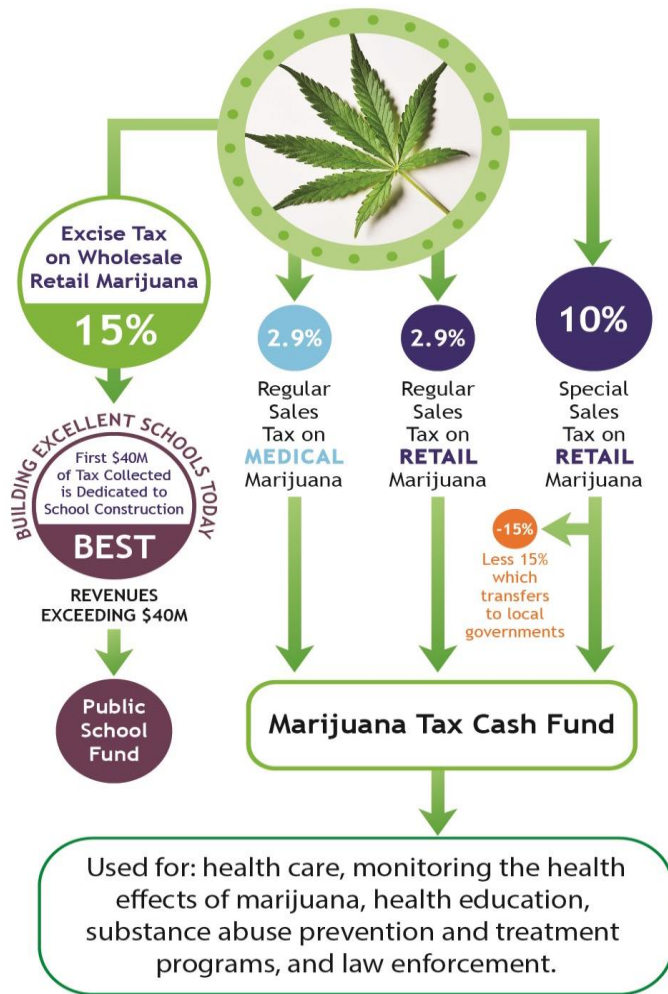


FACT SHEET

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
- Early Literacy Competitive Grant Program
2016-17: \$4.4 million
- School Health Professional Grant Program
2015-16: \$2.3 million
2016-17: \$2.3 million
- School Bullying Prevention & Education Grant Program
2015-16: \$2 million
2016-17: \$900,000
- Drop-out Prevention Programs
2015-16: \$2 million
2016-17: \$900,000
- Public School Fund
2016-17: \$5.7 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 the state legislature to enact an excise tax on marijuana with the first \$40 million collected to go to public school construction.

In 2013, voters approved Proposition AA, which allowed the state to levy up to a 15 percent excise tax on unprocessed marijuana and up to a 15 percent retail tax on retail marijuana. (The state chose to levy a 10 percent tax on retail marijuana.) In addition, both medical and retail marijuana continue to be subject to the state's 2.9 percent sales tax.

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: **\$54.2 million**
Total 2016-17 state education funding: **\$5.4 billion**



How is marijuana tax revenue distributed?

Excise tax: The first \$40 million in excise tax on wholesale retail marijuana is credited to the state's public school capital construction assistance fund. Up to \$5 million of the excise tax is used for charter school capital construction and the remaining funds are used for the Building Excellent Schools Today (BEST) grant program.

Sales tax: Fifteen percent of the revenue from the 10 percent tax on marijuana retail sales is allocated to local governments and apportioned according to the percentage of marijuana sales within city and county boundaries. The remaining 85 percent goes to the Marijuana Tax Cash Fund (MTCF). The entirety of the 2.9 percent sales tax on both retail and medical marijuana also is credited to the MTCF.

Building Excellent Schools Today

The BEST grant program prioritizes health, safety and security issues such as asbestos removal, new roofs, building code violations, and poor indoor air quality. BEST grants are competitive, awarded annually and in most cases must be supplemented with local matching funds.

Marijuana tax revenue is just one of four funding sources for BEST, the total of which is only a fraction of what is needed for the repair, maintenance and construction of Colorado's public schools. A statewide facility assessment determined a need of nearly \$18 billion in capital construction projected through 2018.

