

Proposition LL: Retain and Spend State Revenue Exceeding the Estimate for Proposition FF

Placed on the ballot by the legislature • Passes with a majority vote

Proposition LL, if approved, would:

- allow the state to keep and spend \$12.4 million in tax revenue, including interest, that has already been collected under Proposition FF for the Healthy School Meals for All Program, rather than refunding it to households earning \$300,000 or more annually; and
- maintain current tax deduction limits for households earning \$300,000 or more annually, which are scheduled to change in 2026 under current law to lower the taxes paid by these households.

What Your Vote Means

YES

A “yes” vote on Proposition LL allows the state to keep and spend \$12.4 million in tax revenue that has already been collected for the Healthy School Meals for All Program and maintains current taxes on households earning \$300,000 or more annually.

NO

A “no” vote on Proposition LL means the state will refund \$12.4 million to households earning \$300,000 or more annually and allows deduction limits to change as scheduled under current law, which will lower taxes paid by these households.

Summary and Analysis of Proposition LL

What does Proposition LL do?

Proposition LL allows the state to keep and spend \$12.4 million in tax revenue already collected under Proposition FF for the Healthy School Meals for All Program, which includes \$11.3 million in tax revenue plus \$1.1 million in interest.

Proposition LL also allows the state to maintain the tax deduction limits voters approved in 2022 and to keep and spend any future revenue collected under those deduction limits. Currently, the deduction limits will increase, meaning the taxes paid by these households will decrease.

Finally, Proposition LL requires the state to spend at least \$1.0 million on the local food purchasing and technical assistance programs that are part of the Healthy School Meals for All Program, if this money is not provided through the passage of Proposition MM.

What is the Healthy School Meals for All Program?

In November 2022, voters passed Proposition FF, which created the Healthy School Meals for All Program in the Colorado Department of Education. The program reimburses participating school meal providers that offer free school breakfasts and lunches (“school meals”) to all students at participating public schools, regardless of family income. To qualify for the program, schools must also participate in the National School Lunch Program and receive federal meal funding.

The Healthy School Meals for All Program also included three additional funding components for school meal providers; however, these have not been implemented due to program costs exceeding available funds. These program components include funding to:

- purchase products grown, raised, and processed in Colorado to include in school meals and establish student-parent school meal advisory committees;
- increase wages or provide stipends for employees who prepare and serve school meals; and
- offer training, equipment, and technical assistance to help prepare healthy school meals using basic, nutritious ingredients, and to support collaboration between schools, communities, and local food growers.

How is the Healthy School Meals for All Program funded?

The program is funded through state income taxes paid by households with adjusted gross incomes of \$300,000 or more by limiting the amount of money they can deduct from their Colorado taxable income. Deductions are limited to \$12,000 for single filers and \$16,000 for joint filers through 2025, and will increase in 2026 under current law. Any federal deductions taken above those amounts are added back to a household’s Colorado taxable income. This affects an estimated 200,000 households, or about 6 percent of households filing tax returns in Colorado.

To date, the tax revenue collected has been less than the total cost of the program, because both student participation and inflation were higher than expected. As a result, program funding has only gone towards reimbursement for free school meals and administrative costs.

Under state law, the program is required to have at least \$150 million in funding from new and existing sources to continue offering meals to all public school students. Based on current revenue estimates, if either Proposition LL or Proposition MM passes, the program will meet this revenue target. If both measures fail, then beginning January 2026, only certain students will be offered free school meals. In eligible low-income public schools, free school meals will be offered to all students. In all other public schools, free school meals will be offered to eligible low-income students. Eligibility is determined by federal income requirements.

Why is Proposition LL on the ballot?

The Taxpayer’s Bill of Rights (TABOR) in the Colorado Constitution requires the state to provide voters an estimate of revenue that the state will collect from any new or increased taxes, and to refund any revenue collected above the estimate. It also requires the state to reduce the tax in order to prevent over-collections in future years. The 2022 Blue Book estimated that

Proposition FF would increase tax revenue by \$100.7 million in state budget year 2023-24. The actual amount collected was \$112.0 million, or \$11.3 million more than estimated.

TABOR allows voters to give the state permission to keep revenue that exceeds the estimate in the Blue Book and maintain the current taxes. The state legislature, through House Bill 25-1274, referred Proposition LL to the voters to ask for this permission.

What happens to taxes if Proposition LL fails?

If Proposition LL fails, the state will refund \$11.3 million in tax revenue it has collected, plus \$1.1 million in interest, to households with annual adjusted gross incomes of \$300,000 or more. Additionally, the Department of Revenue will make changes to reduce the amount of taxes these households pay in the future, as current law requires under TABOR.

How does Proposition LL interact with Proposition MM?

For a detailed overview of the interaction between Proposition LL and Proposition MM, the other statewide measure on the ballot, see Tables 2 and 3 of the Proposition MM analysis.

For information on those issue committees that support or oppose the measures on the ballot at the November 4, 2025, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

Argument For Proposition LL

- 1) Proposition LL allows the state to retain revenue that it has already collected to support free school meals for public school students, rather than refunding it to high-income taxpayers. Access to free school meals improves academic outcomes, eliminates stigma for low-income students, and reduces hunger. Using all of the tax revenue the state has already collected will help provide more free school meals to Colorado public school students.

Argument Against Proposition LL

- 1) Proposition LL is effectively a tax increase in challenging economic times. The state collected more revenue than it estimated. It should refund the money to affected taxpayers rather than using it for a government program that gives meals to students even if their families can afford to pay for them.

Fiscal Impact of Proposition LL

Taxpayer Impacts

If Proposition LL passes, the state will retain and spend \$12.4 million, rather than refunding it to households earning \$300,000 or more annually. Additionally, current deduction limits for

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taxpayers earning \$300,000 or more annually will be maintained at 2025 levels rather than being increased beginning in 2026 to comply with the requirements of TABOR.

State Revenue

Proposition LL increases state revenue by an estimated \$6.8 million in state budget year 2025-26 (half-year impact) and \$13.8 million in state budget year 2026-27. This revenue will be collected because the measure maintains current taxes for households earning \$300,000 or more annually. With the passage of Proposition LL, total revenue to the Healthy School Meals for All program is estimated to be \$150.7 million in tax year 2026, which meets the current law revenue target that is required for free school meals to continue to be offered to all students in all public schools. The state budget year begins each July 1 and ends on June 30.

State Spending

Proposition LL increases state spending for the Healthy School Meals for All Program by \$33.0 million in state budget year 2025-26, and \$67.0 million in state budget year 2026-27. This increase includes the following:

- the amount that would have been otherwise refunded to taxpayers (\$12.4 million in state budget year 2025-26 only);
- \$1.0 million in local food purchasing and technical assistance; and
- additional reimbursements to provide free school meals to all students, rather than limiting them to only certain schools and students (\$19.6 million in state budget year 2025-26, and \$66.0 million in state budget year 2026-27 and ongoing). After FY 2026-27, meal reimbursements may be adjusted to match future revenue, as permitted under SB 25-214.

