First Regular Session Seventy-second General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 19-0775.01 Jerry Barry x4341

HOUSE BILL 19-1132

HOUSE SPONSORSHIP

Buentello and Pelton,

SENATE SPONSORSHIP

Coram,

House Committees

Senate Committees

Rural Affairs & Agriculture Education Appropriations

A BILL FOR AN ACT

101 CONCERNING COLORADO FOOD PRODUCTS IN SCHOOLS, AND, IN
102 CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill establishes a grant program in the department of education (CDE) to encourage providers that are entitled to federal money for lunches for students (eligible providers) to purchase food products from Colorado growers, producers, and processors (Colorado food). Three separate incentives under the grant program reimburse eligible providers for the amount of Colorado food that the provider purchased in the

previous school year or award the eligible provider an amount based on the percentage of Colorado food that the provider purchased in the previous year.

The bill establishes a separate program in CDE to make a grant to a nonprofit organization to make grants to entities that aggregate Colorado food to enhance the sale of Colorado food to schools and to eligible providers to encourage the purchase of Colorado food. The nonprofit organization is required to conduct an annual evaluation and report to CDE.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1.** In Colorado Revised Statutes, **add** article 99 to title 3 22 as follows: 4 **ARTICLE 99** 5 **Local School Food Purchasing Programs** 6 **22-99-101. Definitions.** As used in this article 99, unless the 7 CONTEXT OTHERWISE REQUIRES: 8 (1) "COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS" 9 MEANS ALL FRUITS, VEGETABLES, GRAINS, MEATS, AND DAIRY PRODUCTS, 10 EXCEPT LIQUID MILK, GROWN OR RAISED IN COLORADO AND MINIMALLY 11 PROCESSED PRODUCTS OR VALUE-ADDED PROCESSED PRODUCTS THAT 12 MEET THE STANDARDS FOR THE COLORADO PROUD DESIGNATION, 13 ESTABLISHED BY THE COLORADO DEPARTMENT OF AGRICULTURE, EVEN IF 14 THE PRODUCT DOES NOT HAVE THE COLORADO PROUD DESIGNATION. (2) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION 15 16 CREATED PURSUANT TO SECTION 24-1-115. 17 (3) "MINIMALLY PROCESSED PRODUCTS" MEANS RAW OR FROZEN 18 FABRICATED PRODUCTS; PRODUCTS THAT RETAIN THEIR INHERENT 19 CHARACTER, SUCH AS SHREDDED CARROTS OR DICED ONIONS; AND DRIED 20 PRODUCTS, SUCH AS BEANS, BUT DOES NOT INCLUDE ANY PRODUCTS THAT

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1	ARE HEATED, COOKED, OR CANNED.
2	(4) "PARTICIPATING PROVIDER" MEANS A SCHOOL DISTRICT,
3	CHARTER SCHOOL, BOARD OF COOPERATIVE SERVICES THAT OPERATES A
4	PUBLIC SCHOOL, OR RESIDENTIAL CHILD CARE CENTER AS DEFINED IN
5	SECTION 26-6-102 (5) THAT PARTICIPATES IN THE FEDERAL "RICHARD B.
6	RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.,
7	AND THAT HAS BEEN SELECTED BY THE DEPARTMENT TO PARTICIPATE IN
8	THE SCHOOL FOOD PURCHASING PROGRAM PURSUANT TO SECTION
9	22-99-102 (2)(b).
10	(5) "SCHOOL FOOD PURCHASING PROGRAM" MEANS THE LOCAL
11	SCHOOL FOOD PURCHASING PROGRAM CREATED PURSUANT TO SECTION
12	22-99-102.
13	(6) "TECHNICAL ASSISTANCE AND EDUCATION PROGRAM" MEANS
14	THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND
15	EDUCATION GRANT PROGRAM CREATED PURSUANT TO SECTION 22-99-103.
16	(7) "VALUE-ADDED PROCESSED PRODUCTS" MEANS PRODUCTS
17	THAT ARE ALTERED FROM THEIR UNPROCESSED OR MINIMALLY PROCESSED
18	STATE THROUGH PRESERVATION TECHNIQUES, INCLUDING COOKING,
19	BAKING, OR CANNING.
20	22-99-102. Local school food purchasing program - creation
21	- rules - report. (1) THERE IS CREATED IN THE DEPARTMENT THE LOCAL
22	SCHOOL FOOD PURCHASING PROGRAM TO REIMBURSE PARTICIPATING
23	PROVIDERS FOR THE PURCHASE OF COLORADO GROWN, RAISED, OR
24	PROCESSED PRODUCTS.
25	(2) (a) On or before December 1, 2019, and on or before
26	DECEMBER 1 OF ANY YEAR THEREAFTER, A SCHOOL DISTRICT, CHARTER
27	SCHOOL, BOARD OF COOPERATIVE SERVICES THAT OPERATES A PUBLIC

