CHAPTER 133

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 24-1390

BY REPRESENTATIVE(S) Bird and Sirota, Taggart, Amabile, Bacon, Boesenecker, Brown, Clifford, Daugherty, Duran, English, Epps, Froelich, Garcia, Hamrick, Hernandez, Herod, Jodeh, Joseph, Kipp, Lieder, Lindsay, Lindstedt, Mabrey, Marvin, McCormick, McLachlan, Ortiz, Parenti, Ricks, Rutinel, Story, Titone, Valdez, Velasco, Weissman, Willford, Woodrow, Young, McCluskie, deGruy Kennedy, Lukens, Mauro, Snyder, Vigil;

also SENATOR(S) Kirkmeyer and Bridges, Zenzinger, Coleman, Cutter, Exum, Hansen, Hinrichsen, Marchman, Michaelson Jenet, Mullica, Priola, Roberts.

AN ACT

CONCERNING MEASURES TO SUPPORT CERTAIN SCHOOL FOOD PROGRAMS IN THE DEPARTMENT OF EDUCATION, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 22-82.9-202, add (3) as follows:

22-82.9-202. Legislative declaration. (3) The general assembly further declares that for purposes of section 17 of article IX of the state constitution, healthy school meals are an essential component to student learning. Free healthy school meals are an important component of an accountable education program to meet state academic standards and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 2. In Colorado Revised Statutes, 22-82.9-203, add (11.5) as follows:

22-82.9-203. Definitions. As used in this part 2, unless the context otherwise requires:

(11.5) "PROVISIONAL PROGRAMS" MEANS ALTERNATIVE OPTIONS THROUGH THE NATIONAL SCHOOL LUNCH PROGRAM AND NATIONAL SCHOOL BREAKFAST PROGRAM TO IMPROVE ACCESS TO FREE MEALS AND TO SIMPLIFY MEAL COUNTING AND CLAIMS PROCEDURES.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

SECTION 3. In Colorado Revised Statutes, 22-82.9-204, **amend** (2), (3), and (4)(b); and **add** (6) and (7) as follows:

22-82.9-204. Healthy school meals for all program - created - advisory group - report - rules - definition - repeal. (2) A school food authority that chooses to participate in the program must annually give notice of participation to the department as provided by rule of the state board. At a minimum, the notice must include evidence that the school food authority is participating in the community eligibility provision as required in subsection (3) of this section PROVISIONAL PROGRAMMING IF DEEMED NECESSARY BY THE DEPARTMENT. THE DEPARTMENT MAY REQUIRE SCHOOL FOOD AUTHORITY MODIFICATIONS TO THE PROGRAM THROUGHOUT THE YEAR TO MAXIMIZE A SCHOOL FOOD AUTHORITY'S FEDERAL REIMBURSEMENTS AS DEEMED NECESSARY BY THE DEPARTMENT.

(3) (a) If the United States department of agriculture creates the option for the state, as a whole, to participate in the community eligibility provision, the department shall participate in the option and shall work with school food authorities and the necessary state and local departments to collect data and implement the community eligibility provision statewide, IF THE DEPARTMENT DETERMINES PARTICIPATION IN THE STATEWIDE COMMUNITY ELIGIBILITY PROVISION MAXIMIZES FEDERAL FUNDING. Until such time as Colorado participates in the community eligibility provision as a state, each participating school food authority, as a condition of participating in the program, must maximize the amount of federal reimbursement by THE SCHOOL FOOD AUTHORITY RECEIVES, INCLUDING, BUT NOT LIMITED TO, participating in PROVISIONAL PROGRAMS, INCLUDING the community eligibility provision for all schools that qualify, for the community eligibility provision and that the participating school food authority servers SUBJECT TO DETERMINATION BY THE DEPARTMENT THAT THE SCHOOL FOOD AUTHORITY'S PARTICIPATION MAXIMIZES FEDERAL REIMBURSEMENT.

(b) ANNUALLY, THE DEPARTMENT SHALL ESTABLISH OPTIONS FOR, AND COMMUNICATE THE OPTIONS TO, EACH SCHOOL FOOD AUTHORITY TO MAXIMIZE FEDERAL FUNDING. A SCHOOL FOOD AUTHORITY THAT CHOOSES AN OPTION OTHER THAN THE OPTIONS ESTABLISHED BY THE DEPARTMENT SHALL NOT RECEIVE HEALTHY SCHOOL MEALS FOR ALL PROGRAM FUNDING AND MUST USE OTHER ELIGIBLE FUNDING SOURCES TO COVER THE COSTS OF SERVING FREE MEALS TO ALL STUDENTS AT THE SCHOOLS OF THE SCHOOL FOOD AUTHORITY.

(4) (b) SUBJECT TO AVAILABLE APPROPRIATIONS, implementation of sections 22-82.9-205 to 22-82.9-207 is conditional upon the state of Colorado being certified to participate in the demonstration project for direct certification for children receiving medicaid benefits that is operated pursuant to 42 U.S.C. sec. 1758 (b)(15) EFFECTIVE BEGINNING IN THE 2025-26 BUDGET YEAR.