Here is how marijuana excise tax revenue has been used for the BEST program:

- In Fiscal Year 2015-16, \$35 million in marijuana excise tax was allocated to the BEST program plus an additional \$40 million was paid into the fund from a one-time disbursement resulting from Proposition BB, a successful statewide ballot measure in 2015 that allowed the state to keep the surplus in marijuana tax revenue.
- In Fiscal Year 2016-17, \$35 million of marijuana excise tax was allocated to the BEST program with the excess \$5.7 million going to the Public School Fund.

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, to monitor the health effects of marijuana, health education, substance abuse prevention and treatment programs and law enforcement.

Under MTCF CDE received money specifically for:

- 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 incidents.
- Grants to fund drop-out prevention programs.
- Early Literacy Competitive Grants to ensure reading is embedded into K-3 curriculum. (For 2016-17 only).

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

Marijuana Use Among Youth in Colorado



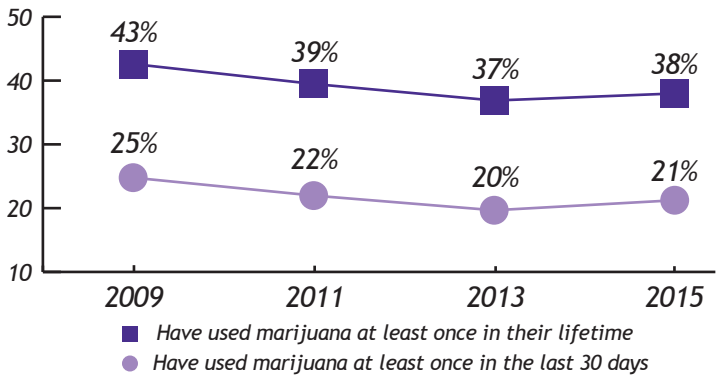
The Healthy Kids Colorado Survey (HKCS) is a tool we use to better understand the health of Colorado’s middle and high school students so we can support them in making healthy choices. The following images represent Colorado high school student data from 2015. For more information and complete survey data, visit healthykidscolo.org.

MARIJUANA USE



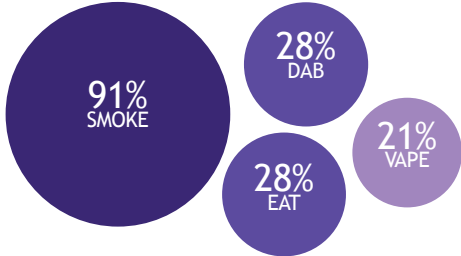
4 out of 5 (78%) Colorado high schoolers, have **NOT** used marijuana in the last 30 days.

YOUTH MARIJUANA USE REMAINS RELATIVELY UNCHANGED

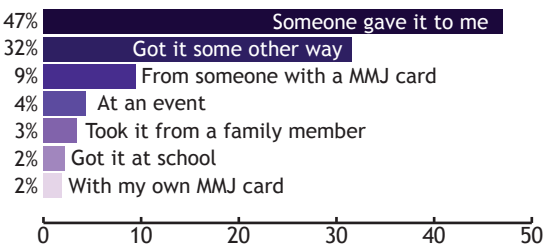


HOW YOUTH USE MARIJUANA

Among high school students who have used marijuana in the last 30 days

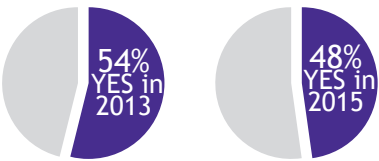


HOW YOUTH GET MARIJUANA



IS MARIJUANA USE RISKY?