School District Revenue and Spending

Proposition LL provides up to \$33.0 million in additional funding to participating school districts for school meals and local food purchasing and technical assistance in state budget year 2025-26, and \$67.0 million in state budget year 2026-27. The state will continue to reimburse all participating school districts for breakfast and lunches served to all students, rather than restricting meal reimbursements to eligible low-income students and schools. This funding will be distributed through the Healthy School Meals for All Program.

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- maintain current tax deduction limits for households earning \$300,000 or more annually, which are currently scheduled to change in 2026 to lower the taxes paid by these households.

What Your Vote Means

YES

A “yes” vote on Proposition LL allows the state to keep and spend \$12.4 million in tax revenue that has already been collected for the Healthy School Meals for All Program and maintains current taxes on households earning \$300,000 or more annually.

NO

A “no” vote on Proposition LL means the state will refund \$12.4 million to households earning \$300,000 or more annually and allows deduction limits to change, as scheduled under current law, which will lower taxes paid by these households.

Summary and Analysis of Proposition LL

What is the Healthy School Meals for All Program?

In November 2022, voters passed Proposition FF, which created the Healthy School Meals for All Program in the Colorado Department of Education. The program provides state reimbursement to participating school meal providers for offering free school breakfasts and lunches (“school meals”) to all students at participating K-12 schools, regardless of family income. To qualify for the program, schools must also participate in the federal National School Lunch Program and receive federal meal funding.

The Healthy School Meals for All Program also included three additional funding components for school meal providers; however, these have not been implemented due to program costs exceeding available funds.

These program components include:

- purchasing products grown, raised, and processed in Colorado to include in school meals and establishing student-parent school meal advisory committees;
- increasing wages or providing stipends for employees who prepare and serve school meals; and
- offering training, equipment, and technical assistance to help prepare healthy school meals using basic, nutritious ingredients, and to support collaboration between schools, communities, and local food growers.

How is the Healthy School Meals for All Program funded?

The program is funded through state income taxes paid by households with adjusted gross incomes of \$300,000 or more by limiting the amount of money they can deduct from their Colorado taxable income. Deductions are limited to \$12,000 for single filers and \$16,000 for joint filers through 2025, and will increase in 2026 under current law. Any federal deductions taken above those amounts are added back to a household's Colorado taxable income. This affects an estimated 200,000 households, or about 6 percent of households filing tax returns in Colorado.

To date, the tax revenue collected has not been sufficient to cover the cost of the program as more students participated in the free school meal program than projected. As a result, program funding has only gone towards reimbursement for free school meals and administrative costs.

State law specifies that if the Healthy School Meals for All Program does not collect at least \$150 million, free school meals will be limited beginning in 2026 to all students in eligible low-income schools, and to eligible low-income students at all other schools.

There are two measures on the 2025 ballot that impact funding for the Healthy School Meals for All Program. Proposition LL concerns keeping and spending tax revenue that has already been collected under Proposition FF, and Proposition MM concerns increasing taxes to raise additional revenue for the program.

Why is Proposition LL on the ballot?

The Taxpayer's Bill of Rights (TABOR) in the Colorado Constitution requires the state to provide voters an estimate of revenue that the state will collect from any new or increased taxes, and to refund any revenue collected above the estimate. It also requires the state to reduce the tax in order to prevent over collections in future years. The 2022 Blue Book estimated that Proposition FF would increase tax revenue by \$100.7 million in state budget year 2023-24. The actual amount collected was \$112.0 million, or \$11.3 million more than estimated.

TABOR allows voters to give the state permission to keep revenue that exceeds the estimate in the Blue Book and maintain the current taxes. The state legislature, through House Bill 25-1274, referred Proposition LL to the voters to ask for this permission.

What does Proposition LL do?

Proposition LL allows the state to keep and spend \$12.4 million in tax revenue collected for the Healthy School Meals for All Program under Proposition FF, which includes \$11.3 million in tax revenue plus \$1.1 million in interest.

Proposition LL also allows the state to maintain the deduction limits voters approved in 2022 and to keep and spend any future revenue collected under those deduction limits. Currently, the deduction limits voters approved in 2022 will increase, meaning the taxes paid by these households will decrease.

Finally, Proposition LL requires the state to spend at least \$1.0 million on the local food purchasing and technical assistance grant programs, if this money is not provided through the passage of Proposition MM.

What happens if Proposition LL fails?

If Proposition LL fails, the state will refund \$11.3 million in tax revenue it has collected, plus \$1.1 million in interest, to households with annual adjusted gross incomes of \$300,000 or more. Additionally, the Department of Revenue will make changes to reduce the amount of taxes these households pay in the future, as current law requires under TABOR.

If Proposition LL and Proposition MM both fail, a bill passed by the state legislature (Senate Bill 25-214) will limit free school meals to all students in eligible low-income schools, and to eligible low-income students at all other schools.

How does Proposition LL interact with Proposition MM?

For a detailed overview of the interaction between Proposition LL and Proposition MM, the other measure on the ballot, see Tables 2 and 3 of the Proposition MM analysis.

For information on those issue committees that support or oppose the measures on the ballot at the November 4, 2025, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

Argument For Proposition LL

- 1) Proposition LL allows the state to retain revenue that it has already collected to support free meals for K-12 public school students, rather than refunding it to high-income taxpayers. Access to free meals improves academic outcomes, eliminates stigma for low-income students, and addresses food insecurity. Using all of the tax revenue the state has already collected will help provide more free school meals to Colorado public school students.

Argument Against Proposition LL

- 1) Proposition LL is effectively a tax increase in challenging economic times. The state collected more revenue than it estimated, and it should refund the money to affected taxpayers rather than using it for a government program that gives meals to all students, even if their families can afford to pay for them.

Fiscal Impact of Proposition LL

Taxpayer Impacts

If Proposition LL passes, the state will retain and spend, rather than refund, \$12.4 million to households earning \$300,000 or more annually. Additionally, current deduction limits for taxpayers earning \$300,000 or more annually will be maintained at 2025 levels rather than being increased beginning in 2026 to comply with the requirements of TABOR.

State Revenue

Proposition LL increases state revenue by an estimated \$6.8 million in state budget year 2025-26 (half-year impact) and \$13.8 million in state budget year 2026-27. This revenue results from maintaining current taxes for households earning \$300,000 or more annually.

State Spending

Proposition LL increases state spending for the Healthy School Meals for All Program by an estimated \$19.2 million in state budget year 2025-26, and \$13.8 million in state budget year 2026-27. This spending includes the amount that would have been otherwise refunded to taxpayers (\$12.4 million in state budget year 2025-26 only), as well as the amount resulting from maintaining 2025 deduction levels for households earning \$300,000 or more annually (\$6.8 million in state budget year 2025-26 and \$13.8 million in state budget year 2026-27 and ongoing).