(6) (a) ON OR BEFORE JULY 1, 2024, THE DEPARTMENT SHALL CREATE A POLICY FOR SCHOOL FOOD AUTHORITIES TO MAXIMIZE THE COLLECTION OF HOUSEHOLD INCOME APPLICATION FORMS FOR THE NATIONAL SCHOOL LUNCH PROGRAM TO INCREASE FEDERAL FUNDING FOR THE PROGRAM.

(b) School food authorities that choose to participate in the program shall comply with the policy described in subsection (6)(a) of this section

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TO MAXIMIZE THE COLLECTION OF HOUSEHOLD INCOME APPLICATION FORMS FOR THE NATIONAL SCHOOL LUNCH PROGRAM.

(7) (a) The healthy school meals for all program technical advisory group is created in the department. As soon as practicable, the department shall convene the advisory group and the advisory group shall collaborate with school districts, the office of state planning and budgeting, and a representative from the department of agriculture to:

(I) Identify ways to maximize federal reimbursements;

(II) REDUCE COSTS OF THE PROGRAM;

(III) REVIEW COST-SAVINGS OPTIONS, INCLUDING MINIMIZING FOOD WASTE;

(IV) Strengthen the long-term resiliency of the healthy school meals for all cash fund;

(V) CREATE MODEL REVENUE SCENARIOS;

(VI) Provide options and recommendations for balancing program revenues and expenditures in the manner most equitable for students and school food authorities; and

(VII) Draft a report pursuant to subsection (7)(d) of this section with legislative and administrative recommendations.

(b) (I) The advisory group shall solicit input from stakeholders and the public to direct the advisory group's work.

(II) LEGISLATIVE COUNCIL STAFF AND JOINT BUDGET COMMITTEE STAFF SHALL PROVIDE TECHNICAL SUPPORT TO THE ADVISORY GROUP.

(III) THE DEPARTMENT SHALL COLLABORATE WITH THE ADVISORY GROUP TO OBTAIN THE CONTRACTUAL SERVICES NECESSARY FOR THE ADVISORY GROUP'S WORK.

(c) In June 2024 and September 2024, the advisory group shall submit a status report to the joint budget committee on the progress of the advisory group's work.

(d) (I) ON OR BEFORE DECEMBER 1, 2024, THE ADVISORY GROUP SHALL SUBMIT A REPORT SUMMARIZING THE ADVISORY GROUP'S WORK DESCRIBED IN SUBSECTION (7)(a) OF THIS SECTION TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES; THE JOINT BUDGET COMMITTEE; THE STATE BOARD; AND THE GOVERNOR.

(II) IN DECEMBER 2024, THE DEPARTMENT SHALL PRESENT THE ADVISORY GROUP'S REPORT DESCRIBED IN SUBSECTION (7)(d)(I) OF THIS SECTION TO THE JOINT BUDGET COMMITTEE.

(III) IN JANUARY 2025, THE DEPARTMENT SHALL INCLUDE AS PART OF ITS PRESENTATION DURING ITS "SMART ACT" HEARING REQUIRED BY SECTION 2-7-203 INFORMATION CONCERNING THE PROGRAM AND THE REPORT DESCRIBED IN SUBSECTION (7)(d)(I) of this section.

(e) AS USED IN THIS SUBSECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "HEALTHY SCHOOL MEALS FOR ALL PROGRAM TECHNICAL ADVISORY GROUP" OR "ADVISORY GROUP" MEANS THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM TECHNICAL ADVISORY GROUP CREATED IN THIS SUBSECTION (7).

(f) This subsection (7) is repealed, effective July 1, 2025.

SECTION 4. In Colorado Revised Statutes, 22-82.9-205, amend (5) as follows:

22-82.9-205. Local food purchasing grant - amount - advisory committee - verification of invoices. (5) SUBJECT TO AVAILABLE APPROPRIATIONS, this section is effective beginning in the first full budget year after the state of Colorado is certified to participate in the federal demonstration project for direct certification for children receiving medicaid benefits as provided in section 22-82.9-204 (4) and begins including medicaid direct certification in determining school districts' identified student percentages 2025-26 BUDGET YEAR.

SECTION 5. In Colorado Revised Statutes, 22-82.9-206, amend (2) as follows:

22-82.9-206. School meals food preparation and service employees - wage increase or stipend. (2) SUBJECT TO AVAILABLE APPROPRIATIONS, this section is effective beginning in the first full budget year after the state of Colorado is certified to participate in the federal demonstration project for direct certification for children receiving medicaid benefits as provided in section 22-82.9-204 (4) and begins including medicaid direct certification in determining school districts' identified student percentages 2025-26 BUDGET YEAR.

SECTION 6. In Colorado Revised Statutes, 22-82.9-207, amend (4) as follows:

22-82.9-207. Local school food purchasing technical assistance and education grant program - created - report. (4) SUBJECT TO AVAILABLE APPROPRIATIONS, this section is effective beginning in the first full budget year after the state of Colorado is certified to participate in the federal demonstration project for direct certification for children receiving medicaid benefits as provided in section 22-82.9-204 (4) and begins including medicaid direct certification in determining school districts' identified student percentages 2025-26 BUDGET YEAR.

