

Proposition LL: Retain and Spend State Revenue Exceeding the Estimate for Proposition FF

Placed on the ballot by the legislature • Passes with a majority vote

Proposition LL, if approved, would:

- allow the state to keep \$12.4 million in tax revenue, including interest, that has already been collected for the Healthy School Meals for All Program and exceeded the estimate presented to voters in 2022, rather than refunding it to taxpayers.

What Your Vote Means

YES

A “yes” vote on Proposition LL allows the state to keep and spend \$12.4 million in tax revenue, including interest, that has already been collected for the Healthy School Meals for All Program from households earning \$300,000 or more annually.

NO

A “no” vote on Proposition LL means the state will refund \$12.4 million to households earning \$300,000 or more annually rather than use it for the Healthy School Meals for All Program, reducing taxes on these households.

Summary and Analysis of Proposition LL

What is the Healthy School Meals for All Program?

In November 2022, voters passed Proposition FF, which created the Healthy School Meals for All Program in the Colorado Department of Education. The program reimburses participating school meal providers for offering free school breakfasts and lunches to all K-12 public school students, regardless of family income.

The Healthy School Meals for All Program also included three additional funding components for school meal providers; however, these have not been implemented due to program costs exceeding available funds. These include:

- purchasing products grown, raised, and processed in Colorado to include in school meals;
- increasing wages or providing stipends for employees who prepare and serve school meals;
- and

- offering training, equipment, and technical assistance to help prepare healthy school meals using basic, nutritious ingredients, and to support collaboration between schools, communities, and local food growers.

To date, all program funding has gone toward reimbursement for free school meals and administrative costs.

How is the Healthy School Meals for All Program funded?

The program is funded through state income taxes paid by households with adjusted gross incomes of \$300,000 or more by limiting the amount of money they can deduct from their Colorado taxable income. Deductions for these households are limited to \$12,000 for single filers and \$16,000 for joint filers. This affects an estimated 200,000 individual and joint filers, or about 6 percent of tax returns filed in Colorado. The program also receives federal funds.

There are two measures on the 2025 ballot that impact funding for the Healthy School Meals for All Program. Proposition LL concerns keeping and spending tax revenue that has already been collected for the program under current law and Proposition MM concerns increasing taxes to raise additional revenue for the program.

What does Proposition LL do?

Proposition LL allows the state to keep and spend \$12.4 million in tax revenue that has already been collected for the program, which includes \$11.3 million in tax revenue plus \$1.1 million in interest, rather than refunding it to households earning \$300,000 or more annually. Proposition LL also allows the state to maintain the deduction limits voters approved in 2022 and to keep and spend any future revenue collected under those deduction limits.

Proposition LL also requires the state to spend at least \$1 million on the grant programs, but only if Proposition MM fails.

Table 1
What Happens if Proposition LL Passes or Fails?

If Proposition LL Passes ("Yes" Vote)	If Proposition LL Fails ("No" Vote)
\$12.4 million will be spent on the Healthy School Meals for All Program.	\$12.4 million will be refunded to households earning \$300,000 or more annually.
If Proposition MM passes, taxes are increased for households earning \$300,000 or more annually.	If Proposition MM passes, taxes are increased for households earning \$300,000 or more annually.
If Proposition MM fails, taxes will stay the same for households earning \$300,000 or more annually, as initially approved by voters in 2022.	If Proposition MM fails, taxes are reduced for households earning \$300,000 or more annually.

Why is Proposition LL on the ballot?

The Taxpayer’s Bill of Rights (TABOR) in the Colorado Constitution requires the state to provide voters an estimate of revenue that the state will collect from any new or increased taxes, and to refund any revenue collected above the estimate. The 2022 Blue Book estimated that Proposition FF would increase tax revenue by \$100.7 million in state budget year 2023-24. The actual amount collected was \$112.0 million, or \$11.3 million more than estimated. The state legislature, through House Bill 25-1274, referred Proposition LL to the voters to ask permission to keep and spend this extra revenue, rather than refund it to taxpayers who paid the new tax, and to maintain the original deduction limits created in Proposition FF.

What happens if Proposition LL does not pass?

If Proposition LL does not pass, the state will refund \$11.3 million in tax revenue it has collected, plus \$1.1 million in interest, to taxpayers with adjusted gross incomes of \$300,000 or more. The Department of Revenue will adjust deduction limits for these taxpayers depending on the outcome of Proposition MM, resulting in a tax increase if Proposition MM passes, and a tax decrease if Proposition MM fails.

How does Proposition LL interact with Proposition MM?

Regardless of whether Proposition MM passes, the passage of Proposition LL will allow the state to keep revenue already collected for the Healthy School Meals for All Program.

The deduction limits for affected taxpayers will depend on the outcomes of both Proposition LL and Proposition MM. For a detailed overview of the interaction between Proposition LL and Proposition MM, see Tables 2 and 3 of the Proposition MM analysis.

For information on those issue committees that support or oppose the measures on the ballot at the November 4, 2025, election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

Arguments For Proposition LL

- 1) Proposition LL allows the state to retain revenue that it has already collected to support free meals for all K-12 public school students, rather than refunding it to high-income taxpayers. Access to free meals improves academic outcomes, eliminates stigma for low-income students, and addresses food insecurity. Using all of the collected tax revenue will help ensure that school meals continue to be free for all Colorado public school students.

Arguments Against Proposition LL

- 1) Proposition LL is effectively a tax increase in challenging economic times. The state collected more revenue than it estimated, and it should refund the money to affected taxpayers rather

- 1 than using it for a government program that gives free meals to all students, many of whom
2 come from families who can afford to pay for them.

3 **Fiscal Impact of Proposition LL**

- 4 The fiscal impact will be included in the second draft.