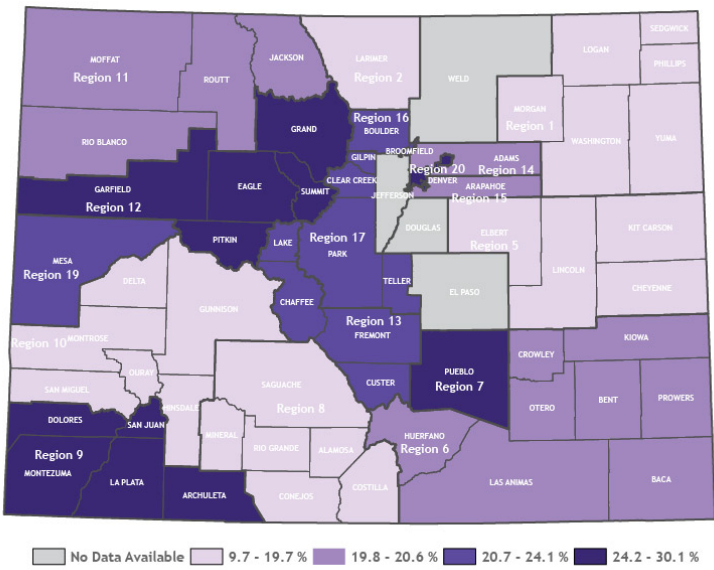
Fewer students see regular marijuana use as risky behavior.



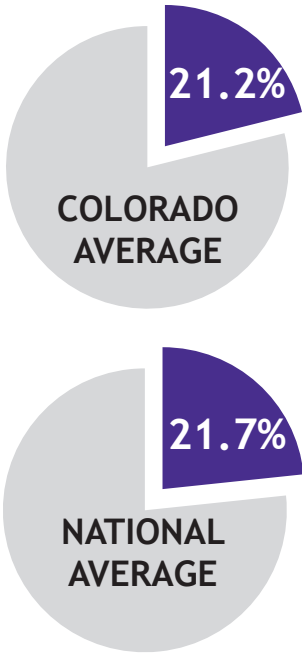
Go to GoodToKnowColorado.com/talk to learn more about how to talk with youth.

