenue above the cap. This would result in an estimated **loss of \$550 million in 2026, \$1 billion in 2027**, and increasing amounts in future years.

Initiatives 108 and 50 would dramatically limit the resources available for critical services and programs that support children and their families at the state and local levels. Any services and programs funded by Colorado state General Fund dollars would be at risk of cuts or elimination if either of these proposals passes.

How might these measures impact children's programs and services at the state level?

Cuts to Public Education & the Return of the Budget Stabilization Factor

The Department of Education (CDE), which administers and oversees the state's public education system, receives 64% of its funding from the General Fund. CDE sets and administers state academic standards and assessments, distributes all state and federal funding to the state's 178 school districts, manages educator licensure and professional development programs, and is responsible for services for students with special learning needs, students learning English, and public school transportation.

If these initiatives pass, the state budget will revert to the conditions that led to the Budget Stabilization Factor (BSF), a budgeting mechanism that cut \$10 billion from public schools in less than 15 years. The state was forced to create the BSF when the 2009 global financial crisis caused a sudden 10% drop in state revenue and the state could not make enough cuts to other services to meet its constitutional responsibility to fund public education. If these initiatives pass, the state will cut its budget for public education and will have to institute a new version of the BSF.

With or without the return of the BSF, if these initiatives pass, any hope of improving Colorado teacher pay any time soon will also vanish. Cutting district budgets each year by hundreds of millions of dollars will make it impossible for districts to keep teacher pay competitive with other professions or teachers in nearby states. Today, the average salary in Colorado is about \$80,000 while the average Colorado teacher makes about \$61,000.

The passage of these ballot measures will put numerous education services and programs at risk:

- **New Public School Funding Formula:** Passed in 2024, this formula would equitably distribute funding across schools and increase overall school funding by \$500 million.
- **New Statewide Longitudinal Data System:** Passed in 2024, this effort would help the state better align and deliver services across early childhood, K12 education, postsecondary and workforce systems.
- **Healthy School Meals for All (HSMA):** In 2024, the state contributed \$7.4 million from the General Fund to keep the school lunch program going. Some 230,000 Colorado students were served breakfast and lunch throughout the school year because of this program.
- **CSI Mill Levy Equalization:** Charter schools authorized by the Charter School Institute (CSI) have access to mill levy equalization funds to reduce inequitable funding between students in district public schools and charter public schools.
- **Career Development Incentive Program (CDIP):** Provides financial incentives to encourage high school students to complete qualified industry credential programs, internships, pre-apprenticeship or apprenticeship programs or qualified Advanced Placement (AP) courses. In FY2022-23, more than 20,000 students requested to participate.
- **Accelerating Students through Concurrent Enrollment (ASCENT):** This fifth-year high school program allows students to participate in concurrent enrollment the year after 12th grade, enroll in postsecondary courses and earn college credit at no tuition cost to them or their families. This popular program serves 500 students each year.
- **Colorado Academic Accelerator Grant Program:** This grant program funds the creation or expansion of community learning centers that offer STEM academic and enrichment activities during out-of-school time.
- **High-Impact Tutoring Program:** Following the pandemic, the state established this program to deliver intense, targeted support with repeated tutor-student interactions to help students recover from any lost learning. Dozens of Colorado schools are leveraging these dollars to deliver academic support to students in need.

Cuts to Child Care & Early Childhood Programs

The Colorado Department of Early Childhood (CDEC) receives 38% of its funding from the state General Fund. CDEC is Colorado's newest cabinet-level state agency and is tasked with the creation and management of a comprehensive early childhood system of programs and supports that serve all Colorado families with young children. Its primary programs include the Colorado Universal Preschool Program, the Colorado Child Care Assistance Program (CCCAP), Early Intervention Services, and early childhood provider licensing. CDEC staff also oversee the state's family support programs and services, understanding that Colorado families deserve access to care, education, and holistic services to have the strongest start possible.

Dramatic reductions in the state's General Fund would mean that Colorado cannot continue to expand preschool to more young children who need it most, serve students through the CCCAP program, or take other critical steps to serve the state's youngest children.

If these ballot measures pass, the following programs, supports and services for Colorado's youngest kids and families will be at risk:

- **Universal Preschool Program:** Colorado's Universal Preschool program, which launched in the 2023-24 school year, is focused on expanding access to preschool for 3- and 4-year-olds across the state. The program has the opportunity to support more children who face the most barriers to entering Kindergarten ready for school.
- **Colorado's Child Care Assistance Program (CCCAP):** CCCAP, which helps families that are homeless, working, searching for work or in school find low-income child care assistance, currently serves more than 25,000 children.

