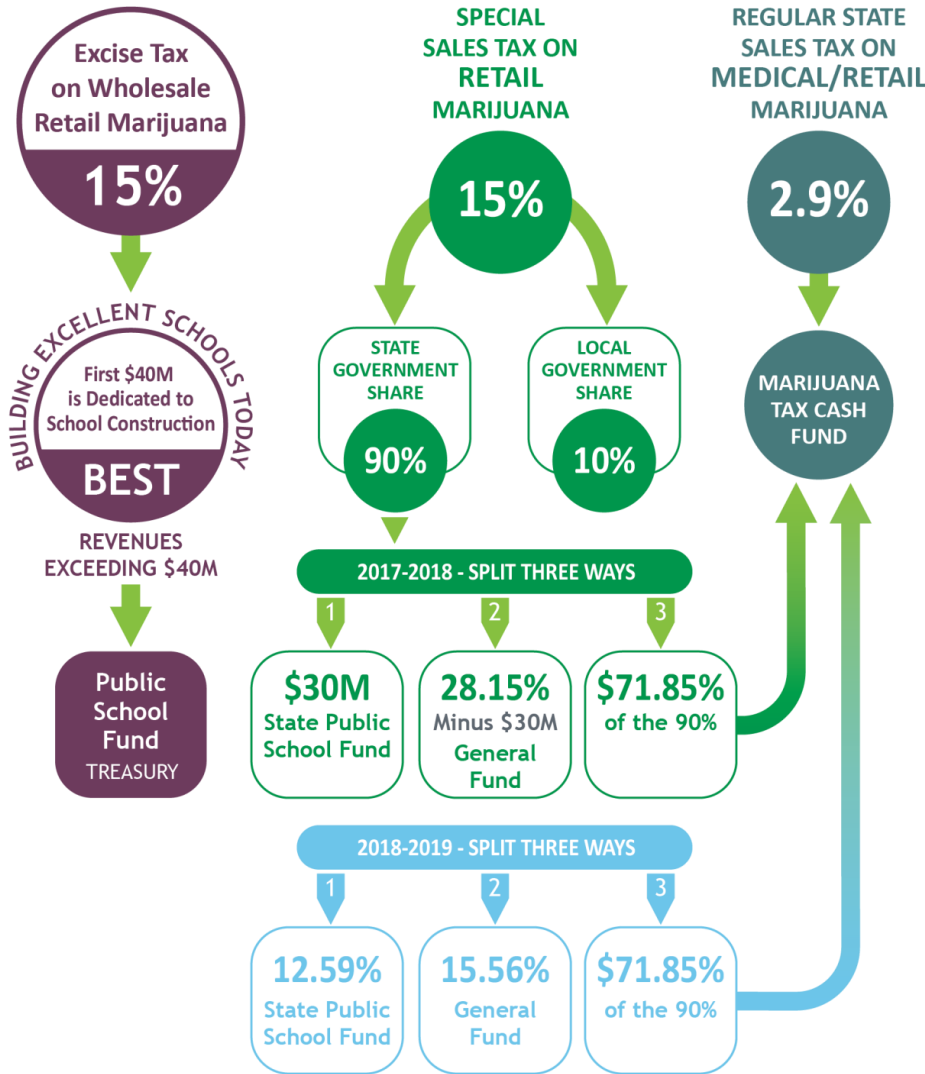


Marijuana Tax Revenue and Education



Marijuana tax revenue distributions to the Colorado Department of Education

- School Capital Construction
2015-16: \$80 million*
2016-17: \$40 million
2017-18: \$40 million
- Early Literacy Competitive Grants
2016-17: \$4.4 million
2017-18: \$4.4 million
- School Health Professional Grants
2015-16: \$2.3 million
2016-17: \$2.3 million
2017-18: \$11.9 million
- School Bullying Prevention & Education Grants
2015-16: \$2 million
2016-17: \$900,000
2017-18: \$2 million
- Drop-out Prevention Programs
2015-16: \$2 million
2016-17: \$900,000
2017-18: \$2 million
- State Public School Fund
2017-18: \$30 million

*Includes \$40 million from one-time tax revenue disbursement approved by voters, allowing Colorado to keep surplus

In 2012, Colorado voters approved Amendment 64 that allowed adults 21 and older to consume or possess marijuana and required the state to set up a regulatory structure for the retail marijuana industry. It also mandated an excise tax with the first \$40 million collected to be reserved for school construction.

