

1 **DRAFT 7.7.2008**

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

Resolution in support of Initiative 113 concerning severance taxes and funding for Colorado Promise Scholarships and other purposes

Whereas, the Colorado Commission on Higher Education (CCHE) is deeply concerned about the affordability of and access to the state’s institutions of higher education for lower and middle income Colorado students and their families; and

Whereas, Initiative 113 is proposed for a vote of the people on the November 2008 ballot; and

Whereas, Initiative 113 would modify the state severance tax on oil and gas by establishing a flat tax rate of 5.0% (exempting gross income below \$300,000), reducing the exemption for oil and gas wells with minimal production, and eliminating a credit against the tax for property taxes paid to local jurisdictions; and

Whereas, the proposed changes in severance taxes would still result in a net effective rate of severance taxation on oil and gas that would be lower than that assessed by all neighboring states except Utah; and

Whereas, Initiative 113, if passed, would result in an initial annual estimated distribution to the Colorado Promise Scholarship program proposed in the Initiative of \$120 million; and

Whereas, this amount would mean nearly a tripling of funds presently available for comparable state financial aid, enabling the state to make significant progress in meeting the financial aid needs of Colorado students; and

Whereas, Initiative 113 sets out appropriate criteria to be considered by the CCHE is establishing guidelines for administration of the Colorado Promise Scholarship program if the measure is adopted; and

1 Whereas, the CCHE invited and heard testimony favoring and opposing Initiative 113 at its
2 meeting on June 5, 2008; and

3

4 Whereas, the CCHE is mindful of the substantial increase in funding for financial aid for lower
5 and middle income Colorado students and their families that will accrue from passage of
6 Initiative 113; and

7

8 Whereas, the CCHE is permitted under state statute to express its support of or opposition to
9 ballot measures such as Initiative 113;

10

11 NOW, THEREFORE, the Colorado Commission on Higher Education does express its support
12 for Initiative 113 in being placed on the November 2008 ballot and in being approved by the
13 People of the State of Colorado.