- **Early Intervention (EI):** The state must provide early intervention services to all eligible infants and toddlers whose families seek these developmental services to maintain eligibility for certain federal funds. The monthly average of eligible children served is 8,786, and enrollment is trending up.
- **Universal Home Visiting:** The Family Connects Program serves 12,000 births in nine counties in Colorado. Primary caregivers are offered a Family Connects visit shortly after their baby's birth by being invited in the hospital or through referrals from community organizations, pediatricians, and OB-GYNs.
- **Provider Rate Increase:** In 2024, the General Assembly approved a 2% provider rate increase for the early childhood workforce. This increase applies to providers paid through Family Resource Centers, Early Intervention, Nurse Home Visiting Program, Child Maltreatment Prevention, and Early Childhood Mental Health Services.
- **Child Care Licensing & Inspection:** To ensure safety and quality, CDEC conducts licensing, inspection, and monitoring of child care facilities throughout the state.

Cuts to Health Insurance & Public Health Programs

The Department for Health Care Policy and Financing (HCPF) provides health insurance coverage to low-income and vulnerable children and adults through Medicaid and Child Health Plan Plus (CHP+). To assist with these costs, the HCPF receives federal matching funds and shares the responsibility for financing these programs. HCPF depends on General Fund dollars for 29% of its funding, and much of the federal funds HCPF receives require a state match. Over 1.7 million children and adults and 44% of Colorado births in 2022 were covered by Medicaid or CHP+.

The Department of Public Health and Environment (CDPHE) is responsible for protecting and improving the health of Coloradans through preventative public health programs, screening and testing, and data collection and sharing. CDPHE depends on the General Fund dollars for 17% of its funding.

Colorado has been a leader in health equity in recent years: The state began doula coverage under Medicaid just this year, made a fee waiver for CHP+ permanent, and expanded access to Medicaid for undocumented kids and pregnant adults beginning in 2025. Colorado has also slowly been lowering the rate of uninsured children in our state, with only 5% of children uninsured in 2022. These ballot measures would slow that progress toward ensuring kids have access to health care.

If these ballot measures pass, the following health programs, supports and services for Colorado kids and families will be at risk:

- **Colorado Health Plan Plus (CHP+):** CHP+ covers primary care, emergency care, dental care, immunizations and maternity care for over 47,000 kids and pregnant/postpartum individuals.
- **Cover All Coloradans:** This policy change provides comprehensive public health insurance coverage to children and pregnant and postpartum Coloradans regardless of immigration status. Over 2,000 pregnant and postpartum adults and more than 1,300 Colorado kids will gain coverage from this expansion beginning in 2025.
- **Healthy Kids Survey:** The state's most comprehensive survey to better understand youth health is supported by General Fund dollars. In 2023, more than 120,000 young people participated.
- **Family Planning Services:** This program provides comprehensive reproductive care to more than 40,000 Coloradans at 80 clinics across the state, prioritizing people in low-income households and those who are uninsured.
- **School-Based Health Centers:** School-based health centers provide primary medical, behavioral and oral health care to children, youth and young adults in schools. There are 72 traditional school-based clinics across the state and seven school-linked programs that collectively serve over 35,000 students.

Cuts to Economic Security Programs

The Department of Human Services (CDHS), which provides income, nutritional, and support services to assist families and individuals in need, receives 43% of its funding from the General Fund. CDHS houses programs such as Temporary Assistance for Needy Families (TANF), the federal Supplemental Nutrition Assistance Program (SNAP), and child support services.

The Judicial Department, which houses the Eviction Legal Defense Fund, collects and publishes data on eviction trends across the state, and ensures that families have meaningful access to due process in eviction proceedings, receives 75% of its funding from the General Fund.

Colorado has also made significant progress in the past several years to increase access to refundable state tax credits that support the economic security of families, including expansions of the state Earned Income Tax Credit and Child Tax Credit and creation of the Family Affordability Tax Credit. The estimated reduction in General Fund revenue if these ballot measures pass would place this progress in jeopardy.

If these ballot measures pass, the following economic supports and services for Colorado kids and families will be at risk:

- **Increased TANF Basic Cash assistance:** More than 45,000 children experiencing extreme poverty received TANF basic cash assistance payments in 2022.
- **Child Support Pass-Through:** This innovative policy allows about 3,000 families enrolled in the TANF program to receive child support payments rather than having to relinquish them to the state.
- **Eviction Legal Defense Fund:** The ELDF supports nonprofit legal aid providers who provide free legal assistance to low-income renters at risk of eviction. There have been more than 30,000 evictions filed across Colorado this year and only 3% of renters facing eviction have legal representation.
- **Diaper Distribution Program:** More than 215,000 families receive diapers through this program that exists in 81% of Colorado counties.
- **Family Resource Centers:** More than 6,000 low-income families receive navigation, referral and assistance services through family resource centers across the state.
- **2-1-1 Colorado:** The referral service that connects families to services such as income support, rent assistance, housing, and food, was contacted over 80,000 times between January and May 2024.



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