

IN THE KNOW: LOCAL BALLOT MEASURES

Local fiscal policies and statewide finances are inextricably linked. This link is not just a fiscal one, but it also shapes the way taxpayers perceive the state's larger fiscal condition.

While the state has [increased funding](#) in some important areas, including K-12 education and preK, significant community needs remain. Additionally, recent revenue gains have just barely made up for the [drop that resulted from the Great Recession](#). [Because there are still so many needs](#) across the state, local governments and leaders are responding by seeking to increase funding for child care, education, housing, and other priorities.



- Local governments are responding to their constituents when going to the ballot with measures to increase, or shift funding, to support various programs, such as child care, housing, transit, education, and other community priorities.
- In some cases, such as raising money to go to K-12 education, this is supplementing the work of the state, and going further in ways the state cannot, or has not, due to a limited budget and competing priorities.
- In other ways, the state has explicitly opened up new avenues for counties and municipalities to seek funding, such as recently allowing [lodging tax revenues to be used](#) for housing and child care.
- Local governments also seek funding for programs that are not under the purview of the state, like [increasing local police](#) or fire budgets.
- Regardless of the state's role in these issue areas, fiscal policy on the local level is crucial to understanding how different taxes go to different places, how state and local governments interact, and how various public programs are funded.

Below are examples of three measures that will be up for a vote in November 2023, and they are typical of many other issues that will be on [local ballots throughout the state](#). These measures are prime examples of resident needs in different parts of the state, and the glaring gaps in community services in many regions throughout Colorado. The Bell is featuring these not to support or oppose, but to educate on the diverse needs of the state.

While local governments across the country use sales taxes and property taxes to fund community priorities, the Taxpayer Bill of Rights, or TABOR, the 1992 constitutional amendment limiting the amount and ways government can collect and spend revenue, further constrains Colorado governments. Sales taxes are regressive and property taxes can be regressive in ways that they are passed down to renters, and these are the most popular ways that municipalities, special districts, and counties raise revenue for public programs. TABOR prohibits the use of real estate transfer taxes – a small tax when property is sold and wealth gains are realized – or local income taxes that could be used to ensure the wealthy are paying what they owe. This forces local governments to rely on regressive taxes to fund their communities.

City of Denver Public Preschool Extension

The Denver Preschool Program (DPP) was considered innovative when it was first established in 2006 as a locally-funded, high-quality early childhood education initiative for 4-year-olds. In 2006, Denver voters approved a dedicated sales tax of .12 percent to run through 2016 that would fund the program. Denver voters extended the funding through a ballot vote in 2014 – with a .03 percent increase – for another ten years. The program is up for reauthorization and extension in 2023, but this time with no sunset date, so that the program becomes permanent. Voters will be asked to approve the current .15 percent sales tax in full.

Key Context



- According to the [Denver Preschool Program](#), a typical family in 2021-22 could expect to receive at least \$788 per month in tuition assistance, with some receiving up to \$1,000. A “typical family” is considered to be one making \$25,750 annually and attending a quality preschool full-time.
- According to [recent studies](#), full-time infant care costs \$1,730 per month on average in Denver.
- From 2021 to 2022, DPP distributed more than \$18.3 million in tuition credits, with more than 4,300 families with four-year-olds receiving an average of \$790 per month.
- In 2021, DPP started a pilot program to include 3-year-olds, of which they enrolled about 350 children of that age.

Douglas County School District Mill Levy Override

Douglas County is home to the third-largest school district in Colorado. Like many school districts in the state, Douglas County School District (DCSD) is trying to find ways to support its staff and students through increased funding. To that end, the Douglas County School Board is asking voters within the county for an increase in mill levies, or the rate at which property taxes are calculated, to support increased pay for school staff and teachers. In total, the initiative would raise \$66 million a year for the school district.

Key Context



- DCSD is the largest employer in the county with 8,500 employees serving 63,000 preK-12th grade students. There are 90 schools and 41 preschool locations in DCSD.
- In 2018 [Douglas County voters approved a \\$40 million increase](#) to mill levies for DCSD. Half of that money went to increased teacher pay, with the other half going to school-level programming, charter schools, and the hiring of more counselors.
- According to the [National Education Association](#), starting salaries for teachers in Colorado during fiscal year 2021-22 were 49th in the nation at just over \$37,000 annually.

City of Pueblo Increase Lodging Tax for Child Care

In 2022, the [Colorado legislature passed a bill](#) that allowed local governments to use revenues from their lodging taxes – lodging taxes are local taxes on room rentals, mainly for hotels and motels – to fund child care and affordable housing in their communities. Previously, lodging taxes could only be used for marketing and tourism efforts. Some local governments have taken existing lodging taxes and asked voters to reallocate some of that revenue toward child care and/or affordable housing, while others have asked their constituents to raise lodging taxes with the increase going to those two priorities. Dolores, Eagle, Gilpin, Park, and Summit counties increased their lodging taxes through the 2022 ballot to fund affordable housing and child care. Chaffee, Clear Creek, and San Juan counties reallocated existing lodging taxes for these purposes through the 2022 ballot.

Pueblo is asking voters to increase the current 4.3 percent tax on lodging to 5.8 percent, with the increase going to child care assistance. According to the Pueblo City Council, that would raise about \$625,000 annually for child care. That money would be available for families to apply for tuition assistance with licensed child care facilities. Families could receive anywhere from \$20 per month to the entire cost of tuition, depending on factors such as family size, income levels, and amount of days needed for child care. Pueblo is [considered a child care desert](#), which is defined as a place with at least 3 children for each child care slot. The additional funding generated by this measure would alleviate some of the pain points that currently exist by giving tuition assistance to families, and increasing money available to providers so as to increase availability throughout the area.

Key Context



- [According to City Councilor Sarah Martinez](#), child care costs an average of \$1,200 per month for one child in Pueblo.
- The increased lodging tax would cost a visitor an extra \$1.77 per night on a hotel room.
- While lowest-income families are eligible for state assistance for child care through the Colorado Child Care Assistance Program (CCCAP), a large number of families make too much money to qualify, but not enough money to fully afford child care. In Pueblo, families have to make less than \$55,500 annually to qualify for CCCAP, according to Colorado's Department of Early Childhood Education.
- [Previous analysis by the Bell Policy Center](#) shows there are more than three children under six years old for every available child care slot in Pueblo County. For infants and toddlers the number is even higher as there are more than 14 infants and toddlers for every available child care slot.
- In Pueblo County, the financial investment needed to meet the needs of families with child-care-age children is \$20.5 million in 2023 and \$20.6 million in 2024, [according to the Bell Policy Center's Child Care Cost Model](#). If worker wages were self-sufficient – meaning wages that were high enough for workers to meet their basic needs – those numbers would increase to \$23.9 million and \$24 million, respectively.

The local measures the Bell has chosen to highlight are just a sample of the [local questions](#) that voters will be asked to decide in the November 2023 election. The Bell encourages voters to scrutinize their ballots and look for connections between local and state fiscal issues as local governments increasingly step up to provide for services not provided by the state.