SECTION 7. In Colorado Revised Statutes, 22-82.9-208, amend (2) as follows:

22-82.9-208. Report - audit. (2) (a) The department shall contract with an independent auditor to conduct a biennial financial and performance audit of the implementation of the program, including implementation of section 22-82.9-204 and including implementation of local food purchasing grants pursuant to section 22-82.9-205, distributions for the increase in wages or provision of stipends pursuant to section 22-82.9-206, and implementation of the local school food purchasing technical assistance and education grant program pursuant to section

22-82.9-207, to the extent said sections are in effect as provided in section 22-82.9-204 (4)(b). BEGINNING DECEMBER 1, 2027, the audit of the two budget years in each biennial cycle must be completed by December 1 of the following budget year. The department shall make the audit easily accessible by the public on the department website.

(b) Any appropriation to the department for purposes of an audit that is not expended in a budget year is further appropriated to the department through the close of the following budget year for the same purposes.

SECTION 8. In Colorado Revised Statutes, amend 22-82.9-209 as follows:

22-82.9-209. Program - funding. (1) For the 2023-24 budget year and for each budget year thereafter, the general assembly shall appropriate to the department, by separate line items in the annual general appropriation bill, the amount necessary to implement the program, including the amount required to reimburse participating school food authorities for eligible meals provided to students pursuant to section 22-82.9-204, and including the amount distributed as local food purchasing grants pursuant to section 22-82.9-205, SUBJECT TO AVAILABLE APPROPRIATIONS, AND the amount distributed pursuant to section 22-82.9-206 to increase the wages or provide stipends for staff who prepare and serve school meals, and at least five million dollars annually to implement the local school food purchasing technical assistance and education grant program pursuant to section 22-82.9-207, to the extent said sections are in effect as provided in section 22-82.9-204 (4)(b) SUBJECT TO AVAILABLE APPROPRIATIONS. The department may expend not more than one and five-tenths percent of the total amount annually appropriated pursuant to this section to offset the direct and indirect costs incurred by the department in implementing this part 2.

(2) For the 2023-24 budget year and the 2024-25 budget year, the general assembly shall appropriate money from the state education fund created in section 17 (4) of article IX of the state constitution to cover program costs for which there is not sufficient money in the healthy school meals for all cash fund.

SECTION 9. In Colorado Revised Statutes, 22-82.9-210, **add** (8) and (9) as follows:

22-82.9-210. Healthy school meals for all program general fund exempt account - creation - uses - reporting requirements - definitions - repeal. (8) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER THE BALANCE OF THE ACCOUNT TO THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND CREATED IN SECTION 22-82.9-211.

(9) This section is repealed, effective July 1, 2025.

SECTION 10. In Colorado Revised Statutes, add 22-82.9-211 as follows:

22-82.9-211. Healthy school meals for all program cash fund - creation - uses - reporting requirements - definitions. (1) As used in this section, unless the CONTEXT OTHERWISE REQUIRES:

(a) "CASH FUND" MEANS THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND CREATED IN THIS SECTION.

(b) "HEALTHY SCHOOL MEALS FOR ALL PROGRAM REVENUE" MEANS THE REVENUE GENERATED BY THE ADDITION TO FEDERAL TAXABLE INCOME IN SECTION 39-22-104 (3)(p.5), WHICH REVENUE IS A VOTER-APPROVED REVENUE CHANGE.

(2) The healthy school meals for all program cash fund is created in the state treasury. The cash fund consists of healthy school meals for all program revenue deposited in the cash fund in accordance with subsection (4)(a) of this section. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the cash fund to the cash fund.

(3) (a) Subject to annual appropriation by the general assembly, the department may expend money from the cash fund for the following purposes:

(I) PROVIDING REIMBURSEMENTS TO A PARTICIPATING SCHOOL FOOD AUTHORITY FOR OFFERING ELIGIBLE MEALS WITHOUT CHARGE PURSUANT TO SECTION 22-82.9-204 (1)(b);

(II) AWARDING LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205;

(III) DISTRIBUTING MONEY TO A PARTICIPATING SCHOOL FOOD AUTHORITY TO INCREASE WAGES OR PROVIDE STIPENDS FOR INDIVIDUALS WHOM THE PARTICIPATING SCHOOL FOOD AUTHORITY EMPLOYS TO DIRECTLY PREPARE AND SERVE FOOD FOR SCHOOL MEALS PURSUANT TO SECTION 22-82.9-206 (1);

(IV) AWARDING LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANTS PURSUANT TO SECTION 22-82.9-207; AND

(V) The direct and indirect costs of administering the programs described in this subsection (3)(a), so long as these costs do not exceed one and five-tenths percent of the total amount the general assembly annually appropriates in the same fiscal year for the other purposes described in this subsection (3)(a).

(b) MONEY IN THE CASH FUND SHALL NOT BE USED FOR THE PURPOSES DESCRIBED IN SUBSECTIONS (3)(a)(II), (3)(a)(III), AND (3)(a)(IV) OF THIS SECTION IF THE SUM OF THE ANNUAL TAX YEAR REVENUE RECORDED IN THE CASH FUND AND THE BALANCE IN THE CASH FUND, AS CALCULATED PURSUANT TO SUBSECTION (4) OF THIS SECTION, IS LESS THAN, OR IS ANTICIPATED TO BE LESS THAN, THE ANNUAL EXPENDITURE ANTICIPATED TO BE REQUIRED FOR THE PURPOSES DESCRIBED IN SUBSECTIONS (3)(a)(I) AND (3)(a)(V) OF THIS SECTION. (4) (a) The department of revenue shall, on a monthly basis, record revenues and deposit money in the cash fund in a manner that is aligned with exempt revenues determined pursuant to subsection (4)(b) of this section.