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1	SCHOOL, OR RESIDENTIAL CHILD CARE CENTER MAY APPLY TO THE
2	DEPARTMENT ON A FORM DEVELOPED BY THE DEPARTMENT TO
3	PARTICIPATE IN THE SCHOOL FOOD PURCHASING PROGRAM TO RECEIVE
4	REIMBURSEMENT FOR THE PURCHASE OF COLORADO GROWN, RAISED, OR
5	PROCESSED PRODUCTS PURSUANT TO THIS SECTION.
6	(b) On or before March 1, 2020, and on or before each
7	MARCH 1 THEREAFTER, THE DEPARTMENT SHALL SELECT PARTICIPATING
8	PROVIDERS. THE DEPARTMENT SHALL SELECT PARTICIPATING PROVIDERS
9	THAT IN THE PREVIOUS YEAR FOR WHICH NUMBERS ARE AVAILABLE THE
10	TOTAL NUMBER OF LUNCHES PROVIDED BY ALL PARTICIPATING PROVIDERS
11	WAS SEVEN MILLION OR FEWER. THE DEPARTMENT SHALL GIVE
12	PREFERENCE TO APPLICANTS THAT:
13	(I) DEMONSTRATE A COMMITMENT TO LOCAL PURCHASING OR
14	FOOD AND AGRICULTURAL EDUCATION;
15	(II) HAVE A KITCHEN WITH THE ABILITY TO STORE, PREPARE, AND
16	SERVE LOCAL FOOD PRODUCTS;
17	(III) HAVE GREATER THAN TWENTY-FIVE PERCENT OF ITS
18	STUDENTS ELIGIBLE FOR FREE OR REDUCED-PRICE LUNCH PURSUANT TO
19	THE PROVISIONS OF THE FEDERAL "RICHARD B. RUSSELL NATIONAL
20	SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.; AND
21	(IV) SATISFY ANY OTHER ELIGIBILITY REQUIREMENTS
22	ESTABLISHED BY THE STATE BOARD OF EDUCATION BY RULE.
23	(c) On or before August 1 of the year following the
24	PARTICIPATING PROVIDER'S APPLICATION, THE PARTICIPATING PROVIDER
25	SHALL TRACK AND REPORT TO THE DEPARTMENT ON A FORM DEVELOPED
26	BY THE DEPARTMENT FOR THE SCHOOL YEAR IN WHICH IT APPLIED, AND
27	FOR THE PRIOR YEAR, THE TOTAL AMOUNT OF COLORADO GROWN, RAISED,

