

HOUSE COMMITTEE OF REFERENCE REPORT

_____ February 21, 2019
Chair of Committee Date

Committee on Rural Affairs & Agriculture.

After consideration on the merits, the Committee recommends the following:

HB19-1132 be amended as follows, and as so amended, be referred to the Committee on Education with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **add** article 99 to
4 title 22 as follows:

5 **ARTICLE 99**

6 **Local School Food Purchasing Programs**

7 **22-99-101. Definitions.** AS USED IN THIS ARTICLE 99, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) "COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS"
10 MEANS ALL FRUITS, VEGETABLES, GRAINS, MEATS, AND DAIRY PRODUCTS,
11 EXCEPT LIQUID MILK, GROWN OR RAISED IN COLORADO AND MINIMALLY
12 PROCESSED PRODUCTS OR VALUE-ADDED PROCESSED PRODUCTS THAT
13 MEET THE STANDARDS FOR THE COLORADO PROUD DESIGNATION,
14 ESTABLISHED BY THE COLORADO DEPARTMENT OF AGRICULTURE, EVEN IF
15 THE PRODUCT DOES NOT HAVE THE COLORADO PROUD DESIGNATION.

16 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION
17 CREATED PURSUANT TO SECTION 24-1-115.

18 (3) "MINIMALLY PROCESSED PRODUCTS" MEANS RAW OR FROZEN
19 FABRICATED PRODUCTS; PRODUCTS THAT RETAIN THEIR INHERENT
20 CHARACTER, SUCH AS SHREDDED CARROTS OR DICED ONIONS; AND DRIED
21 PRODUCTS, SUCH AS BEANS, BUT DOES NOT INCLUDE ANY PRODUCTS THAT
22 ARE HEATED, COOKED, OR CANNED.

23 (4) "PARTICIPATING PROVIDER" MEANS A SCHOOL DISTRICT,
24 CHARTER SCHOOL, BOARD OF COOPERATIVE SERVICES THAT OPERATES A

1 PUBLIC SCHOOL, OR RESIDENTIAL CHILD CARE CENTER AS DEFINED IN
2 SECTION 26-6-102 (5) THAT PARTICIPATES IN THE FEDERAL "RICHARD B.
3 RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.,
4 AND THAT HAS BEEN SELECTED BY THE DEPARTMENT TO PARTICIPATE IN
5 THE SCHOOL FOOD PURCHASING PROGRAM PURSUANT TO SECTION
6 22-99-102 (2)(b).

7 (5) "SCHOOL FOOD PURCHASING PROGRAM" MEANS THE LOCAL
8 SCHOOL FOOD PURCHASING PROGRAM CREATED PURSUANT TO SECTION
9 22-99-102.

10 (6) "TECHNICAL ASSISTANCE AND EDUCATION PROGRAM" MEANS
11 THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND
12 EDUCATION GRANT PROGRAM CREATED PURSUANT TO SECTION 22-99-103.

13 (7) "VALUE-ADDED PROCESSED PRODUCTS" MEANS PRODUCTS
14 THAT ARE ALTERED FROM THEIR UNPROCESSED OR MINIMALLY PROCESSED
15 STATE THROUGH PRESERVATION TECHNIQUES, INCLUDING COOKING,
16 BAKING, OR CANNING.

17 **22-99-102. Local school food purchasing program - creation**
18 **- rules - report.** (1) THERE IS CREATED IN THE DEPARTMENT THE LOCAL
19 SCHOOL FOOD PURCHASING PROGRAM TO REIMBURSE PARTICIPATING
20 PROVIDERS FOR THE PURCHASE OF COLORADO GROWN, RAISED, OR
21 PROCESSED PRODUCTS.

22 (2) (a) ON OR BEFORE DECEMBER 1, 2019, AND ON OR BEFORE
23 DECEMBER 1 OF ANY YEAR THEREAFTER, A SCHOOL DISTRICT, CHARTER
24 SCHOOL, BOARD OF COOPERATIVE SERVICES THAT OPERATES A PUBLIC
25 SCHOOL, OR RESIDENTIAL CHILD CARE CENTER MAY APPLY TO THE
26 DEPARTMENT ON A FORM DEVELOPED BY THE DEPARTMENT TO
27 PARTICIPATE IN THE SCHOOL FOOD PURCHASING PROGRAM TO RECEIVE
28 REIMBURSEMENT FOR THE PURCHASE OF COLORADO GROWN, RAISED, OR
29 PROCESSED PRODUCTS PURSUANT TO THIS SECTION.

