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PROPOSITION NN:

KEEP AND SPEND MONEY FOR EDUCATION AND PUBLIC PURPOSES

COLORADO 2026 BALLOT GUIDE

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SUMMARY

Proposition NN, the name given to the 2026 ballot measure referred by SB26-135, would permanently raise the state's spending limit by billions of dollars in return for a permanent end to TABOR refunds at current tax rates. Over its first 10 years, when there would be excess revenue under current law, the new law would apportion some of the difference to K–12 education and the rest to other programs for children; afterwards, the state government could budget that remainder freely. CSI's latest study evaluates the economic impacts of Proposition NN and discusses the effects of increasing state education funding.

BOTTOM LINE

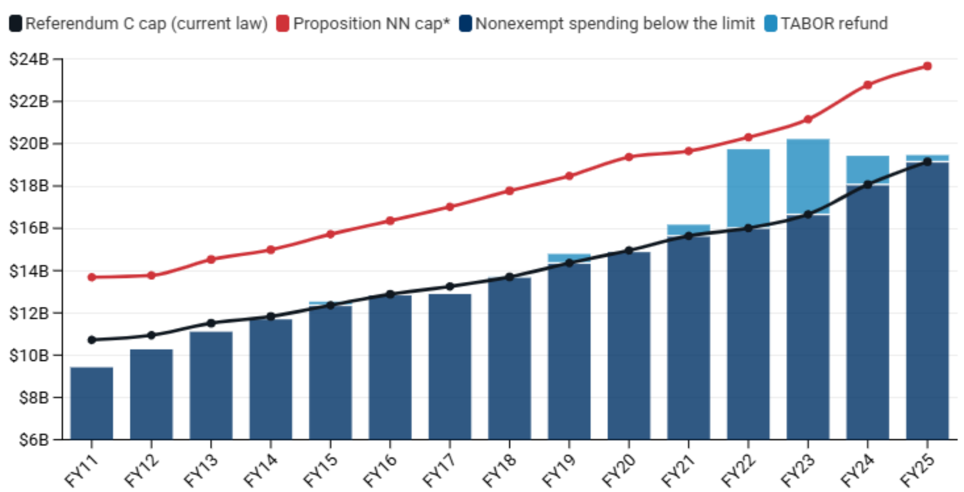
Proposition NN would make a consequential, permanent change to Colorado's fiscal structure: it would allow the state of Colorado to keep $851 million through fiscal year 2028, plus unknown amounts afterwards, that would otherwise have been returned to taxpayers and local governments. This shift would entail costs including fewer private-sector jobs alongside lost GDP and economic output. In return, the growth of state funding for public education, which has not measurably improved academic outcomes, would accelerate.

KEY FACTS

- Excluding reclassified property-tax reimbursements, Proposition NN would raise state spending by $329.9 million in FY27 and $314.9 million in FY28. $241.5 million and $234 million of these amounts, respectively, would fund K–12 education.
- To achieve these spending increases, Proposition NN would eliminate TABOR refunds for the foreseeable future. Taxpayers and local governments would lose a total of $850.9 million in refunds through FY28.
  - Individual filers who earn $50,000 per year would lose $60, those earning $100,000 would lose $96, and those earning $500,000 would lose $341.
- By allowing the government to retain $850.9 million more over the next two budgets rather than refunding it, Proposition NN would cause the following total economic impacts:
  - A total-employment loss between 46 and 2,227 jobs
  - A private-employment loss between 460 and 2,056 jobs
  - Between $12 million and $120 million of lost GDP
  - A loss of economic output between $34 million and $244 million
  - An impact on personal income of between -$376 million and $473 million
- Available data do not support the claim that boosting education funding would improve student achievement. Since 2013, real school-district spending per pupil has risen by 21% while test scores have fallen at benchmark elementary-school, middle-school, and high-school grade levels.

Revenue Subject to TABOR and TABOR Caps under Current and Proposed Law

From FY11 through FY25, Colorado paid $10.1 billion in cumulative TABOR refunds. Had Proposition NN's cap been in place during these years, there would never have been any refunds.



Sources: Colorado General Assembly, JBC staff, LCS, CSI estimates
* Approximations based on historical education spending in the general fund