REGIONAL BREAKDOWN

Of youth who currently use marijuana



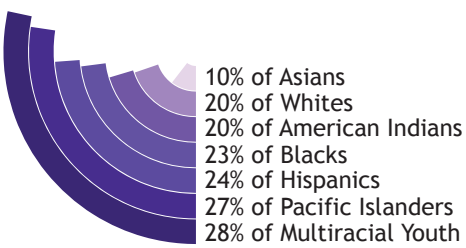
CO YOUTH CURRENT MARIJUANA USE COMPARED TO THE NATIONAL AVERAGE



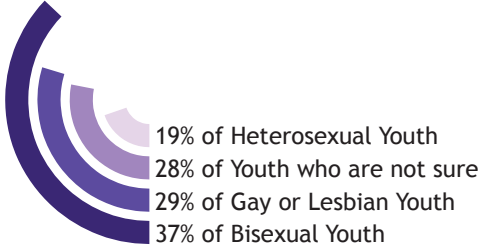
HEALTH INEQUITIES

Demographic breakdown of marijuana users among a specific identity

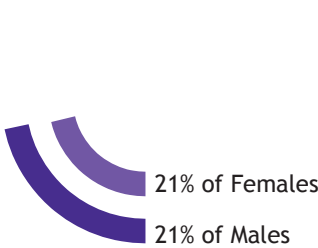
RACE/ETHNICITY



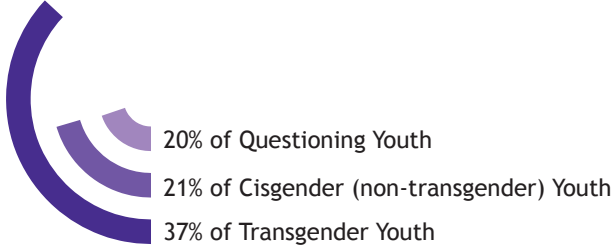
SEXUAL ORIENTATION



SEX

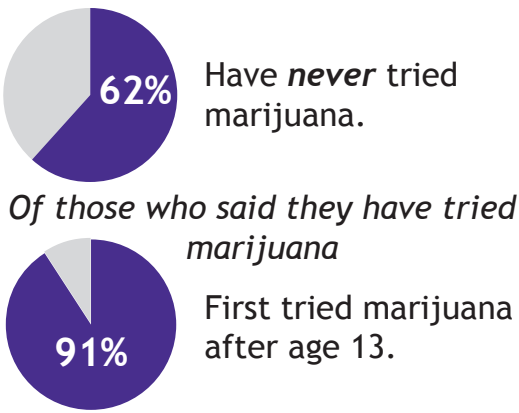


GENDER IDENTITY



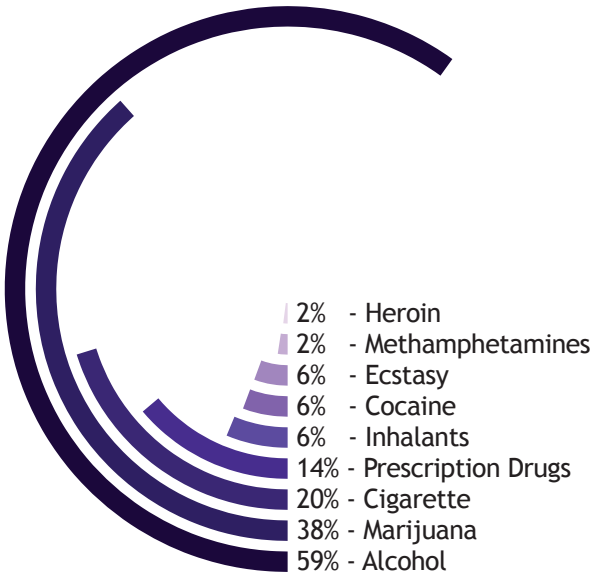
Health equity is when all people, regardless of who they are or what they believe, have the opportunity to attain their full health potential. Achieving health equity requires valuing all people equally with focused and ongoing efforts to address inequalities.

AGE OF FIRST USE



MARIJUANA IS THE SECOND MOST USED SUBSTANCE

Percent of high school students who have used substances at least once in their lifetime



ADULTS CAN HELP REDUCE YOUTH MARIJUANA USE



Supportive Teachers: Youth who agree that teachers care and encourage them are 1.7x LESS likely to use.



Talking with Parents: Youth who can ask a parent/guardian for help are 1.6x LESS likely to use.



Family Rules: Youth who have clear family rules are 1.7x LESS likely to use.



Parents' Opinion: If a parent feels like it's wrong, their children are 4x LESS likely to use.



COLORADO
Department of Public Health & Environment



Colorado Legislative Council Staff

ISSUE BRIEF

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DISTRIBUTION OF MARIJUANA TAX REVENUE

By Larson Silbaugh

Marijuana Taxes

This *issue brief* provides an overview of marijuana tax revenue. Three state taxes apply to marijuana, with medical and retail marijuana taxed differently. Both medical and retail marijuana are subject to the existing 2.9 percent state sales tax, which is applied to most purchases in the state. Additionally, retail marijuana is subject to a 10 percent sales tax, levied on retail sales, and a 15 percent excise tax, levied on the first transfer of marijuana from a wholesaler to a processor or retailer. The new taxes on retail marijuana were approved by voters with the passage of Proposition AA in 2013. Table 1 shows the state taxes that apply to medical and retail marijuana.

Table 1
State Taxes on Medical and Retail Marijuana

	Medical Marijuana	Retail Marijuana	Uses
State Sales Tax (2.9%)	✓	✓	Marijuana Tax Cash Fund
Special Sales Tax (10.0%)		✓	85% Marijuana Tax Cash Fund, 15% to Local Governments
Excise Tax (15.0%)		✓	First \$40 million for public school construction, excess to Public School Fund

Voters approved Proposition BB in 2015, allowing the state to retain and spend \$66.1 million in marijuana tax revenue rather than refund it to voters. This money was spent in FY 2015-16, in addition to other marijuana money appropriated by the legislature.

Uses of State Marijuana Tax Revenue

Tax revenue collected from the sale of marijuana is deposited in two different funds: the Building Excellent Schools Today (BEST) Fund and the Marijuana Tax Cash Fund (MCTF). A portion of marijuana tax revenue is constitutionally dedicated to the BEST fund, while the uses of the MCTF are set in state law. These funds are described below.

Building Excellent School Today (BEST) Fund. When voters approved retail marijuana legalization, they dedicated the first \$40 million in excise tax revenue to school construction in the state constitution. To facilitate this, the General Assembly referred a 15 percent excise tax to voters, with the first \$40 million deposited in the BEST fund. Any excise tax revenue that exceeds \$40 million each year is deposited in the Public School Fund.