School District Revenue and Spending

Proposition LL provides up to an estimated \$19.2 million in additional funding to school districts for school meals in state budget year 2025-26 and \$13.8 million in state budget year 2026-27. This funding will be distributed to districts and schools through the Healthy School Meals for All Program.

Last Draft Comments from Interested Parties

Proposition LL

Retain and Spend State Revenue Exceeding the Estimate for Proposition FF

Kerri Link, representing the Colorado Department of Education School Nutrition Unit:

Good morning,

We have reviewed the final drafts and have the following points for your review and consideration:

Prop LL:

- Page 2, lines 20-21: recommend an addition "...does not collect at least \$150 million **(by passing the related Proposition MM)**, free school meals will be limited..."
- Suggest adding the language from MM- page 4, line 6 - "Eligibility is determined by federal income requirements" to page 2, line 22 of LL to define "eligible low-income schools or students"
- For consideration, states "K-12" throughout the document, but the program and funding is available for PK-12 students.

Martha Tierney, representing Hunger Free Colorado:

Hello,

Please see attached redlines indicating comments and suggested changes from Hunger Free Colorado on the third round Bluebook draft for LL and MM. Once again, I apologize for the formatting issues. Let me know if you have any trouble interpreting any of the comments.

Also please let me know if you have any questions, and we look forward to seeing the final draft when it is ready.

Best,
Martha

Ms. Tierney also submitted Attachment A.

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- maintain current tax deduction limits for households earning \$300,000 or more annually, which are currently scheduled to change in 2026 to lower the taxes paid by these households.

What Your Vote Means

YES

A “yes” vote on Proposition LL allows the state to keep and spend \$12.4 million in tax revenue that has already been collected for the Healthy School Meals for All Program annually and allows deduction limits to remain current on households earning \$300,000 or more annually, which will lower taxes paid by these households.

NO

A “no” vote on Proposition LL means the state will refund \$12.4 million to revenue that has already been collected for the Healthy School Meals for All Program annually and allows deduction limits to change, as scheduled under current law, earning \$300,000 or more annually, which will lower taxes paid by these households.

Summary and Analysis of Proposition LL

What is the Healthy School Meals for All Program?

In November 2022, voters passed Proposition FF, which created the Healthy School Meals for All Program in the Colorado Department of Education. The program provides state reimbursement to participating school meal providers for offering free school breakfasts and lunches (“school meals”) to all students at participating K-12 schools, regardless of family income. To qualify for the program, schools must also participate in the federal National School Lunch Program and receive federal meal funding.

The Healthy School Meals for All Program also included three additional funding components for school meal providers; however, these have not been implemented due to program costs exceeding available funds.

1 These program components include:

- 2 • purchasing products grown, raised, and processed in Colorado to include in school meals and
- 3 establishing student-parent school meal advisory committees;
- 4 • increasing wages or providing stipends for employees who prepare and serve school meals;
- 5 and
- 6 • offering training, equipment, and technical assistance to help prepare healthy school meals
- 7 using basic, nutritious ingredients, and to support collaboration between schools,
- 8 communities, and local food growers.

9 **How is the Healthy School Meals for All Program funded?**

10 The program is funded through state income taxes paid by households with adjusted gross
 11 incomes of \$300,000 or more by limiting the amount of money they can deduct from their
 12 Colorado taxable income. Deductions are limited to \$12,000 for single filers and \$16,000 for
 13 joint filers through 2025, and will increase in 2026 under current law. Any federal deductions
 14 taken above those amounts are added back to a household's Colorado taxable income. This
 15 affects an estimated 200,000 households, or about 6 percent of households filing tax returns in
 16 Colorado.

17 To date, the tax revenue collected has not been sufficient to cover the cost of the program as more
 18 students participated in the free school meal program than projected. As a result, program funding
 19 has only gone towards reimbursement for free school meals and administrative costs.

20 State law specifies that if the Healthy School Meals for All Program does not collect at least \$150
 21 million, free school meals will be limited beginning in 2026 to all students in eligible low-income
 22 schools, and to eligible low-income students at all other schools.

23 There are two measures on the 2025 ballot that impact funding for the Healthy School Meals for
 24 All Program. Proposition LL concerns keeping and spending tax revenue that has already been
 25 collected under Proposition FF, and Proposition MM concerns increasing taxes on households
 26 earning \$300,000 or more annually to raise additional revenue for the program.

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 29 voters an estimate of revenue that the state will collect from any new or increased taxes, and to
 30 refund any revenue collected above the estimate. It also requires the state to reduce the tax in
 31 order to prevent over collections in future years. The 2022 Blue Book estimated that Proposition FF
 32 would increase tax revenue by \$100.7 million in state budget year 2023-24. The actual amount
 33 collected was \$112.0 million, or \$11.3 million more than estimated.

34 TABOR allows voters to give the state permission to keep revenue that exceeds the estimate in the
 35 Blue Book and maintain the current taxes. The state legislature, through House Bill 25-1274,
 36 referred Proposition LL to the voters to ask for this permission.

37 **What does Proposition LL do?**

38 Proposition LL allows the state to keep and spend \$12.4 million in tax revenue collected for the
 39 Healthy School Meals for All Program under Proposition FF, which includes \$11.3 million in tax
 40 revenue plus \$1.1 million in interest.

41 Proposition LL also allows the state to maintain the deduction limits voters approved in 2022 and
42 to keep and spend any future revenue collected under those deduction limits. Currently, the
43 deduction limits voters approved in 2022 will increase, meaning the taxes paid by these
44 households will decrease.

45 Finally, Proposition LL requires the state to spend at least \$1.0 million on the local food purchasing
46 and technical assistance grant programs, if this money is not provided through the passage of
47 Proposition MM.

48 **What happens if Proposition LL fails?**

49 If Proposition LL fails, the state will refund \$11.3 million in tax revenue it has collected, plus \$1.1
50 million in interest, to households with annual adjusted gross incomes of \$300,000 or more.
51 Additionally, the Department of Revenue will make changes to reduce the amount of taxes these
52 households pay in the future, as current law requires under TABOR.

53 If Proposition LL and Proposition MM both fail, a bill passed by the state legislature (Senate Bill
54 25-214) will limit free school meals to all students in eligible low-income schools, and to
55 eligible low-income students at all other schools.

56 **How does Proposition LL interact with Proposition MM?**

57 For a detailed overview of the interaction between Proposition LL and Proposition MM, the other
58 measure on the ballot, see Tables 2 and 3 of the Proposition MM analysis.

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61 the ballot at the November 4, 2025, election, go to the Colorado Secretary of State's
62 elections center web site hyperlink for ballot and initiative information:
63 <https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>
64

65 **Argument For Proposition LL**

66 1) Proposition LL allows the state to retain revenue that it has already collected to support free
67 meals for K-12 public school students, rather than refunding it to high-income taxpayers.
68 Access to free meals improves academic outcomes, eliminates stigma for low-income
69 students, and addresses ~~hunger~~ food insecurity. Using all of the tax revenue the state has
70 already collected will help provide more free school meals to Colorado public school students.