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1	OR PROCESSED PRODUCTS IT PURCHASED FOR STUDENT MEALS, THE TOTAL
2	AMOUNT OF VALUE-ADDED PROCESSED PRODUCTS IT PURCHASED FOR
3	SCHOOL MEALS, AND THE TOTAL NUMBER OF LUNCHES THAT IT PROVIDED
4	TO STUDENTS.
5	(3) (a) (I) IN OCTOBER 2020 AND EACH OCTOBER THEREAFTER,
6	THE DEPARTMENT SHALL REIMBURSE EACH PARTICIPATING PROVIDER
7	PARTICIPATING IN THE SCHOOL FOOD PURCHASING PROGRAM AS OF THE
8	PREVIOUS DECEMBER 1 FOR THE AMOUNT SPENT FOR MEALS FOR
9	STUDENTS ON COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS, UP
10	TO THE MAXIMUM INCENTIVE ESTABLISHED PURSUANT TO SUBSECTION
11	(3)(b) OF THIS SECTION; EXCEPT THAT A PARTICIPATING PROVIDER SHALL
12	NOT BE REIMBURSED FOR THE AMOUNT OF VALUE-ADDED PROCESSED
13	PRODUCTS THAT EXCEEDS TWENTY-FIVE PERCENT OF THE TOTAL OF THE
14	COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS IT PURCHASED.
15	(II) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION $(3)(a)(I)$
16	OF THIS SECTION, THE MAXIMUM AMOUNT OF REIMBURSEMENTS THAT MAY
17	BE AWARDED IN ANY YEAR IS FIVE HUNDRED THOUSAND DOLLARS. IF THE
18	TOTAL OF ALL ELIGIBLE REIMBURSEMENTS AS CALCULATED UNDER
19	SUBSECTION $(3)(a)(I)$ OF THIS SECTION EXCEEDS FIVE HUNDRED THOUSAND
20	DOLLARS, EACH PARTICIPATING PROVIDER'S REIMBURSEMENT AMOUNT
21	MUST BE REDUCED PROPORTIONATELY.
22	(b) EACH PARTICIPATING PROVIDER IS ENTITLED TO BE
23	REIMBURSED FOR AN AMOUNT UP TO THE NUMBER OF SCHOOL LUNCHES
24	PROVIDED BY THE PARTICIPATING PROVIDER AS REPORTED TO THE
25	DEPARTMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION, DIVIDED BY
26	THE TOTAL NUMBER OF LUNCHES REPORTED BY ALL PARTICIPATING
27	PROVIDERS MULTIPLIED BY THE TOTAL APPROPRIATION FOR THE SCHOOL

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1	FOOD PURCHASING PROGRAM FOR PARTICIPATING PROVIDERS.
2	(4) REIMBURSEMENT PAYMENTS PURSUANT TO THIS SECTION
3	ACCRUE TO THE PARTICIPATING PROVIDER'S NONPROFIT SCHOOL FOOD
4	ACCOUNT.
5	(5) (a) THE STATE BOARD OF EDUCATION IS AUTHORIZED TO ADOPT
6	RULES TO IMPLEMENT THE SCHOOL FOOD PURCHASING PROGRAM.
7	(b) THE DEPARTMENT IS AUTHORIZED TO MONITOR THE SCHOOL
8	FOOD PURCHASING PROGRAM TO ENSURE PROGRAM INTEGRITY AND TO
9	ANNUALLY REALLOCATE MONEY AMONG PARTICIPATING PROVIDERS TO
10	MAXIMIZE THE AMOUNT OF THE MONEY GIVEN.
11	22-99-103. Local school food purchasing technical assistance
12	and education grant program - created - report. (1) THERE IS
13	CREATED IN THE DEPARTMENT THE LOCAL SCHOOL FOOD PURCHASING
14	TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM TO ISSUE A
15	GRANT TO A STATEWIDE NONPROFIT ORGANIZATION TO DEVELOP AND
16	MANAGE A GRANT PROGRAM TO ASSIST WITH THE PROMOTION OF
17	COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS TO PARTICIPATING
18	PROVIDERS.
19	(2) SUBJECT TO AVAILABLE APPROPRIATIONS, THE NONPROFIT
20	ORGANIZATION MAY AWARD GRANTS FOR THE FOLLOWING:
21	(a) TRAINING, TECHNICAL ASSISTANCE, AND PHYSICAL
22	INFRASTRUCTURE GRANTS TO PARTICIPATING PROVIDERS, GROWER
23	ASSOCIATIONS, OR OTHER ORGANIZATIONS THAT AGGREGATE PRODUCTS
24	FROM PRODUCERS FOR:
25	(I) PROFESSIONAL CONTRACTING SERVICES TO SUPPORT THE
26	DEVELOPMENT AND SUSTAINABILITY OF LOCAL AND REGIONAL FOOD
2.7	SYSTEMS:

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1	(II) CHEF TRAINING ON FOOD HANDLING AND PROCUREMENT
2	PRACTICES AND SMALL KITCHEN EQUIPMENT PURCHASES;
3	(III) GOOD AGRICULTURAL PRACTICES CERTIFICATION COSTS AND
4	GOOD HANDLING PRACTICES CERTIFICATION COSTS AND TRAINING ON
5	SELLING TO SCHOOLS; AND
6	(IV) CAPACITY BUILDING FOR LOCAL VALUE-ADDED PROCESSED
7	PRODUCTS; AND
8	(b) EDUCATION, OUTREACH, AND PROMOTION FOR:
9	(I) SCHOOLS TO ENGAGE FAMILIES AND COMMUNITIES AROUND THE
10	BENEFITS OF FARM-TO-SCHOOL AND WAYS TO SUPPORT FARM-TO-SCHOOL;
11	AND
12	(II) GROWER ASSOCIATIONS AND GROWERS TO COMMUNICATE TO
13	SCHOOLS AND SCHOOL COMMUNITIES ABOUT THE MULTIPLE BENEFITS OF
14	PURCHASING LOCAL PRODUCTS.
15	(3) THE NONPROFIT ORGANIZATION SHALL ANNUALLY REPORT TO
16	THE DEPARTMENT ON THE TECHNICAL ASSISTANCE AND EDUCATION
17	PROGRAM INCLUDING:
18	(a) THE NUMBER AND TYPES OF ENTITIES RECEIVING GRANTS;
19	(b) THE NUMBER, TYPES, AND PURPOSES OF THE GRANTS AWARDED
20	PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION; AND
21	(c) THE TYPES OF EDUCATION AND OUTREACH CONDUCTED BY
22	PARTICIPATING PROVIDERS AND OTHERS PURSUANT TO SUBSECTION (2)(b)
23	OF THIS SECTION.
24	22-99-104. Evaluation - report. (1) ON OR BEFORE DECEMBER
25	1,2021, and on or before December 1 of each year thereafter, the
26	DEPARTMENT SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES
27	OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, THE RURAL AFFAIRS

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2	THE AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE SENATE
3	OR ANY SUCCESSOR COMMITTEES, ON THE EFFECT OF THE SCHOOL FOOD
4	PURCHASING PROGRAM ON THE AMOUNT OF COLORADO GROWN, RAISED
5	OR PROCESSED PRODUCTS PURCHASED BY PARTICIPATING PROVIDERS
6	INCLUDING:
7	(a) NAMES AND DEMOGRAPHIC DATA OF PARTICIPATING
8	PROVIDERS;
9	(b) DOLLAR AMOUNT SPENT ON COLORADO PRODUCTS DURING THE
10	SCHOOL FOOD PURCHASING PROGRAM, INCLUDING LOCAL PURCHASING
11	DATA FROM THE YEAR PRIOR TO THE SCHOOL FOOD PURCHASING PROGRAM
12	INCLUDED IN THE APPLICATION;
13	(c) PRODUCT CATEGORIES PURCHASED;
14	(d) Number of Colorado producers or businesses
15	PARTICIPATING BY PARTICIPATING PROVIDER AND IN TOTAL;
16	(e) ECONOMIC IMPACT ON PARTICIPATING PROVIDERS, PRODUCERS
17	AND ECONOMIES; AND
18	(f) QUALITATIVE PRODUCER AND PARTICIPATING PROVIDER
19	SURVEYS.
20	(2) Notwithstanding the provisions of section 24-1-136
21	(11)(a)(I), THE REPORTING REQUIREMENT PURSUANT TO SUBSECTION (1)
22	OF THIS SECTION CONTINUES INDEFINITELY.
23	22-99-105. Repeal. This article 99 is repealed, effective
24	JANUARY 1, 2023.
25	SECTION 2. Appropriation. For the 2019-20 state fiscal year
26	\$168,942 is appropriated to the department of education. This
27	appropriation is from the general fund and is based on an assumption that

AND AGRICULTURE COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND

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1 the department will require an additional 0.3 FTE. To implement this act, 2 the department may use this appropriation for local school food 3 purchasing programs. 4 **SECTION 3.** Act subject to petition - effective date. This act 5 takes effect at 12:01 a.m. on the day following the expiration of the 6 ninety-day period after final adjournment of the general assembly (August 7 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a 8 referendum petition is filed pursuant to section 1 (3) of article V of the 9 state constitution against this act or an item, section, or part of this act 10 within such period, then the act, item, section, or part will not take effect 11 unless approved by the people at the general election to be held in 12 November 2020 and, in such case, will take effect on the date of the 13 official declaration of the vote thereon by the governor.

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