(b) The department of revenue shall, on a monthly basis, report the amount of healthy school meals for all program revenue identified from tax returns to the office of state planning and budgeting and the legislative council staff. The office of state planning and budgeting shall calculate the amount of healthy school meals for all program revenue both projected to be received and actually received by the department of revenue based on income tax return data and other relevant factors. The office of state planning and budgeting shall also identify, in collaboration with the department of revenue, the revenue to be recorded and deposited on a monthly basis by the department of revenue to be recorded and deposited on a monthly basis by the department of revenue to be recorded and deposited on the section (4)(a) of this section, and the total revenue to be recorded and deposited by the department of revenue in the cash fund for the fiscal year.

(c) The amount of healthy school meals for all program revenue identified by the office of state planning and budgeting for each fiscal year must include adjustments for estimation errors discovered for all prior fiscal years. The office shall notify the department of revenue and the legislative council staff of the general assembly of the adjustment amounts.

(d) ON DECEMBER 1, 2024, AND EVERY DECEMBER 1 THEREAFTER, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL REPORT THE AMOUNT OF HEALTHY SCHOOL MEALS FOR ALL PROGRAM REVENUE RECEIVED BY THE DEPARTMENT OF REVENUE IN THE PREVIOUS TAX YEAR BASED ON INCOME TAX RETURN DATA AND OTHER RELEVANT FACTORS. THE GENERAL ASSEMBLY SHALL CONSIDER THIS REPORT WHEN ESTIMATING THE AMOUNT OF MONEY TO APPROPRIATE FOR THE PURPOSES SPECIFIED IN SUBSECTION (3) OF THIS SECTION IN THE NEXT FISCAL YEAR.

(5) IF THE DEPARTMENT DETERMINES THAT THERE IS AN INSUFFICIENT AMOUNT OF MONEY IN THE CASH FUND TO PROVIDE FOR AN EXPENDITURE AUTHORIZED BY THE ANNUAL APPROPRIATION FROM THE CASH FUND FOR THE PURPOSES DESCRIBED IN SUBSECTION (3)(a)(I) OF THIS SECTION, THE DEPARTMENT MAY MAKE THE EXPENDITURE FROM THE GENERAL FUND.

(6) IN ITS ANNUAL SUBMISSION OF THE STATE DEPARTMENT'S BUDGET REQUEST TO THE JOINT BUDGET COMMITTEE, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL REPORT:

(a) The total amount of expenditures from the cash fund made pursuant to subsection (3) of this section; and

(b) The total amount of expenditures from the general fund made pursuant to subsection (5) of this section.

(7) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER THE BALANCE FROM THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM GENERAL FUND EXEMPT ACCOUNT DEFINED IN SECTION 22-82.9-210 TO THE CASH FUND PURSUANT TO SECTION 22-82.9-210 (8).

SECTION 11. In Colorado Revised Statutes, **add** part 3 to article 82.9 of title 22 as follows:

PART 3 LOCAL SCHOOL FOOD PURCHASING PROGRAMS

22-82.9-301. Definitions. As used in this part 3, unless the context otherwise requires:

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

(2) "Department" means the department of education created pursuant to section 24-1-115.

(3) "LOCAL SCHOOL FOOD PURCHASING PROGRAM" OR "PURCHASING PROGRAM" MEANS THE LOCAL SCHOOL FOOD PURCHASING PROGRAM CREATED IN SECTION 22-82.9-302.

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

(5) "NATIONAL SCHOOL LUNCH PROGRAM" MEANS THE FEDERAL SCHOOL LUNCH PROGRAM CREATED IN THE "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., AS AMENDED.

(6) "PARTICIPATING PROVIDER" MEANS A SCHOOL DISTRICT; DISTRICT CHARTER SCHOOL; INSTITUTE CHARTER SCHOOL; BOARD OF COOPERATIVE SERVICES; COLORADO SCHOOL FOR THE DEAF AND THE BLIND, ESTABLISHED IN SECTION 22-80-102; APPROVED FACILITY SCHOOL OR FACILITY, AS DEFINED IN SECTION 22-2-402; OR RESIDENTIAL OR DAY TREATMENT CHILD CARE FACILITY, AS DEFINED IN SECTION 26-6-903, THAT PARTICIPATES IN THE FEDERAL NATIONAL SCHOOL LUNCH PROGRAM AND THAT HAS BEEN SELECTED BY THE DEPARTMENT TO PARTICIPATE IN THE LOCAL SCHOOL FOOD PURCHASING PROGRAM PURSUANT TO SECTION 22-82.9-302 (2)(b).

(7) "State board" means the state board of education created and existing pursuant to section 1 of article IX of the state constitution.