30 (b) ON OR BEFORE MARCH 1, 2020, AND ON OR BEFORE EACH
31 MARCH 1 THEREAFTER, THE DEPARTMENT SHALL SELECT PARTICIPATING
32 PROVIDERS. THE DEPARTMENT SHALL SELECT PARTICIPATING PROVIDERS
33 THAT IN THE PREVIOUS YEAR FOR WHICH NUMBERS ARE AVAILABLE THE
34 TOTAL NUMBER OF LUNCHESES PROVIDED BY ALL PARTICIPATING PROVIDERS
35 WAS SEVEN MILLION OR FEWER. THE DEPARTMENT SHALL GIVE
36 PREFERENCE TO APPLICANTS THAT:

37 (I) DEMONSTRATE A COMMITMENT TO LOCAL PURCHASING OR
38 FOOD AND AGRICULTURAL EDUCATION;

39 (II) HAVE A KITCHEN WITH THE ABILITY TO STORE, PREPARE, AND
40 SERVE LOCAL FOOD PRODUCTS;

41 (III) HAVE GREATER THAN TWENTY-FIVE PERCENT OF ITS

1 STUDENTS ELIGIBLE FOR FREE OR REDUCED-PRICE LUNCH PURSUANT TO
2 THE PROVISIONS OF THE FEDERAL "RICHARD B. RUSSELL NATIONAL
3 SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.; AND

4 (IV) SATISFY ANY OTHER ELIGIBILITY REQUIREMENTS
5 ESTABLISHED BY THE STATE BOARD OF EDUCATION BY RULE.

6 (c) ON OR BEFORE AUGUST 1 OF THE YEAR FOLLOWING THE
7 PARTICIPATING PROVIDER'S APPLICATION, THE PARTICIPATING PROVIDER
8 SHALL TRACK AND REPORT TO THE DEPARTMENT ON A FORM DEVELOPED
9 BY THE DEPARTMENT FOR THE SCHOOL YEAR IN WHICH IT APPLIED, AND
10 FOR THE PRIOR YEAR, THE TOTAL AMOUNT OF COLORADO GROWN, RAISED,
11 OR PROCESSED PRODUCTS IT PURCHASED FOR STUDENT MEALS, THE TOTAL
12 AMOUNT OF VALUE-ADDED PROCESSED PRODUCTS IT PURCHASED FOR
13 SCHOOL MEALS, AND THE TOTAL NUMBER OF LUNCHES THAT IT PROVIDED
14 TO STUDENTS.

15 (3) (a) IN OCTOBER 2020 AND EACH OCTOBER THEREAFTER, THE
16 DEPARTMENT SHALL REIMBURSE EACH PARTICIPATING PROVIDER
17 PARTICIPATING IN THE SCHOOL FOOD PURCHASING PROGRAM AS OF THE
18 PREVIOUS DECEMBER 1 FOR THE AMOUNT SPENT FOR MEALS FOR
19 STUDENTS ON COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS, UP
20 TO THE MAXIMUM INCENTIVE ESTABLISHED PURSUANT TO SUBSECTION
21 (3)(b) OF THIS SECTION; EXCEPT THAT A PARTICIPATING PROVIDER SHALL
22 NOT BE REIMBURSED FOR THE AMOUNT OF VALUE-ADDED PROCESSED
23 PRODUCTS THAT EXCEEDS TWENTY-FIVE PERCENT OF THE TOTAL OF THE
24 COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS IT PURCHASED.

25 (b) EACH PARTICIPATING PROVIDER IS ENTITLED TO BE
26 REIMBURSED FOR AN AMOUNT UP TO THE NUMBER OF SCHOOL LUNCHES
27 PROVIDED BY THE PARTICIPATING PROVIDER AS REPORTED TO THE
28 DEPARTMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION, DIVIDED BY
29 THE TOTAL NUMBER OF LUNCHES REPORTED BY ALL PARTICIPATING
30 PROVIDERS, MULTIPLIED BY THE TOTAL APPROPRIATION FOR THE SCHOOL
31 FOOD PURCHASING PROGRAM FOR PARTICIPATING PROVIDERS.

32 (4) REIMBURSEMENT PAYMENTS PURSUANT TO THIS SECTION
33 ACCRUE TO THE PARTICIPATING PROVIDER'S NONPROFIT SCHOOL FOOD
34 ACCOUNT.

35 (5) (a) THE STATE BOARD OF EDUCATION IS AUTHORIZED TO ADOPT
36 RULES TO IMPLEMENT THE SCHOOL FOOD PURCHASING PROGRAM.

37 (b) THE DEPARTMENT IS AUTHORIZED TO MONITOR THE SCHOOL
38 FOOD PURCHASING PROGRAM TO ENSURE PROGRAM INTEGRITY AND TO
39 ANNUALLY REALLOCATE MONEY AMONG PARTICIPATING PROVIDERS TO
40 MAXIMIZE THE AMOUNT OF THE MONEY GIVEN.

41 **22-99-103. Local school food purchasing technical assistance**

1 **and education grant program - created - report.** (1) THERE IS
2 CREATED IN THE DEPARTMENT THE LOCAL SCHOOL FOOD PURCHASING
3 TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM TO ISSUE A
4 GRANT TO A STATEWIDE NONPROFIT ORGANIZATION TO DEVELOP AND
5 MANAGE A GRANT PROGRAM TO ASSIST WITH THE PROMOTION OF
6 COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS TO PARTICIPATING
7 PROVIDERS.

