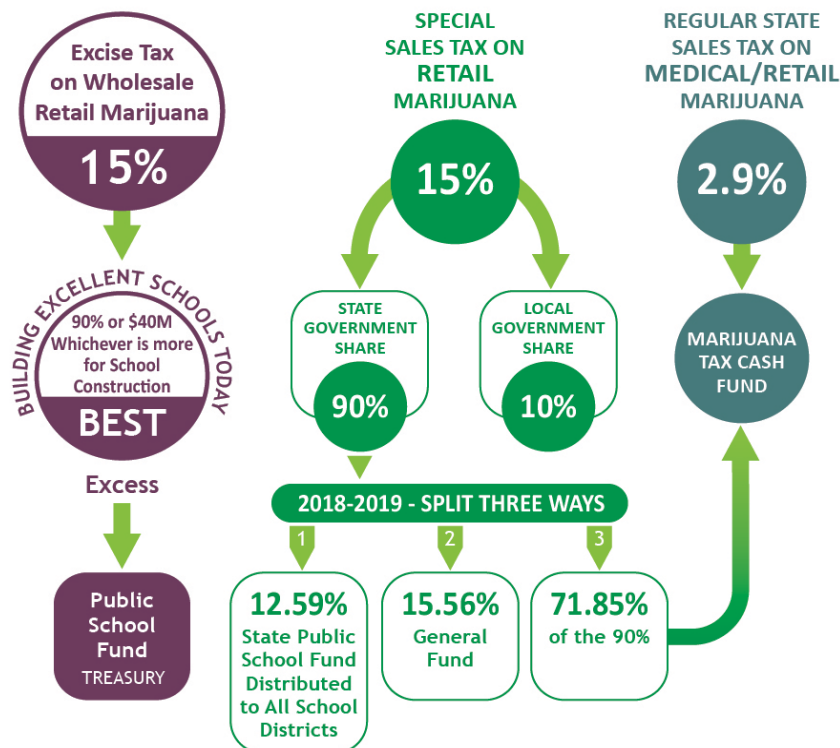


# Marijuana Tax Revenue and Education



**COLORADO**  
Department of Education



In 2012, Colorado voters approved Amendment 64 to allow adults 21 and older to consume or possess marijuana. It mandated an excise tax be collected for school construction.

In 2013, voters approved Proposition AA that allowed an excise tax of up to 15 percent on unprocessed marijuana and a state sales tax of up to 15% on retail marijuana sales – in addition to the general 2.9% state sales tax.

## How marijuana tax revenue is distributed

**Excise tax:** Ninety percent of the excise tax revenue collected or the first \$40 million, whichever is greater, is credited to the Capital Construction Assistance Fund, which funds the Building Excellent Schools Today (BEST) competitive grant program.

**Sales tax:** Ten percent of the state’s 15% tax on retail marijuana is allocated to local governments and distributed according to the percentage of marijuana sales within city and/or county boundaries.

How the remaining 90% is apportioned:

- 15.56% to the General Fund
- 71.85% credited to the Marijuana Tax Cash Fund (MTCF)
- 12.59% credited to the state Public School Fund and distributed to all districts

## Marijuana Revenue Distribution to CDE

- **School Capital Construction**  
2019-20: \$89.7 million  
2020-21: \$40 million  
2021-22: \$40 million
- **Early Literacy Competitive Grants**  
2019-20: \$5.4 million  
2020-21: \$5.4 million  
2021-22: \$5.4 million
- **School Health Professional Grants**  
2019-20: \$11.9 million  
2020-21: \$11.9 million  
2021-22: \$11.9 million
- **School Bullying Prevention Grants**  
2019-20: \$2 million  
2020-21: \$1 million  
2021-22: \$1 million
- **Drop-out Prevention Programs**  
2019-20: \$2 million  
2020-21: \$2 million  
2021-22: \$2 million
- **State Public School Fund 2019-20: \$25 million**

Total 2018-19 marijuana revenue for CDE: **\$81.3 million**  
Total 2016-17 state education funding: **\$5.7 billion\***

Total 2019-20 marijuana revenue for CDE: **\$136 million**  
Total 2017-18 state education funding: **\$5.8 billion\***

\*Budget for CDE, Charter School Institute and the Colorado School for the Deaf and Blind



## Building Excellent Schools Today (BEST)

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The BEST competitive grant program provides money for construction of new schools as well as general construction and renovation of existing school facilities. Marijuana tax revenue is one of four funding sources for the Capital Construction Assistance Fund that funds BEST. Money for the Capital Construction Assistance Fund also comes from the State Land Board, Colorado Lottery and interest earned.

Through a statewide facility assessment completed in 2009, more than 8,000 facilities were inventoried and more than 123 million square feet were assessed, revealing \$13.9 billion in capital construction needs. Since 2008, the BEST program has funded 319 grant applications in 135 school districts. The program has approved \$2 billion in public school capital construction projects from \$3.7 billion in requests. Awardees in Fiscal Year 2014-15 were the first to have any marijuana tax revenue mixed in.

- In Fiscal Year 2015-16, \$40 million in marijuana excise tax revenue was allocated to the Capital Construction Assistance Fund, plus an additional \$40 million from a one-time disbursement due to Proposition BB, a successful 2015 ballot measure that allowed the state to keep surplus marijuana tax revenue.
- In Fiscal Year 2016-17, \$40 million of marijuana excise tax revenue was allocated to the Capital Construction Assistance Fund.
- In Fiscal Year 2017-18, \$40 million of marijuana excise tax revenue was allocated to the Capital Construction Assistance Fund.
- In Fiscal Year 2018-19, \$40 million of marijuana excise tax revenue was allocated to the Capital Construction Assistance Fund.

## Marijuana Tax Cash Fund

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In 2014, the state legislature created the Marijuana Tax Cash Fund (MTCF) 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 reduce the frequency of bullying.
- Grants to fund drop-out prevention programs.
- Early Literacy Grants to ensure reading is embedded into K-3 curriculum.

## State Public School Fund

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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.