(8) "TECHNICAL ASSISTANCE AND EDUCATION PROGRAM" MEANS THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM CREATED PURSUANT TO SECTION 22-82.9-303.

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

22-82.9-302. Local school food purchasing program - creation - rules. (1) The local school food purchasing program is created in the department to reimburse participating providers for the purchase of Colorado grown, raised, or processed products pursuant to this section.

(2) (a) A school district, district charter school, institute charter school, board of cooperative services, the Colorado school for the deaf and the blind, an approved facility school or facility, or a residential child care facility may apply to the department to participate in the purchasing program to receive reimbursement for purchase of Colorado grown, raised, or processed products pursuant to this section.

(b) (I) The department shall select participating providers that served fewer than two million one hundred fifty thousand school lunches in the 2023-24 school year. The department shall create a form for participating providers to track and report the Colorado grown, raised, or processed products purchased.

(II) THE DEPARTMENT SHALL GIVE PREFERENCE TO APPLICANTS THAT:

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

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

(C) HAVE GREATER THAN TWENTY-FIVE PERCENT OF THEIR STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE LUNCH PURSUANT TO THE NATIONAL SCHOOL LUNCH PROGRAM;

(D) Served fewer than one million two hundred fifty thousand school lunches in the 2023-24 school year count; and

(E) Satisfy any other eligibility requirements established by the department.

(III) TO THE EXTENT POSSIBLE, IN SELECTING PARTICIPATING PROVIDERS, THE DEPARTMENT SHALL ENSURE DIVERSITY IN GEOGRAPHIC LOCATION AND DISTRICT PUPIL COUNT.

(c) On or before August 1 of the year following the participating provider's application, the participating provider shall track and report to the department for the school year in which it applied, and for the

2023-24 School year, the total amount of Colorado grown, raised, or processed products it purchased for student meals and the total number of lunches that it provided to students.

(3) (a) IN OCTOBER 2024, THE DEPARTMENT SHALL REIMBURSE EACH PARTICIPATING PROVIDER PARTICIPATING IN THE PURCHASING PROGRAM AT LEAST FIVE CENTS FOR EVERY SCHOOL LUNCH THAT THE PARTICIPATING PROVIDER PREPARED IN THE 2023-24 SCHOOL YEAR OR A MINIMUM OF ONE THOUSAND DOLLARS, WHICHEVER IS GREATER; EXCEPT THAT A PARTICIPATING PROVIDER IS NOT REIMBURSED FOR THE AMOUNT OF VALUE-ADDED PROCESSED PRODUCTS THAT EXCEEDS TWENTY-FIVE PERCENT OF THE TOTAL OF THE COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS IT PURCHASED.

(b) NOTWITHSTANDING SUBSECTION (3)(a) OF THIS SECTION, THE MAXIMUM AMOUNT OF REIMBURSEMENTS THAT MAY BE AWARDED IN ANY YEAR IS FIVE HUNDRED THOUSAND DOLLARS.

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

(5) (a) The state board is authorized to adopt rules to implement the purchasing program.

(b) The department is authorized to monitor the purchasing program to ensure program integrity.

(c) The department shall create, distribute, and collect producer and participating provider surveys required pursuant to section 22-82.9-304.

(6) IF IN ANY STATE BUDGET YEAR THE DEPARTMENT DOES NOT EXPEND OR ENCUMBER THE FULL AMOUNT OF THE APPROPRIATION FOR THE PURCHASING PROGRAM, UP TO FIVE PERCENT OF THE APPROPRIATION IS AVAILABLE TO THE DEPARTMENT IN THE NEXT STATE BUDGET YEAR TO PAY FOR THE EVALUATION REQUIRED PURSUANT TO SECTION 22-82.9-304.

22-82.9-303. Local school food purchasing technical assistance and education grant program - creation - report. (1) The local school food purchasing technical assistance and education grant program is created in the department. The purpose of the technical assistance and education program is 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 providers.

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

(a) TRAINING, TECHNICAL ASSISTANCE, AND PHYSICAL INFRASTRUCTURE GRANTS TO PARTICIPATING PROVIDERS, GROWER ASSOCIATIONS, OR OTHER ORGANIZATIONS THAT AGGREGATE PRODUCTS FROM PRODUCERS FOR: (I) PROFESSIONAL CONTRACTING SERVICES TO SUPPORT THE DEVELOPMENT AND SUSTAINABILITY OF LOCAL AND REGIONAL FOOD SYSTEMS;

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

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

 $(\mathrm{IV})\ \mathrm{Capacity}\ \mathrm{Building}\ \mathrm{for}\ \mathrm{local}\ \mathrm{value-added}\ \mathrm{processed}\ \mathrm{products}; \mathrm{and}$

(b) Education, outreach, and promotion for:

(I) Schools to engage families and communities around the benefits of farm-to-school and ways to support farm-to-school; and

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

(3) The nonprofit organization shall annually report to the department on the technical assistance and education program, including:

(a) The number and types of entities receiving grants;

(b) The number, types, and purposes of the grants awarded pursuant to subsection (2)(a) of this section; and

(c) The types of education and outreach conducted by participating providers and others pursuant to subsection (2)(b) of this section.