71 **Argument Against Proposition LL**

72 1) Proposition LL is effectively a tax increase in challenging economic times. The state collected
73 more revenue than it estimated, and it should refund the money to affected taxpayers rather
74 than using it for a government program that gives meals to all students, even if their families
75 can afford to pay for them.

76 Fiscal Impact of Proposition LL**77 Taxpayer Impacts**

78 If Proposition LL passes, the state will retain and spend, rather than refund, \$12.4 million to
79 households earning \$300,000 or more annually. Additionally, current deduction limits for
80 taxpayers earning \$300,000 or more annually will be maintained at 2025 levels rather than being
81 increased beginning in 2026 to comply with the requirements of TABOR.

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83 Proposition LL increases state revenue by an estimated \$6.8 million in state budget year 2025–26
84 (half-year impact) and \$13.8 million in state budget year 2026–27. This revenue results from
85 maintaining current taxes for households earning \$300,000 or more annually.

86 State Spending

87 Proposition LL increases state spending for the Healthy School Meals for All Program by an
88 estimated \$19.2 million in state budget year 2025–26, and \$13.8 million in state budget year
89 2026–27. This spending includes the amount that would have been otherwise refunded to
90 taxpayers (\$12.4 million in state budget year 2025–26 only), as well as the amount resulting from
91 maintaining 2025 deduction levels for households earning \$300,000 or more annually (\$6.8
92 million in state budget year 2025–26 and \$13.8 million in state budget year 2026–27 and ongoing).

93 School District Revenue and Spending

94 Proposition LL provides up to an estimated \$19.2 million in additional funding to school districts for
95 school meals in state budget year 2025–26 and \$13.8 million in state budget year 2026–27. This
96 funding will be distributed to districts and schools through the Healthy School Meals for All
97 Program.

Contact List

Proposition LL

Retain and Spend State Revenue Exceeding the Estimate for Proposition FF

Last Name	First Name	Email Address	Organization Name	Region
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Contact List

Proposition LL

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McHale	Julie	julie.mchale@bouldercvb.com		CO
McMacken	Mike	michael.mcmacken@outlook.com	Colorado House of Representatives - House Minority Office	CO
McNulty	Susie	smcnulty@cobar.org	CBA-CLE	CO
Menten	N	coloradoengaged@gmail.com	self on some issues (also a board director for the Taxpayer's Bill of Rights Foundation)	CO

Contact List

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Last Name	First Name	Email Address	Organization Name	Region
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Webster	Andrew	andrew.webster@coleg.gov	LIS	CO
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Proposition LL

Retain and Spend State Revenue Exceeding Estimate for Proposition FF

Ballot Question: Without raising taxes, may the state keep and spend all revenue generated by the 2022 voter-approved state tax deduction limits on individuals with incomes of \$300,000 or more and maintain these deduction limits in order to continue funding the healthy school meals for all program, which pays for public schools to offer free breakfast and lunch to all students in kindergarten through twelfth grade?

An Act

HOUSE BILL 25-1274

BY REPRESENTATIVE(S) Garcia, Boesenecker, Brown, Camacho, Carter, Clifford, Duran, English, Gilchrist, Hamrick, Jackson, Lieder, Lindsay, Lindstedt, Mabrey, Martinez, McCormick, Phillips, Rutinel, Sirota, Stewart K., Story, Velasco, Willford, Woodrow, Zokaie, Bacon, Froelich, Paschal, Ricks, Titone;
also SENATOR(S) Michaelson Jenet and Wallace, Amabile, Bridges, Cutter, Daugherty, Exum, Gonzales J., Hinrichsen, Jodeh, Kipp, Marchman, Mullica, Roberts, Rodriguez, Sullivan, Weissman, Winter F., Coleman.

CONCERNING THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) No child in Colorado should experience hunger;

(b) Every public school student should benefit from access to healthy, locally sourced, and freshly prepared meals to support their academic success and physical and mental well-being;

(c) Investing in nutritious school meals for all public school students, free from stigma or stress, enables those students to focus on learning and is a critical investment in the success of Colorado's public schools;

(d) Investing in nutritious school meals also supports Colorado farmers and ranchers, strengthening Colorado's local food systems;

(e) That is why, in 2022, the general assembly enacted House Bill 22-1414, which limited itemized and standard income tax deductions for taxpayers who have a federal adjusted gross income of \$300,000 to \$12,000 for single filers and \$16,000 for joint filers to fund the implementation of a healthy school meals for all program, and subsequently referred Proposition FF, which sought voter approval for these portions of House Bill 22-1414 to take effect;

(f) Proposition FF was approved by the voters, with 56.7% of the votes in favor of the proposition;

(g) Yet, in state fiscal year 2023-24 the revenue the state recorded exceeded the ballot information booklet estimate for state revenue from the new tax deduction limits in Proposition FF, and the state is required to refund revenues related to Proposition FF and proportionally reduce future revenue by changing the tax deduction limits in Proposition FF;

(h) The refund is because section 20 (3)(c) of article X of the state constitution, commonly known as TABOR, requires the combined amount of state revenue in excess of the ballot information booklet estimate to be refunded, unless there is later voter approval to retain these excess revenues;

(i) The potential increase in the tax deduction limits in Proposition FF is because paragraph (3)(c) of TABOR also requires a percentage reduction in the rate of a newly increased tax equal to the amount of revenue in excess of the ballot information booklet estimates as a percentage of the total state revenue from the increased tax, unless there is later voter approval;

(j) Consequently, this act includes the referral of a new ballot issue to the voters at the first possible election to seek the voter approval

necessary to avoid a refund under TABOR and to avoid increasing the tax deduction limits in Proposition FF;

(k) If the voters approve that new ballot issue, the refund and tax deduction limit increases will be unnecessary, the money that would have otherwise been refunded will be retained and remain in the healthy school meals for all program cash fund, and the tax deduction limits will not be raised;

(l) Since voters approved Proposition FF, the healthy school meals for all program went into effect in the 2023-24 state fiscal year and is reducing stigma, improving student physical and mental health and well-being, boosting academic success, and saving families money;

(m) The healthy school meals for all program has been embraced by Colorado schools and students, with all 190 eligible school food authorities electing to participate in the program and meal participation increasing by more than 30% compared to the previous school year;

(n) The healthy school meals for all program has proven to be an effective strategy for the goal of ending child hunger in Colorado;

(o) Access to free school meals for all public school students, investment in local food purchasing, local food purchasing training and technical assistance, parent and student advisory committees, and wage boosts or stipends for fronting school nutrition professionals who are serving more students than ever, are all core components of the healthy school meals for all program established in Proposition FF and are critical for its effective implementation;

(p) With high participation and rising food costs causing the healthy school meals for all program's expenditures to exceed available revenue, the general assembly finds it necessary to raise additional funds to continue to support all students' ability to access free, quality, nutritious meals at school and to fully implement all components of the healthy school meals for all program, including those that have not yet been implemented; and

(q) Collecting additional tax revenue would also allow the state to build a reserve in the healthy school meals for all program cash fund to ensure the fiscal health and sustainability of the healthy school meals for all

program.