The BEST fund is used to renew or replace deteriorating public schools. The program prioritizes funding based on issues such as asbestos removal, building code violations, overcrowding, and poor indoor air quality. BEST grants are awarded annually on a competitive basis.

Marijuana Tax Cash Fund. In 2014, the legislature created the MCTF. State sales tax revenue collected on medical and retail marijuana sales is paid to the fund, along with 85 percent of special sales tax revenue. The remaining 15 percent of the special sales tax revenue is distributed to local governments that have allowed retail marijuana sales.

The money in the MCTF is required to be spent the year after it is collected and used for health care, health education, substance abuse prevention and treatment programs, and law enforcement. Spending the money for other purposes requires a change in law.

Table 2 shows how marijuana revenue has been distributed, including the excise tax revenue to the BEST fund, the MCTF appropriations, and the Proposition BB refund account for FY 2015-16 and FY 2016-17.

Table 2
Marijuana Tax Revenue Distributions, FY 2015-16 and FY 2016-17

Agency	Program	FY 2015-16	FY 2016-17
Department of Education	School Health Professional Grant Program to address behavioral health issues in public schools	\$2,280,444	\$2,280,833
	School bullying prevention and education	2,000,000	900,000
	Drop-out prevention programs	2,000,000	900,000
	HB 16-1408 allocations for health-related programs		4,378,678
	School Construction – BEST fund	77,900,000	40,000,000
	Public School Fund		5,700,000
Governor's Office	Office of Marijuana Coordination	190,097	216,944
Department of Health Care Policy and Financing	Substance use screening, brief intervention, and referral treatment program	500,000	750,000
Department of Human Services	Expansion of Tony Grampsas Youth Services program grants for prevention	3,000,000	373,672
	Youth mentoring services	1,000,000	1,000,000
	Substance abuse and treatment contracts	500,000	1,056,298
	Expansion and enhancement of jail-based behavioral health services	1,550,000	1,550,000
	Enhancement of S.B. 91-094 programs to provide alternatives to incarceration at the local level	2,000,000	2,000,000
	Treatment for individuals requiring residential treatment for substance use disorders		6,000,000
	Mental health services for juvenile and adult offenders		3,025,192
	Rural co-occurring disorder services		500,000
Department of Law	Circle Program	1,911,612	1,852,824
	Development of in-house expertise on regulations	436,766	286,766
	Peace Officers Standards and Training Board expanded training activities	1,168,000	750,000
Department of Public Health and Environment	Peace Officers Standards and Training Board support	200,000	
	Public awareness marijuana education campaign	4,650,000	7,025,000
	Healthy Kids Colorado survey	781,789	745,124
	Cannabis health environmental and epidemiological training, outreach and surveillance	320,388	320,388
	Marijuana reference library and lab testing	376,434	294,141
	Health survey data collection		238,000
	Substance abuse prevention		7,217,162
	Retail Marijuana Health Research Grants		343,622
	Development of database to ensure medical marijuana patients have a single caregiver	1,068,560	
	HB 16-1408 allocations for health-related programs		1,767,584
Department of Public Safety	Poison control centers	1,000,000	123,383
	Juvenile diversion programs		400,000
	Inclusion of medical marijuana information in law enforcement questionnaires		61,940
	Jail-based survey on homelessness		159,983
	Scientific study of marijuana law enforcement activities	159,983	79,992
Department of Local Affairs	Public safety intelligence support	51,345	56,998
	Local impact grants	1,082,132	1,180,695
Department of Agriculture	Pesticide control and regulation	314,633	1,589,230
	Industrial hemp certified seed program	249,763	254,863
	FFA and 4-H programs at the state fair	300,000	300,000
Department of Revenue	Marijuana Enforcement Division	7,880,009	7,967,735
Department of Transportation	Marijuana-Impaired Driving Campaign	450,000	950,000
Department of Higher Education	Cannabis Research Institute at CSU-Pueblo		900,000
TOTAL		\$115,321,955	\$105,497,047

Sources: Joint Budget Committee, Legislative Council Staff June 2016 Marijuana Revenue Forecast.