22-82.9-304. Evaluation - report. (1) ON OR BEFORE DECEMBER 1, 2025, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, THE HOUSE OF REPRESENTATIVES AGRICULTURE, WATER, AND NATURAL RESOURCES COMMITTEE, THE SENATE AGRICULTURE AND NATURAL RESOURCES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ON THE EFFECT OF THE PURCHASING PROGRAM ON THE AMOUNT OF COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS PURCHASED BY PARTICIPATING PROVIDERS, INCLUDING:

(a) NAMES AND DEMOGRAPHIC DATA OF PARTICIPATING PROVIDERS;

(b) The dollar amount spent on Colorado grown, raised, or processed products during the purchasing program, including local purchasing data from the 2023-24 school year, that the participating provider included in the application to the purchasing program;

(c) PRODUCT CATEGORIES PURCHASED;

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

(e) ECONOMIC EFFECT ON PARTICIPATING PROVIDERS, PRODUCERS, AND ECONOMIES; AND

(f) QUALITATIVE PRODUCER AND PARTICIPATING PROVIDER SURVEYS.

22-82.9-305. Program funding - state education fund. Purchasing NUTRITIOUS FOODS FROM COLORADO'S FOOD SYSTEMS, INCLUDING LOCAL FARMERS AND RANCHERS, SUPPORTS STUDENTS'NUTRITION AND PROVIDES QUALITY MEALS TO BOOST THE HEALTH AND WELL-BEING OF COLORADO STUDENTS, AND IS AN IMPORTANT COMPONENT OF AN ACCOUNTABLE EDUCATION PROGRAM TO MEET STATE ACADEMIC STANDARDS, AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

22-82.9-306. Repeal of part. This part 3 is repealed, effective July 1, 2026.

SECTION 12. In Colorado Revised Statutes, 24-75-109, **amend** (1)(f) as follows:

24-75-109. Controller may allow expenditures in excess of appropriations - limitations - appropriations for subsequent fiscal year restricted - repeal. (1) For the purpose of closing the state's books, and subject to the provisions of this section, the controller may, on or after May 1 of any fiscal year and before the forty-fifth day after the close thereof, upon approval of the governor, allow any department, institution, or agency of the state, including any institution of higher education, to make an expenditure in excess of the amount authorized by an item of appropriation for such fiscal year if:

(f) The overexpenditure is by the department of education for either:

(I) Providing reimbursements to a participating school food authority for offering eligible meals without charge, pursuant to section 22-82.9-204 (1)(b); or

(II) Distributing money to a participating school food authority to increase wages or provide stipends for individuals whom the participating school food authority employs to directly prepare and serve food for school meals, pursuant to section 22-82.9-206 (1). PROVIDING REIMBURSEMENTS TO A PARTICIPATING SCHOOL FOOD AUTHORITY FOR OFFERING ELIGIBLE MEALS WITHOUT CHARGE, PURSUANT TO SECTION 22-82.9-204 (1)(b).

SECTION 13. In Colorado Revised Statutes, 24-75-201, **amend** (2)(c) as follows:

24-75-201. General fund - general fund surplus - custodial money - repeal. (2) (c) (I) Any unrestricted balance remaining in the healthy school meals for all program general fund exempt account created in section 22-82.9-210 (2) at the end of any fiscal year shall not be designated as part of the general fund surplus.

(II) This subsection (2)(c) is repealed, effective July 1, 2025.

SECTION 14. In Colorado Revised Statutes, 24-75-201.1, **amend** (2)(e) as follows:

24-75-201.1. Restriction on state appropriations - legislative declaration - definitions - repeal. (2) The basis for the calculation of the reserve as specified in this section includes all appropriations for expenditure from the general fund for such fiscal year, except for any appropriations for:

(e) (I) Expenditures from the healthy school meals for all program general fund exempt account created in section 22-82.9-210 (2).

(II) This subsection (2)(e) is repealed, effective July 1, 2025.

			APPROPRIATION FROM								
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS					
\$	\$	\$	\$	\$	\$	\$					

SECTION 15. Appropriation to the department of education for the fiscal year beginning July 1, 2024. Amend as added by House Bill 24-1430 section 2, Part IV (1)(A), (3)(D)(1), (3)(D)(2), and the affected totals, and repeal Footnote 17, as follows:

Section 2. Appropriation.

PART IV DEPARTMENT OF EDUCATION

(1) MANAGEMENT AND ADMINISTRATION

(A) Administration and Cer	ntrally-Appropriat	ed Line Items				
State Board of Education	575,805	575,805				
		(2.5 FTE)				
General Department and						
Program Administration	6,532,726	3,204,516		188,595ª	3,139,615 ^b	
		(23.9 FTE)		(2.1 FTE)	(19.9 FTE)	
Grants Administration	564,452	389,513		174,939°		
Health, Life, and Dental	9,686,767	4,025,403		1,462,109 ^d	968,342°	3,230,913(I)
Short-term Disability	93,966	38,115		12,790 ^d	9,834°	33,227(I)
Paid Family Medical						
Leave Insurance	265,629	96,798	1,277 f	38,371⁴	29,501°	99,682(I)
				39,648 ^d		