(2) Therefore, it is the general assembly's intent to include in this act the referral of a second ballot issue to raise additional revenue by lowering the tax deduction limits originally approved by the voters in Proposition FF, only on taxpayers with a federal taxable income of \$300,000 or more, to fully fund and implement the healthy school meals for all program.

SECTION 2. In Colorado Revised Statutes, **add** 22-82.9-212 as follows:

22-82.9-212. Ballot issue related to Proposition FF refunds - repeal - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BALLOT ISSUE" MEANS THE BALLOT ISSUE REFERRED TO THE VOTERS PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(b) "PROPOSITION FF REFUND" MEANS AN AMOUNT EQUAL TO TWELVE MILLION FOUR HUNDRED THIRTY THOUSAND THREE HUNDRED EIGHTY-EIGHT DOLLARS.

(c) "PROPOSITION FF TAXES" MEANS THE INCREASE IN STATE TAXABLE INCOME RESULTING FROM SECTION 39-22-104 (3)(p.5)(I).

(2) (a) AT THE STATEWIDE ELECTION HELD IN NOVEMBER 2025, THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION THE FOLLOWING BALLOT ISSUE: "WITHOUT RAISING TAXES, MAY THE STATE KEEP AND SPEND ALL REVENUE GENERATED BY THE 2022 VOTER-APPROVED STATE TAX DEDUCTION LIMITS ON INDIVIDUALS WITH INCOMES OF \$300,000 OR MORE AND MAINTAIN THESE DEDUCTION LIMITS IN ORDER TO CONTINUE FUNDING THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, WHICH PAYS FOR PUBLIC SCHOOLS TO OFFER FREE BREAKFAST AND LUNCH TO ALL STUDENTS IN KINDERGARTEN THROUGH TWELFTH GRADE?"

(b) FOR PURPOSES OF SECTION 1-5-407, THE BALLOT ISSUE IS A PROPOSITION. SECTION 1-40-106 (3)(d) DOES NOT APPLY TO THE BALLOT ISSUE.

(3) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST":

(a) THE DEPARTMENT OF REVENUE SHALL DETERMINE A REASONABLE METHOD TO DISTRIBUTE THE PROPOSITION FF REFUND IN ACCORDANCE WITH SECTION 20 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION. THIS METHOD MUST INCLUDE THE DISTRIBUTION OF THE PROPOSITION FF REFUND TO TAXPAYERS WITH A FEDERAL ADJUSTED GROSS INCOME OF THREE HUNDRED THOUSAND OR MORE DOLLARS WHO PAID THE PROPOSITION FF TAXES.

(b) ON OR BEFORE JUNE 30, 2026, THE STATE TREASURER SHALL REFUND AN AMOUNT EQUAL TO THE PROPOSITION FF REFUND IN THE MANNER DETERMINED BY THE DEPARTMENT OF REVENUE PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION.

(4) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR" THEN THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 3. In Colorado Revised Statutes, **add** 22-82.9-213 as follows:

22-82.9-213. Ballot issue related to Proposition FF revenue increase - repeal. (1) AT THE STATEWIDE ELECTION HELD IN NOVEMBER 2025, THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE TAXES BE INCREASED BY \$95 MILLION ANNUALLY BY A CHANGE TO THE COLORADO REVISED STATUTES THAT, TO SUPPORT THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, INCREASES STATE TAXABLE INCOME ONLY FOR INDIVIDUALS WHO HAVE A FEDERAL TAX INCOME OF \$300,000 OR MORE BY LIMITING ITEMIZED OR STANDARD STATE INCOME TAX DEDUCTIONS TO \$1,000 FOR SINGLE TAX RETURN FILERS AND \$2,000 FOR JOINT TAX RETURN FILERS FOR THE PURPOSES OF FULLY FUNDING THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM TO CONTINUE PAYING FOR PUBLIC SCHOOLS TO OFFER FREE BREAKFAST AND LUNCH TO ALL PUBLIC SCHOOL STUDENTS WHILE ALSO INCREASING WAGES FOR EMPLOYEES WHO PREPARE AND SERVE SCHOOL MEALS, HELPING SCHOOLS USE BASIC, NUTRITIOUS INGREDIENTS, INSTEAD OF PROCESSED PRODUCTS, AND ENSURING THAT COLORADO GROWN AND RAISED PRODUCTS ARE PART OF SCHOOL MEALS; AND SHALL THE STATE BE ALLOWED TO RETAIN AND SPEND AS A VOTER-APPROVED REVENUE CHANGE ALL

ADDITIONAL TAX REVENUE GENERATED BY THESE TAX DEDUCTION CHANGES?"

Changes in Income Taxes Owed by Income Category

Income Category	Proposed Change in Average Income Tax Owed
\$299,999 or less	\$0
\$300,000 or more	+\$486

(2) FOR PURPOSES OF SECTION 1-5-407, THE BALLOT ISSUE DESCRIBED IN SUBSECTION (1) OF THIS SECTION IS A PROPOSITION. SECTION 1-40-106 (3)(d) DOES NOT APPLY TO THE BALLOT ISSUE.

(3) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE DESCRIBED IN SUBSECTION (1) OF THIS SECTION VOTE "YES/FOR", THIS CONSTITUTES A VOTER-APPROVED REVENUE CHANGE TO ALLOW THE RETENTION AND EXPENDITURE OF STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING.

(4) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE DESCRIBED IN SUBSECTION (1) OF THIS SECTION VOTE "NO/AGAINST", THEN THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 4. In Colorado Revised Statutes, 22-82.9-203, **add** (5.5) as follows:

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

(5.5) "FUND" MEANS THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND CREATED IN SECTION 22-82.9-211.