8 (2) SUBJECT TO AVAILABLE APPROPRIATIONS, THE NONPROFIT
9 ORGANIZATION MAY AWARD GRANTS FOR THE FOLLOWING:

10 (a) TRAINING, TECHNICAL ASSISTANCE, AND PHYSICAL
11 INFRASTRUCTURE GRANTS TO PARTICIPATING PROVIDERS, GROWER
12 ASSOCIATIONS, OR OTHER ORGANIZATIONS THAT AGGREGATE PRODUCTS
13 FROM PRODUCERS FOR:

14 (I) PROFESSIONAL CONTRACTING SERVICES TO SUPPORT THE
15 DEVELOPMENT AND SUSTAINABILITY OF LOCAL AND REGIONAL FOOD
16 SYSTEMS;

17 (II) CHEF TRAINING ON FOOD HANDLING AND PROCUREMENT
18 PRACTICES AND SMALL KITCHEN EQUIPMENT PURCHASES;

19 (III) GOOD AGRICULTURAL PRACTICES CERTIFICATION COSTS AND
20 GOOD HANDLING PRACTICES CERTIFICATION COSTS AND TRAINING ON
21 SELLING TO SCHOOLS; AND

22 (IV) CAPACITY BUILDING FOR LOCAL VALUE-ADDED PROCESSED
23 PRODUCTS; AND

24 (b) EDUCATION, OUTREACH, AND PROMOTION FOR:

25 (I) SCHOOLS TO ENGAGE FAMILIES AND COMMUNITIES AROUND THE
26 BENEFITS OF FARM-TO-SCHOOL AND WAYS TO SUPPORT FARM-TO-SCHOOL;
27 AND

28 (II) GROWER ASSOCIATIONS AND GROWERS TO COMMUNICATE TO
29 SCHOOLS AND SCHOOL COMMUNITIES ABOUT THE MULTIPLE BENEFITS OF
30 PURCHASING LOCAL PRODUCTS.

31 (3) THE NONPROFIT ORGANIZATION SHALL ANNUALLY REPORT TO
32 THE DEPARTMENT ON THE TECHNICAL ASSISTANCE AND EDUCATION
33 PROGRAM INCLUDING:

34 (a) THE NUMBER AND TYPES OF ENTITIES RECEIVING GRANTS;

35 (b) THE NUMBER, TYPES, AND PURPOSES OF THE GRANTS AWARDED
36 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION; AND

37 (c) THE TYPES OF EDUCATION AND OUTREACH CONDUCTED BY
38 PARTICIPATING PROVIDERS AND OTHERS PURSUANT TO SUBSECTION (2)(b)
39 OF THIS SECTION.

40 **22-99-104. Evaluation - report.** (1) ON OR BEFORE DECEMBER
41 1, 2021, AND ON OR BEFORE DECEMBER 1 OF EACH YEAR THEREAFTER, THE

1 DEPARTMENT SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES
2 OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, THE RURAL AFFAIRS
3 AND AGRICULTURE COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND
4 THE AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE SENATE,
5 OR ANY SUCCESSOR COMMITTEES, ON THE EFFECT OF THE SCHOOL FOOD
6 PURCHASING PROGRAM ON THE AMOUNT OF COLORADO GROWN, RAISED,
7 OR PROCESSED PRODUCTS PURCHASED BY PARTICIPATING PROVIDERS,
8 INCLUDING:

9 (a) NAMES AND DEMOGRAPHIC DATA OF PARTICIPATING
10 PROVIDERS;

11 (b) DOLLAR AMOUNT SPENT ON COLORADO PRODUCTS DURING THE
12 SCHOOL FOOD PURCHASING PROGRAM, INCLUDING LOCAL PURCHASING
13 DATA FROM THE YEAR PRIOR TO THE SCHOOL FOOD PURCHASING PROGRAM
14 INCLUDED IN THE APPLICATION;

15 (c) PRODUCT CATEGORIES PURCHASED;

16 (d) NUMBER OF COLORADO PRODUCERS OR BUSINESSES
17 PARTICIPATING BY PARTICIPATING PROVIDER AND IN TOTAL;

18 (e) ECONOMIC IMPACT ON PARTICIPATING PROVIDERS, PRODUCERS,
19 AND ECONOMIES; AND

20 (f) QUALITATIVE PRODUCER AND PARTICIPATING PROVIDER
21 SURVEYS.

22 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136
23 (11)(a)(I), THE REPORTING REQUIREMENT PURSUANT TO SUBSECTION (1)
24 OF THIS SECTION CONTINUES INDEFINITELY.

25 **22-99-105. Repeal.** THIS ARTICLE 99 IS REPEALED, EFFECTIVE
26 JANUARY 1, 2023.

27 **SECTION 2. Act subject to petition - effective date.** This act
28 takes effect at 12:01 a.m. on the day following the expiration of the
29 ninety-day period after final adjournment of the general assembly (August
30 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
31 referendum petition is filed pursuant to section 1 (3) of article V of the
32 state constitution against this act or an item, section, or part of this act
33 within such period, then the act, item, section, or part will not take effect
34 unless approved by the people at the general election to be held in
35 November 2020 and, in such case, will take effect on the date of the
36 official declaration of the vote thereon by the governor."

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