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			APPROPRIATION FROM					
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH REA FUNDS	APPROPRIATED FUNDS	FEDERAL FUNDS	
	\$	\$	\$\$	\$	\$	\$		
Unfunded Liability								
Amortization Equalization								
Disbursement	6,264,374		2,498,466	42,478^f	852,690 ª	655,574°	2,215,166(I)	
					895,168 ^d			
Salary Survey	2,167,677		778,984	20,500 f	311,459^d	240,788°	815,946(I)	
					331,959 ^d			
Step Pay	2,163,729		908,997		312,360 ^d	205,099°	737,273(I)	
PERA Direct Distribution	1,304,359		963,385	6,335^f	188,732^d	145,907°		
					195,067 ^d			
Temporary Employees								
Related to Authorized								
Leave	29,961		29,961					
Workers' Compensation	334,121		160,533		43,601 ^d	11,291°	118,696(I)	
Legal Services	1,324,188		818,348		443,603 ^d	62,237 ^e		
Administrative Law								
Judge Services	209,603				209,603 ^g			
Payment to Risk								
Management and								
Property Funds	821,832		821,832					
Capitol Complex								
Leased Space	1,053,714		300,308		191,776 ^d	95,888 ^h	465,742(I)	
CORE Operations	66,377		33,185		25,715 ⁱ	7,477 ^j		

			APPROPRIATION FROM							
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS				
\$	\$	\$	\$	\$	\$\$					

33,459,280

^a This amount shall be from general education development program fees.

^b Of this amount, \$2,270,195 shall be from departmental indirect cost recoveries or the Indirect Costs Excess Recovery Fund created in Section 24-75-1401 (2), C.R.S., and \$869,420 shall be from statewide indirect cost recoveries or the Indirect Costs Excess Recovery Fund created in Section 24-75-1401 (2), C.R.S.

^c Of this amount, \$91,134 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution, \$48,734 shall be from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S., \$27,096 shall be from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S. \$4,459 shall be from the Public School Capital Construction Assistance Fund created in Section 22-43.7-104 (1), C.R.S., and \$3,516 shall be from the Start Smart Nutrition Program Fund created in Section 22-82.7-105 (1), C.R.S. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

^d Of these amounts, \$1,228,130 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution, \$1,098,482(I) shall be from the Educator Licensure Cash Fund created in Section 22-60.5-112 (1)(a), C.R.S., \$597,456 shall be from the Public School Capital Construction Assistance Fund created in Section 22-43.7-104 (1), C.R.S., \$486,345 shall be from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., \$186,980 shall be from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S., \$70,590 SHALL BE FROM THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND CREATED IN SECTION 22-82.9-211 (2), C.R.S., \$44,739 shall be from general education development program fees, and \$215,359 shall be from various sources of cash funds. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

^e Of these amounts, \$2,042,122 shall be from departmental indirect cost recoveries or the Indirect Costs Excess Recovery Fund created in Section 24-75-1401 (2), C.R.S., \$62,237 is estimated to be transferred from the Division of Public School Capital Construction Assistance line item appropriation in the School District Operations section of this department, \$37,047 is estimated to be transferred from the Department of Regulatory Agencies from the Reading Services for the Blind Cash Fund and Disabled Telephone Users Fund in the Public Utilities Commission, \$36,506 is estimated to be from Medicaid funds transferred from the Department of Health Care Policy and

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			ALL KOLKIATION TROM							
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATEI FUNDS	D FEDERAL FUNDS				
			LAEMII I							
\$	\$	\$	\$	\$	\$	\$				

APPROPRIATION FROM

Financing from the Transfer to the Department of Education for Public School Health Services Administration line item in the Executive Director's Office, and \$150,661 shall be from various sources of reappropriated funds.

^f These amounts shall be from the Healthy School Meals for All Program General Fund Exempt Account created in Section 22-82.9-210 (3), C.R.S.

^g Of this amount, \$171,874(I) shall be from the Educator Licensure Cash Fund created in Section 22-60.5-112 (1)(a), C.R.S., and \$37,729 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

^h This amount shall be transferred from the Division of Public School Capital Construction Assistance line item appropriation in the School District Operations section of this department.

ⁱ Of this amount, it is estimated that \$9,616 shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution, \$6,155(I) shall be from the Educator Licensure Cash Fund created in Section 22-60.5-112 (1)(a), C.R.S., \$4,442 shall be from the Public School Capital Construction Assistance Fund created in Section 22-43.7-104 (1), C.R.S., \$3,515 shall be from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., \$1,602 shall be from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S., and \$385 shall be from general education development program fees. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

^j This amount shall be from departmental indirect cost recoveries or the Indirect Costs Excess Recovery Fund created in Section 24-75-1401 (2), C.R.S.