SECTION 5. In Colorado Revised Statutes, 22-82.9-204, **amend** (7)(a)(IV) as follows:

22-82.9-204. Healthy school meals for all program - created - advisory group - report - rules - definition - repeal. (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:

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

SECTION 6. In Colorado Revised Statutes, 22-82.9-205, **amend** (1)(a), (2)(a)(I), and (3)(a); and **add** (3)(c), (3)(d), and (3)(e) as follows:

22-82.9-205. Local food purchasing grant - amount - advisory committee - verification of invoices. (1) (a) Subject to subsection (5) of this section, each participating school food authority that ~~creates~~ **COMMITTS** TO OPERATING an advisory committee as described in subsection (3) of this section is eligible to receive a local food purchasing grant pursuant to this section to purchase Colorado grown, raised, or processed products. ~~IT IS THE GENERAL ASSEMBLY'S INTENT THAT THESE GRANTS BE USED PRIMARILY TO SUPPORT SMALL- AND MEDIUM-SIZED FARMS AND RANCHES.~~

(2) (a) (I) Subject to ~~the provisions of~~ subsection (2)(b) of this section, at the beginning of each budget year the department, subject to available appropriations, shall distribute to each participating school food authority that is eligible to receive a grant pursuant to this section ~~the greater of five thousand dollars or an amount equal to twenty-five cents multiplied by the number of lunches that qualified as an eligible meal that the participating school food authority served to students in the preceding school year~~ AN AMOUNT ESTABLISHED PURSUANT TO SECTION 22-82.9-211 (3).

(3) (a) To receive a local food purchasing grant pursuant to this section, a participating school food authority must HAVE OR establish an advisory committee made up of students and parents of students enrolled in the public schools served by the participating school food authority. In selecting students and parents to serve on the advisory committee, the participating school food authority shall ensure that the membership of the advisory committee reflects the racial, ethnic, and socioeconomic demographics of the student population enrolled by the participating school food authority. The advisory committee shall advise the participating school food authority concerning the selection of foods to ensure that meals are culturally relevant, healthy, and appealing to all ages of the student

population.

(c) A SCHOOL FOOD AUTHORITY THAT PROVIDED ONE MILLION OR FEWER LUNCHES IN THE 2023-24 SCHOOL YEAR MAY, SUBJECT TO APPROVAL BY THE DEPARTMENT, WORK WITH OTHER SCHOOL FOOD AUTHORITIES TO IMPLEMENT AN ADVISORY COMMITTEE THAT COLLABORATES WITH MULTIPLE SCHOOL FOOD AUTHORITIES.

(d) AN ADVISORY COMMITTEE ESTABLISHED PURSUANT TO THIS SUBSECTION (3) IS NOT LIMITED TO, BUT MAY:

(I) SCHEDULE AND HOLD MEETINGS AS NECESSARY FOR THE ADVISORY COMMITTEE TO HAVE ONGOING COLLABORATION WITH THE PARTICIPATING SCHOOL FOOD AUTHORITY AND ACHIEVE THE ADVISORY COMMITTEE'S GOALS;

(II) THROUGH STUDENT SURVEYS OR OTHER METHODS AS NECESSARY, GATHER STUDENT FEEDBACK ON MEALS AND MEAL PREFERENCES;

(III) SUGGEST THE TYPES OF PURCHASES OF LOCAL INGREDIENTS TO THE SCHOOL FOOD AUTHORITY THAT WOULD SUPPORT LOCAL FARMERS AND RANCHERS IN THE SCHOOL FOOD AUTHORITY'S REGION;

(IV) INFORM THE SCHOOL FOOD AUTHORITY OF RECIPES THAT ARE BOTH NUTRITIOUS AND REFLECT THE CULTURES OF THE STUDENT POPULATION ENROLLED BY THE PARTICIPATING SCHOOL FOOD AUTHORITY;

(V) TASTE TEST HEALTHY MEAL OPTIONS;

(VI) DEVELOP SOLUTIONS TO REDUCE FOOD WASTE;

(VII) ASSIST THE SCHOOL FOOD AUTHORITY IN DEVELOPING PLANS TO SUPPORT MORE SCRATCH COOKING;

(VIII) ASSIST THE SCHOOL FOOD AUTHORITY IN OBTAINING THE NECESSARY RESOURCES TO PROVIDE MEALS THAT ARE CULTURALLY RELEVANT, HEALTHY, AND APPEALING TO ALL AGES OF THE STUDENT POPULATION;

(IX) INFORM THE SCHOOL FOOD AUTHORITY OF, AND ASSIST IN THE IMPLEMENTATION OF, STRATEGIES TO MAXIMIZE THE COLLECTION AND COMPLETION OF HOUSEHOLD INCOME APPLICATION FORMS FOR NATIONAL SCHOOL LUNCH PROGRAMS;

(X) EVALUATE THE EFFECTIVENESS OF THE ADVISORY COMMITTEE IN SUPPORTING THE SCHOOL FOOD AUTHORITY IN IMPROVING MEAL QUALITY AND STUDENT SATISFACTION WITH THE MEALS PROVIDED BY THE SCHOOL FOOD AUTHORITY; AND

(XI) LEARN FROM A SCHOOL FOOD AUTHORITY ABOUT THE LOGISTICS OF LOCAL FOOD PROCUREMENT, MENU REQUIREMENTS, AND OPERATIONAL MANAGEMENT TO SUPPORT THE ADVISORY COMMITTEE IN SUGGESTING REALISTIC AND ATTAINABLE CHANGES TO SCHOOL MEALS.

(e) A SCHOOL FOOD AUTHORITY MAY CONTRACT WITH AN EXTERNAL NONPROFIT ORGANIZATION TO CONVENE AND FACILITATE AN ADVISORY COMMITTEE PURSUANT TO THIS SUBSECTION (3).

SECTION 7. In Colorado Revised Statutes, 22-82.9-206, **amend** (1) as follows:

22-82.9-206. School meals food preparation and service employees - wage increase or stipend. (1) Subject to subsection (2) of this section, in addition to the amounts received pursuant to sections 22-82.9-204 and 22-82.9-205, a participating school food authority may receive ~~the greater of three thousand dollars or an amount equal to twelve cents multiplied by the number of school lunches that qualify as eligible meals that the participating school food authority provided in the previous budget year~~ AN AMOUNT DESCRIBED IN SECTION 22-82.9-211 (3), so long as the participating school food authority uses one hundred percent of the amount received pursuant to this section to increase wages or provide stipends for individuals whom the participating school food authority employs to directly prepare and serve food for school meals. To receive the amount described in this section, a participating school food authority must submit documentation to the department as required by rules of the state board to demonstrate that the increase in wages or provision of stipends using the amount received pursuant to this section is implemented for the budget year in which the amount is received.

SECTION 8. In Colorado Revised Statutes, 22-82.9-207, **amend** (2)(b) as follows:

22-82.9-207. Local school food purchasing technical assistance and education grant program - created - report. (2) Subject to available appropriations, the nonprofit organization may award grants for:

(b) Education, outreach, and promotion for:

(I) Schools to engage families and communities on 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; AND

(III) OTHER ACTIVITIES THAT SUPPORT THE DEVELOPMENT AND USE OF LOCALLY PRODUCED PRODUCTS IN MEALS SERVED AT SCHOOL.

