



COLORADO
Department of Education

Colorado League of Charter Schools The Distribution of Marijuana Tax Revenues

November 10, 2017

Marijuana Legislation

- 2012 - Amendment 64
 - Allowed retail marijuana
 - Mandated an excise tax with the first \$40 million collected to be reserved for school construction
- 2013 - Proposition AA
 - Allowed excise tax up to a 15%
 - Allowed retail tax up to 15%
 - Also, both medical and retail marijuana continue to be subject to the state's 2.9% sales tax
- 2015 - Proposition BB
 - Allowed the state to keep surplus in marijuana tax revenue
- 2017 - Legislation
 - Increased statewide retail tax from 10% to 15%
 - Changed how the revenue is distributed

Marijuana Tax Revenue

Marijuana tax revenues comes to the state:

- Excise Tax on unprocessed/wholesale marijuana
- Sales Tax on retail marijuana
 - Special state sales tax on recreational marijuana
 - Regular state sales tax on recreational marijuana
 - Regular state sales tax on medical marijuana

Marijuana Excise Tax Revenue Distribution

Excise Tax on Wholesale Retail Marijuana = 15%

- First \$40M is dedicated to BEST
- Revenues exceeding \$40M go to the Public School Fund
- FY 15-16: \$40 M to BEST plus \$40M to BEST in one-time distribution from Proposition BB
- FY 16-17: \$40M to BEST and \$5.7M to Public School Fund
- FY 17-18: \$40M to BEST

Marijuana Sales Tax Revenue Distribution

Special Sales Tax on Retail Marijuana - 15%

- 10% to local government
- 90% to state government

In FY 17-18 this is split 3 ways:

- \$30M to State Public School Fund
- 28.15% minus \$30M to General Fund
- 71.85% to Marijuana Tax Cash Fund

Regular State Sales Tax on Medical/Retail Marijuana = 2.9%

- To Marijuana Tax Cash Fund

Marijuana Tax Cash Fund (MTCF)

Created in 2014

Funds from MTCF must be spent the following year on:

- Health care
- Monitor the health effects of marijuana
- Health Education
- Substance Abuse Prevention and Treatment Programs
- Law Enforcement

Marijuana Tax Cash Funds (MTCF) to CDE

CDE received MTCF funds for:

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

Historical Funding to CDE

School Construction - BEST

- 2015-16: \$80 million*
- 2016-17: \$40 million
- 2017-18: \$40 million

Early Literacy Competitive Grant Program

- 2016-17: \$4.4 million
- 2017-18: \$4.4 million

Historical Funding to CDE

School Health Professional Grant Program

- 2015-16: \$2.3 million
- 2016-17: \$2.3 million
- 2017-18: \$11.9 million

School Bullying Prevention & Education Grant Program

- 2015-16: \$2 million
- 2016-17: \$900,000
- 2017-18: \$2 million

Historical Funding to CDE

Drop-out Prevention Programs

- 2015-16: \$2 million
- 2016-17: \$900,000
- 2017-18: \$2 million

State Public School Fund

- 2017-18: \$30 million

Marijuana Funding vs. Overall Funding

2015-16 - 1.63% (~0.76%)

- Marijuana revenue for CDE: \$86.3 million
- Overall state K-12 education funding: \$5.3 billion*

2016-17 - 1.00% (~0.48%)

- Marijuana revenue for CDE: \$54.2 million
- Overall state K-12 education funding: \$5.4 billion*

2017-18 - 1.61% (~0.80%)

- Marijuana revenue for CDE: \$90.3 million
- Overall state K-12 education funding: \$5.6 billion*

*This is the amount appropriated in the long bill for the budget of CDE, CSI and CSDB.

Discussion *and* Questions