(3) SCHOOL DISTRICT OPERATIONS

(D) Nutrition				
(1) Healthy School Meals	for All Program			
Program Administration ¹⁷				
Administration	887,732	95,908	791,824 *	
	791,824			791,824 ^a

			APPROPRIATION FROM					
ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS		
\$	\$	\$	\$\$		\$\$			
(3.2 FTE)		(1.0 FTE)		(2.2.57				
				(3.2 F1	E)			
137,483,812		22,146,226	115,337,586 *					
				137,483,8	12 ^a			
5,000,000		5,000,000						
5,000,000		5,000,000						
8,400,000		8,400,000						
156,771,544								
138,275,636								
	SUBTOTAL \$ (3.2 FTE) 137,483,812 5,000,000 5,000,000 8,400,000 156,771,544	SUBTOTAL \$ \$ (3.2 FTE) 137,483,812 5,000,000 5,000,000 8,400,000 156,771,544	SUBTOTAL FUND \$ \$	ITEM & TOTAL GENERAL FUND GENERAL FUND \$ \$ \$ \$ \$	ITEM & TOTAL GENERAL GENERAL CASH SUBTOTAL \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ (3.2 FTE) (1.0 FTE) (3.2 FT (3.2 FT 137,483,812 22,146,226 115,337,586* 137,483,8 5,000,000 5,000,000 137,483,8 137,483,8 5,000,000 5,000,000 8,400,000 8,400,000 8,400,000 8,400,000	ITEM & SUBTOTAL TOTAL GENERAL FUND GENERAL FUND EXEMPT CASH FUNDS REAPPROPRIATED FUNDS \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		

^a These amounts OF THESE AMOUNTS, \$116,129,410 shall be from the Healthy School Meals for All Program General Fund Exempt Account, CASH FUND, created in Section 22-82.9-211 (2), C.R.S., AND \$22,146,226 SHALL BE FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4)(a) OF ARTICLE IX OF THE STATE CONSTITUTION.

(2) Other Nutrition Program

Federal Nutrition Programs	156,775,300	104,973	156,670,327(I)
		(0.9 FTE)	(16.1 FTE)
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			 APPROPRIATION FROM							
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND		GENERAL FUND EXEMPT		CASH FUNDS		ROPRIATED UNDS	FEDERAL FUNDS
	\$	\$	\$	\$		\$		\$	\$	
State Match for										
School Lunch Program	2,472,644						2,472,6	44 ^a		
Child Nutrition School										
Lunch Protection Program	841,460						841,4	60 ⁶		
Start Smart	206 484						206.4	010		
Nutrition Program LOCAL SCHOOL FOOD	296,484						296,4	04		
PURCHASING PROGRAMS	675,729						675,7	29 ^b		
	,						(0.4 FT			
Summer Electronics										
Benefits Transfer										
for Children	447,870		223,935							223,935(I)
			(0.9 FTE)							(0.8 FTE)
	160,833,758									
	161,509,487									

^a This amount shall be from the State Public School Fund created in Section 22-54-114 (1), C.R.S., from interest and income earned on the investment of money in the Public School Fund that is credited to the State Public School Fund pursuant to Section 22-41-102 (3)(g), C.R.S.

^b This amount shall be from the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution. Pursuant to Section 17 (3) of Article IX of the State Constitution, appropriations from the State Education Fund are not subject to the limitation on fiscal year spending set forth in Section 20 of Article X of the State Constitution.

^c This amount shall be from the Start Smart Nutrition Program Fund created in Section 22-82.7-105 (1), C.R.S.

			APPROPRIATION FROM					
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH RE Funds	EAPPROPRIATED FUNDS	FEDERAL FUNDS	
	\$	\$	\$	\$\$	\$	\$		
TOTALS PART IV								
(EDUCATION)		\$7,440,497,3 4	6	\$1,363,480,333 *	1,764,077,511⁶	\$104,652,889°	\$870,229,410 ^d	
		\$7,422,677,16	\$3,297,415,069	\$1,247,280,333ª	\$1,903,099,466 ^b			

^a This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.

^b Of this amount, \$5,432,434 contains an (I) notation.

^c Of this amount, \$43,900,000 contains an (I) notation.

^d This amount contains an (I) notation.

FOOTNOTES -- The following statements are referenced to the numbered footnotes throughout section 2.

17 Department of Higher Education, School District Operations, Nutrition, Healthy School Meals for All, Program Administration -- Of the amount appropriated in this line item, up to \$400,000, if not expended prior to the close of the 2024-25 state fiscal year, remains available for expenditure until the close of the 2025-26 state fiscal year.

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SECTION 16. Repeal and reenact, with amendments, as enacted by House Bill 24-1430, section 16, as follows:

SECTION 16. Appropriation to the department of education for the fiscal year beginning July 1, 2023. In Session Laws of Colorado 2023, amend section 7 (1) introductory portion, (1)(f), and add (1)(h) of chapter 89, (SB 23-221), as follows:

Section 7. **Appropriation.** (1) For the 2023-24 state fiscal year, \$171,439,107 is appropriated to the department of education. Of this appropriation, \$156,000,000 is from the healthy school meals for all program general fund exempt account and \$15,439,107 is from the general fund. STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION. To implement this act, the department may use this appropriation as follows:

(f) \$171,000,000 for school meal reimbursements; and

(h) \$100,000 for consulting support, which amount, if not expended prior to the close of the 2023-24 state fiscal year, remains available for expenditure until the close of the 2024-25 state fiscal year.

SECTION 17. Effective date. This act takes effect upon passage; except that sections 15 and 16 of this act take effect only if House Bill 24-1430 becomes law, in which case sections 15 and 16 take effect upon the effective date of this act or House Bill 24-1430, whichever is later.

SECTION 18. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: April 29, 2024