SECTION 9. In Colorado Revised Statutes, 22-82.9-208, **amend** (1)(a)(II) as follows:

22-82.9-208. Report - audit. (1) (a) On or before December 1, 2024, and on or before December 1 every two years thereafter, the department shall prepare a report concerning the implementation of section 22-82.9-204 and sections 22-82.9-205, 22-82.9-206, and 22-82.9-207, to the extent those sections are in effect as provided in section 22-82.9-204 (4)(b). At a minimum, the report must describe:

(II) The effect of the use of local food purchasing grants on the ~~amount~~ QUANTITY of Colorado grown, raised, or processed products purchased by participating school food authorities, THE COST OF THESE PURCHASES, and ~~include~~ a compilation of the information reported by participating school food authorities pursuant to section 22-82.9-205 (1)(b);

SECTION 10. In Colorado Revised Statutes, 22-82.9-211, **amend** (1)(b), (2), (3)(a) introductory portion, (3)(b), (4)(a), (4)(b), and (5); **repeal** (1)(a) and (7); and **add** (1)(a.5), (1)(c), (1)(d), (3)(a.5), (3)(c), (3)(d), (3)(e), (3)(f), (3)(g), (3)(h), (3)(i), and (4.5) as follows:

22-82.9-211. Healthy school meals for all program cash fund - creation - uses - reporting requirements - legislative declaration - 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.~~

(a.5) "ACCOUNT" MEANS THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM FUND ACCOUNT CREATED IN SUBSECTION (2)(b) OF THIS SECTION.

(b) "Healthy school meals for all program revenue" means:

(I) FOR TAX YEARS COMMENCING BEFORE JANUARY 1, 2026, 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; AND

(II) FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, THE REVENUE GENERATED BY THE ADDITION TO FEDERAL TAXABLE INCOME IN SECTION 39-22-104 (3)(p.7), WHICH REVENUE IS A VOTER APPROVED REVENUE CHANGE.

(c) "RESERVE CALCULATION" MEANS A CALCULATION THAT DETERMINES THE AMOUNT EXPENDED BY THE DEPARTMENT FOR THE PURPOSES DESCRIBED IN SUBSECTIONS (3)(a)(II), (3)(a)(III), (3)(a)(IV), AND (3)(a.5) OF THIS SECTION IN ACCORDANCE WITH SUBSECTIONS (3)(c) TO (3)(g) OF THIS SECTION. THE RESERVE CALCULATION SHALL INDEPENDENTLY BE COMPUTED FOR SUBSECTIONS (3)(c) TO (3)(g) OF THIS SECTION BY LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE DEPARTMENT, AND BASED ON THE RELEVANT PROJECTIONS IN THE MARCH ECONOMIC AND REVENUE FORECAST PREPARED BY LEGISLATIVE COUNCIL STAFF. THE COMPUTATION OF THE RESERVE CALCULATION FOR EACH OF SUBSECTIONS (3)(c) TO (3)(g) OF THIS SECTION SHALL RESULT IN A PERCENTAGE EQUAL TO THE ANTICIPATED BALANCE IN THE FUND AS OF THE BEGINNING OF THE FISCAL YEAR PLUS ANY ADDITIONAL MONEY THAT WILL BE DEPOSITED IN OR TRANSFERRED TO THE FUND OVER THE COURSE OF THE FISCAL YEAR MINUS THE ESTIMATED AMOUNT OF MONEY EXPENDED BY THE DEPARTMENT FOR THE PURPOSES DESCRIBED IN SUBSECTIONS (3)(a) AND (3)(a.5) OF THIS SECTION IN ACCORDANCE WITH THE SUBSECTION OF THIS SECTION FOR WHICH THE RESERVE CALCULATION IS COMPUTED DIVIDED BY THE ESTIMATED

AMOUNT EXPENDED BY THE DEPARTMENT FOR THE PURPOSES DESCRIBED IN SUBSECTIONS (3)(a)(I) AND (3)(a)(V) OF THIS SECTION IN ACCORDANCE WITH THE SUBSECTION OF THIS SECTION FOR WHICH THE RESERVE CALCULATION IS COMPUTED.

(d) "STATE EDUCATION FUND HEALTHY SCHOOL MEALS FOR ALL REVENUE" MEANS THE AMOUNT OF ADDITIONAL TAX REVENUE DEPOSITED IN THE STATE EDUCATION FUND AS A RESULT OF LIMITING, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, THE AMOUNT OF DEDUCTIONS THAT TAXPAYERS WHO CLAIM ITEMIZED DEDUCTIONS AS DEFINED IN SECTION 63 (d) OF THE INTERNAL REVENUE CODE OR THE STANDARD DEDUCTION AS DEFINED IN SECTION 63 (c) OF THE INTERNAL REVENUE CODE AND WHO HAVE A FEDERAL ADJUSTED GROSS INCOME IN THE INCOME TAX YEAR EQUAL TO OR GREATER THAN THREE HUNDRED THOUSAND DOLLARS MAY CLAIM TO THE FOLLOWING:

(I) FOR A TAXPAYER WHO FILES A SINGLE RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS ONE THOUSAND DOLLARS, RATHER THAN TWELVE THOUSAND DOLLARS; AND

(II) FOR TAXPAYERS WHO FILE A JOINT RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS, TWO THOUSAND DOLLARS, RATHER THAN SIXTEEN THOUSAND DOLLARS.

(2)(a) 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 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. 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.

(b) THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM FUND ACCOUNT IS CREATED IN THE FUND. THE ACCOUNT CONSISTS OF MONEY TRANSFERRED

BY THE TREASURER FROM THE STATE EDUCATION FUND IN ACCORDANCE WITH SUBSECTION (4.5) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE ACCOUNT TO THE ACCOUNT.

(3) (a) Subject to annual appropriation by the general assembly, the department may expend money from the ~~cash~~ fund THAT IS NOT IN THE ACCOUNT for the following purposes:

(a.5) (I) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE ACCOUNT FOR THE FOLLOWING PURPOSES:

(A) AWARDING LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTIONS 22-82.9-205 AND 22-82.9-302;

(B) 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);

(C) AWARDING LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANTS PURSUANT TO SECTIONS 22-82.9-207 AND 22-82.9-303; AND

(D) THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAMS DESCRIBED IN THIS SUBSECTION (3)(a.5), SO LONG AS THESE COSTS DO NOT EXCEED ONE AND ONE-HALF PERCENT OF THE TOTAL AMOUNT THE GENERAL ASSEMBLY ANNUALLY APPROPRIATES IN THE SAME FISCAL YEAR FOR THE OTHER PURPOSES DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION AND THIS SUBSECTION (3)(a.5).

(II) THE DEPARTMENT SHALL, AS PRACTICABLE, EXPEND ALL OF THE ESTIMATED AMOUNT OF MONEY IN THE ACCOUNT FOR THE PURPOSES DESCRIBED IN THIS SUBSECTION (3)(a.5) AND IN ACCORDANCE WITH THE DISTRIBUTION METHODS ESTABLISHED IN SUBSECTIONS (3)(c) THROUGH (3)(h) OF THIS SECTION.

(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.

