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MEMORANDUM

TO: Marc Jacobson and Roberto Luis Meza
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: March 18, 2022
SUBJECT: Proposed initiative measure 2021-2022 #85, concerning the establishment of a new school meals program

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2021-2022 ## 83 and 84 and ## 86 to 88. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2021-2022 ## 83 and 84 and ## 86 to 88, except as necessary to fully understand the issues raised by the revised proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are incorporated by reference in this memorandum.

Purposes

The major purposes of the proposed amendment to the Colorado Revised Statutes appear to be:

1. To establish the "Healthy School Meals for All Program" to provide free meals in public schools for all students;
2. To increase wages or provide stipends for individuals whom the participating school food authority employs to directly prepare and serve food for school meals;
3. To create the local school food purchasing technical assistance and education grant program to issue a grant to a statewide nonprofit organization to develop and manage a grant program to assist with the promotion of Colorado grown, raised, or processed products to participating school food authorities;
4. To collect additional revenue to fund the "Healthy School Meals for All Program" by increasing federal taxable income for the purposes of calculating state taxable income for taxpayers who claim itemized deductions and who have federal adjusted gross income in the income tax year equal to or exceeding two hundred fifty thousand dollars:
 - a. For a taxpayer who files a single return and the amount by which itemized deductions deducted from gross income exceed ten thousand dollars; and
 - b. For taxpayers who file a joint return and the amount by which itemized deductions from gross income exceed twenty thousand dollars;
5. To collect additional revenue to fund the "Healthy School Meals for All Program" by increasing federal taxable income for the purposes of calculating state taxable income for taxpayers who claim standard deductions and who have federal adjusted gross income in the income tax year equal to or exceeding two hundred fifty thousand dollars:
 - a. For a taxpayer who files a single return and the amount by which the standard deduction deducted from gross income exceeds ten thousand dollars; and
 - b. For taxpayers who file a joint return and the amount by which the standard deduction from gross income exceeds twenty thousand dollars.

Substantive Comments and Questions

The substance of the proposed initiative raises the following question:

1. In proposed section 39-22-104 (3)(s), funding for the "Healthy School Meals for All Program" is connected to the standard deduction claimed by taxpayers. The current standard deduction established in section 63 (c)(7) of the Internal Revenue Code is set to expire on January 1, 2026. At that point, the standard deduction will substantially decrease, which in turn will substantially decrease the funding raised for the "Healthy School Meals for All Program" through section 39-22-104 (3)(s). Will the decrease in the standard deduction require additional funding sources for the "Healthy School Meals for All Program"?

Technical Comments

The following comments address technical issues raised by the form of the proposed initiative. These comments will be read aloud at the public meeting only if the proponents so request. You will have the opportunity to ask questions about these comments at the review and comment meeting. Please consider revising the proposed initiative as suggested below.

1. In proposed section 39-22-104 (s)(I), the sentence begins "For the taxpayer." This language should likely read "For a taxpayer."
2. In proposed section 39-22-104 (s)(II), the sentence begins "For the taxpayer." This language should likely read "For taxpayers."
3. When adding a new part, the word "PART," as well as the short title, should be in all capital letters, not small capitals.