In 2013, voters approved Proposition AA, allowing the state to levy up to a 15 percent excise tax on unprocessed marijuana and up to a 15 percent retail tax on marijuana sales. In addition, both medical and retail marijuana continue to be subject to the state's 2.9 percent sales tax.

In 2017, the legislature changed the formula, increasing the statewide retail tax to 15 percent from 10 percent and changing how the revenue is distributed.

Total 2015-16 marijuana revenue for CDE: **\$86.3 million**
Total 2015-16 state education funding: **\$5.3 billion**

Total 2016-17 marijuana revenue for CDE: **\$48.5 million**
Total 2016-17 state education funding: **\$5.4 billion**

Total 2017-18 marijuana revenue for CDE: **\$90.3 million**
Total 2015-16 state education funding: **\$5.6 billion**



How marijuana tax revenue is distributed

Excise tax: The first \$40 million in excise tax is credited to the BEST Program Assistance Fund.

Sales tax: Beginning July 1, 2017, 10 percent of the 15 percent state marijuana retail tax revenue will be allocated to local governments and distributed according to the percentage of marijuana sales within city and/or county boundaries.

How the remaining 90 percent will be apportioned in **FY 2017-18**:

- 28.15 percent, minus \$30 million, will go to the General Fund
- 71.85 percent will be credited to the Marijuana Tax Cash Fund (MTCF)
- \$30 million will be credited to the state public school fund and distributed to rural school districts with 55 percent going to large rural districts and 45 percent to small rural districts

How the remaining 90 percent will be apportioned in **FY 2018-19** and beyond:

- 15.56 percent will stay in the General Fund
- 71.85 percent will be credited to the MTCF
- 12.59 percent will be credited to the state public school fund and distributed to all districts

Building Excellent Schools Today (BEST)

The BEST grant program provides funds for the construction of new schools as well as general construction and renovation of existing school facility systems. Marijuana tax revenue is one of four funding sources for BEST.

- In Fiscal Year 2015-16, \$40 million in marijuana excise tax was allocated to the BEST program plus an additional \$40 million paid into the fund from a one-time disbursement resulting from Proposition BB, a successful 2015 statewide ballot measure that allowed the state to keep surplus marijuana tax revenue.
- In Fiscal Year 2016-17, \$40 million of marijuana excise tax was allocated to the BEST.
- In Fiscal Year 2017-18, \$40 million of marijuana excise tax was allocated to the BEST.

Marijuana Tax Cash Fund

In 2014, the state legislature created the Marijuana Tax Cash Fund to collect sales tax revenue from retail and medical marijuana. Revenue from MTCF must be spent the following year on health care, monitoring marijuana health effects, health education, substance abuse prevention and treatment programs, and law enforcement. MTCF programs for CDE:

- The School Health Professional Grant program to address behavioral health issues in schools.
- A grant program to help schools and districts set up initiatives to reduce the frequency of bullying.
- Grants to fund drop-out prevention programs.
- Early Literacy Competitive Grants to ensure reading is embedded into K-3 curriculum.

State Public School Fund

The Treasury Department runs the Public School Fund, which receives the excess of marijuana excise tax revenue. CDE has a separate fund, the State Public School Fund, for which funds are available to CDE for various appropriations throughout subsequent fiscal years.

Where can I learn more?

- Colorado marijuana taxes <https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data>
- BEST Program Fact Sheet, <http://www.cde.state.co.us/communications/capitalconstructionfactsheet>
- To view all CDE fact sheets, visit: www.cde.state.co.us/Communications/factsheetsandfaqs