

Initiative #195 and Its Potential Impact on Steamboat Springs RE-2 School District

Great Education Colorado



How Initiative 195 – the Graduated Income Tax Ballot Measure – Works

- Replaces Colorado's flat income tax (4.4%) with a graduated system
- Lowers taxes for Colorado Taxable Income under \$500,000
- Increases taxes only on the top 2–3% of earners
- Generates dedicated new revenue for public investments (at least \$2 billion per year statewide)



Ballot Language Summary

Shall state taxes be increased \$2.7 billion annually... to improve funding for:

- K-12 public education
- Health care
- Early childhood education

...by replacing the flat income tax with a graduated income tax system and allowing the state to retain and spend the additional revenue?



Impact by Income Level (Statewide)

The 2025 federal tax breaks mean that **people making \$550,000** got average cuts of **\$18,000**. For filers making **\$31,000** the cut was about **\$70**.

Initiative 195 Change in Income Taxes Owed by Income Category

Income Categories	Current Average Income Tax Owed	Proposed Average Income Tax Owed	Proposed Change in Average Income Tax Owed if Passed + or -
\$25,000 or less	\$59	\$50	-\$9
\$25,001 - \$50,000	\$751	\$632	-\$119
\$50,001 - \$100,000	\$1,877	\$1,666	-\$210
\$100,001 - \$200,000	\$4,126	\$3,828	-\$298
\$200,001 - \$500,000	\$9,344	\$9,019	-\$325
\$500,001 - \$1,000,000	\$19,288	\$18,963	-\$325
\$1,000,001 - \$2,000,000	\$29,432	\$34,196	+\$4,764
\$2,000,001 - \$5,000,000	\$41,196	\$55,110	+\$13,914

Income categories use adjusted gross income reported to the federal Internal Revenue Service.



Why This Matters for Colorado Public Ed

- Colorado schools face multi-billion-dollar funding gaps and budget pressures
- Districts continue to absorb impacts from staffing shortages, inflation, rising health care and programs costs.
- Education's share of the state General Fund has been shrinking



■ K-12 (41.2%) ■ Other (58.8%)



■ K-12 (28%) ■ Other (72%)

Initiative #195 provides a sustainable, voter-approved revenue stream to help close these gaps.



We estimate that Initiative 195 (the graduated income tax ballot measure, led by the Protect Colorado's Future coalition) would deliver at least **\$700 Million*** in added funding to public education starting July 1, 2027.

* For purposes of modeling, projected new revenue is based on a conservative assumption that 35% of new revenue is allocated to the K-12 School Finance Act (SFA). These are additional dollars above and beyond the SFA. The dollars represent the District's percentage of the statewide student population.

**What it would mean for
Steamboat Springs RE-2 School District**



We estimate that Initiative 195 (the graduated income tax ballot measure, led by the Protect Colorado's Future coalition) would deliver at least **\$2,060,000*** in added funding to Steamboat Springs RE-2 School District in the first year.

* This estimate of projected added revenue is based on a conservative assumption that 35% of new revenue is allocated to the K-12 School Finance Act. Pending passage of the 2026-27 School Finance Act, the calculation is based on the average per pupil increase, multiplied by the 2025-26 student count.



Steamboat Springs RE-2 Financial Snapshot

Projected Additional Revenue Starting July 1, 2027	\$2,060,000
Current % of budget funded through State vs Local (in Total Program Funding)	State: 63%
	Local: 37%
Total state funding shortfall (measured through Budget Stabilization Factor)	-\$29,912,684 <i>(Cumulative loss over 2009 - 2024)</i>



