

## Possible Tobacco Tax Language for Early Childhood Education

Updated April 24, 2019

### Ballot Question

"Shall state taxes be increased by \$ \_\_\_\_ annually by imposing a tax on nicotine liquids used in e-cigarettes that is equal to the total state tax on tobacco products, increasing the tobacco products tax by 22% of the manufacturer's list price, and increasing the cigarette tax by 8.75 cents per cigarette, and using the revenue to invest in Coloradans' health and education, specifically programs that reduce the use of tobacco and nicotine products, provide behavioral health and substance use services for children and youth, lower the cost of health care, **enhance the voluntary Colorado Preschool Program and make it widely available**, provide expanded learning opportunities for Colorado's children and youth, and maintain the funding for programs that currently receive revenue from tobacco taxes, with annual audits on the use of the new tax revenue and with the state keeping and spending the new tax revenue notwithstanding any limitations provided by law?"

### Creation of Cash Fund

The Preschool Programs Cash Fund is hereby created in the state treasury. The fund consists of money credited to the fund. The State Treasurer shall credit all interest and income derived from the deposit and investment of money in the preschool programs cash fund to the fund. Total revenue will be distributed in the following way: For the 2019-20 and 2020-21 fiscal years, 35% to the Preschool Programs Cash Fund; for the 2021-22 fiscal year, 30% to the Preschool Programs Cash Fund, and for the 2022-23 fiscal year and each fiscal year thereafter, 27.5% to the Preschool Programs Cash Fund.

### Purpose and Allowed Use of the Cash Fund

(c) It is the general assembly's intent that the money in the cash fund be used to expand and enhance the Colorado Preschool Program in order to improve the availability, affordability, and quality of voluntary early childhood education with a goal, over time and subject to adequate revenue, of serving all of Colorado's young children whose families choose it.

(d) Subject to annual appropriation by the General Assembly, the department may expend money from the fund to:

- (I) Provide financial assistance to help families afford early childhood education;
- (II) Increase access to preschool services for Colorado children and improve the quality of preschools;
- (III) Provide for mixed delivery options to support parent choice of either school-based or community-based options.
- (III) Improve the affordability and availability of quality early childhood education programs and facilities, including offering voluntary preschool programs that match parents' and children's needs for length of day and length of year so children are ready for school;
- (IV) Increase the capacity of licensed early childhood education programs so families that need early childhood education have access;
- (V) Recruit, train, and retain early childhood education professionals;
- (VI) Support the availability of quality early childhood education offered in Head Start, Early Head Start, and licensed early childhood education settings;
- (VII) Improve the quality of early childhood education programs;
- (IX) Strengthen coordination with existing early childhood systems and initiatives and advance alignment with the K-12 system to support children's transitions to school
- (VIII) Collect, analyze and measure data to evaluate program effectiveness, including by measuring child and family outcomes; AND
- (IX) Fund any other use that is consistent with the purpose specified in subsection (4)(c) of this section.