Community Economic Context Routt County

Median income in Routt County \$104,803

% of Tax Filers Below \$500K: 98.6%

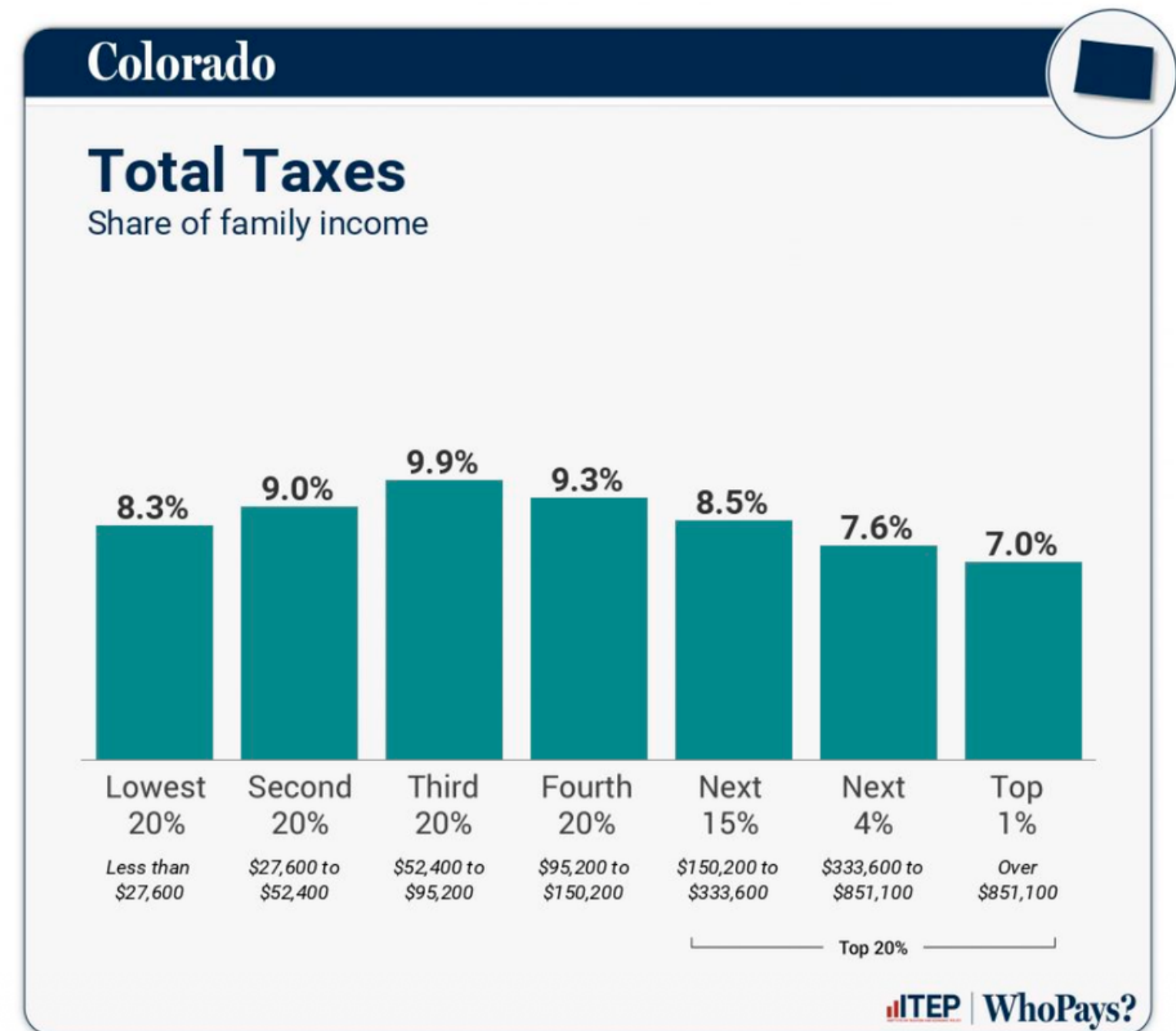
Approximately 98.6% of taxpayers earn under \$500,000 in Routt County and would receive a tax cut under Initiative #195.

Based on the most recent data published by the Colorado Department of Revenue. Routt is part of the Western Slope Region, which includes: Archuleta, Delta, Dolores, Eagle, Garfield, Grand, Gunnison, Hinsdale, Jackson, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, and Summit counties.

Frequently Asked Questions

Why change Colorado's tax system?

Colorado's current tax system is upside-down: families with lower and middle incomes pay a higher share of what they earn in taxes than the wealthiest Coloradans. By moving to a graduated income tax, Initiative 195 would make the system fairer while generating sustainable funding for public education and essential services.



How is this different than the last times we tried this?

Persistence matters: Re-engaging signals continued need; stopping sends the opposite message.

Stronger infrastructure: Existing petition systems and experience make this effort more efficient.

Improved voter support: Polling starts higher (55% yes / 38% no), about 10 points above last effort.

Proven grassroots impact: Community ambassadors helped maintain support through past elections.

New communication advantage: Data visuals (charts) and tested messaging resonate more strongly with voters.

How do we overcome the "SHALL TAXES BE RAISED BY . . ." language required by TABOR that starts the ballot question?

- **Lead with clarity:** Use a clear, simple chart to explain the impact.
- **Provide local context:** Share district-specific fact sheets.
- **Build understanding:** Equip stakeholders with strong, consistent Q&A messaging.

How do we know that K-12 will get its fair share and where will it go?

Dedicated funding areas: Revenue is directed to three key priorities, including K–12.

Grow the pie first: Increasing total funding is essential before allocating shares.

Active advocacy required: Securing K–12's share depends on continued engagement.

Strong public support: K–12 education polls well with voters.

Local voice matters: Districts and communities can advocate for how funds are used.

Whole-child impact: Investments in early childhood and health care also benefit students.

Does 195 conflict with SB26-135 (Prop NN)?

- Not at all
 - **SB26-135 (Prop NN)** would raise Colorado's revenue cap and allow the state to invest the revenue it already collects in K–12 public education, without raising taxes
 - **Initiative 195** would remove the part of the constitution that requires all income to be taxed at the same rate, generating new dollars to the Colorado budget

This November, voters have the chance to build a Colorado where today's elementary students will graduate from fully funded high schools.