(c) NOTWITHSTANDING SUBSECTION (3)(b) OF THIS SECTION, IF THE DEPARTMENT EXPENDING MONEY FROM THE FUND AS FOLLOWS WOULD RESULT IN A RESERVE CALCULATION AMOUNT EQUAL TO LESS THAN TEN PERCENT, THEN THE DEPARTMENT SHALL EXPEND MONEY FROM THE ACCOUNT AS FOLLOWS:

(I) AWARDING LOCAL SCHOOL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-302 IN AMOUNTS DETERMINED BY THE DEPARTMENT THAT, IN COMBINATION WITH THE EXPENDITURES FROM THE ACCOUNT DESCRIBED IN SUBSECTIONS (3)(c)(II) AND (3)(c)(III) OF THIS SECTION, RESULT IN EXPENDING ALL OF THE ESTIMATED AMOUNT IN THE ACCOUNT;

(II) DISTRIBUTING THE GREATER OF THREE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO SIX CENTS MULTIPLIED BY THE NUMBER OF SCHOOL LUNCHES THAT QUALIFIED AS ELIGIBLE MEALS THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY PROVIDED IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR 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); AND

(III) AWARDING TWO HUNDRED FIFTY THOUSAND DOLLARS IN LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANTS PURSUANT TO SECTION 22-82.9-303.

(d) IF THE DEPARTMENT EXPENDING MONEY FROM THE FUND AS FOLLOWS WOULD RESULT IN A RESERVE CALCULATION AMOUNT EQUAL TO OR GREATER THAN TEN PERCENT AND LESS THAN TWENTY-FIVE PERCENT, THEN THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, INCLUDING MONEY IN THE ACCOUNT IN ACCORDANCE WITH SUBSECTION (3)(a.5)(II) OF THIS SECTION, AS FOLLOWS:

(I) AWARDING LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205 IN AN AMOUNT EQUAL TO THE GREATER OF FIVE THOUSAND DOLLARS OR AN AMOUNT, AS DETERMINED BY THE DEPARTMENT, EQUAL TO OR GREATER THAN TEN AND EQUAL TO OR LESS THAN TWELVE AND ONE-HALF CENTS MULTIPLIED BY THE NUMBER OF LUNCHES THAT QUALIFIED AS AN ELIGIBLE MEAL THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY SERVED TO STUDENTS IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR;

(II) DISTRIBUTING THE GREATER OF THREE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO SIX CENTS MULTIPLIED BY THE NUMBER OF SCHOOL LUNCHES THAT QUALIFIED AS ELIGIBLE MEALS THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY PROVIDED IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR 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); AND

(III) AWARDING TWO MILLION FIVE HUNDRED THOUSAND DOLLARS IN LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANTS PURSUANT TO SECTION 22-82.9-207.

(e) IF THE DEPARTMENT EXPENDING MONEY FROM THE FUND AS FOLLOWS WOULD RESULT IN A RESERVE CALCULATION AMOUNT EQUAL TO OR GREATER THAN TWENTY-FIVE PERCENT AND LESS THAN FORTY PERCENT, THEN THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, INCLUDING MONEY IN THE ACCOUNT IN ACCORDANCE WITH SUBSECTION (3)(a.5)(II) OF THIS SECTION, AS FOLLOWS:

(I) AWARDING LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205 IN AN AMOUNT EQUAL TO THE GREATER OF FIVE THOUSAND DOLLARS OR AN AMOUNT, AS DETERMINED BY THE DEPARTMENT, EQUAL TO OR GREATER THAN SIXTEEN AND LESS THAN OR EQUAL TO EIGHTEEN AND THREE-QUARTERS CENTS MULTIPLIED BY THE NUMBER OF LUNCHES THAT QUALIFIED AS AN ELIGIBLE MEAL THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY SERVED TO STUDENTS IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR;

(II) DISTRIBUTING THE GREATER OF THREE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO NINE CENTS MULTIPLIED BY THE NUMBER OF SCHOOL LUNCHES THAT QUALIFIED AS ELIGIBLE MEALS THAT THE PARTICIPATING

SCHOOL FOOD AUTHORITY PROVIDED IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR 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); AND

(III) AWARDING THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS IN LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANTS PURSUANT TO SECTION 22-82.9-207.

(f) IF THE DEPARTMENT EXPENDING MONEY FROM THE FUND AS FOLLOWS WOULD RESULT IN A RESERVE CALCULATION AMOUNT EQUAL TO OR GREATER THAN FORTY PERCENT AND, FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2029, LESS THAN FIFTY PERCENT, THEN THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, INCLUDING MONEY IN THE ACCOUNT IN ACCORDANCE WITH SUBSECTION (3)(a.5)(II) OF THIS SECTION, AS FOLLOWS:

(I) AWARDING LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205 IN AN AMOUNT EQUAL TO THE GREATER OF FIVE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO TWENTY-FIVE CENTS MULTIPLIED BY THE NUMBER OF LUNCHES THAT QUALIFIED AS AN ELIGIBLE MEAL THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY SERVED TO STUDENTS IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR;

(II) DISTRIBUTING THE GREATER OF THREE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO TWELVE CENTS MULTIPLIED BY THE NUMBER OF SCHOOL LUNCHES THAT QUALIFIED AS ELIGIBLE MEALS THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY PROVIDED IN THE SCHOOL YEAR TWO SCHOOL YEARS PRIOR 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); AND

(III) AWARDING FIVE MILLION DOLLARS IN LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANTS PURSUANT TO SECTION 22-82.9-207.

(g) FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2029, IF

THE DEPARTMENT DETERMINES THAT DOING SO WOULD RESULT IN A RESERVE CALCULATION AMOUNT EQUAL TO FIFTY PERCENT OR MORE, THEN THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, INCLUDING MONEY IN THE ACCOUNT IN ACCORDANCE WITH SUBSECTION (3)(a.5)(II) OF THIS SECTION, BY INCREASING THE AMOUNTS AWARDED AND DISTRIBUTED FROM THE FUND TO AMOUNTS GREATER THAN THOSE DESCRIBED IN SUBSECTION (3)(f) OF THIS SECTION.

(h) (I) NOTWITHSTANDING SUBSECTIONS (3)(d) THROUGH (3)(f) OF THIS SECTION, THE DEPARTMENT SHALL NOT REDUCE FROM ONE STATE FISCAL YEAR TO THE NEXT THE AMOUNT MULTIPLIED BY THE NUMBER OF LUNCHES THAT QUALIFY AS ELIGIBLE MEALS OR THE DOLLAR AMOUNT ALTERNATIVE USED TO CALCULATE THE AMOUNT THE DEPARTMENT AWARDS FOR THE PURPOSES DESCRIBED IN SUBSECTION (3)(a)(II), (3)(a)(III), (3)(a.5)(I)(A), AND (3)(a.5)(I)(B) OF THIS SECTION OR THE TOTAL AMOUNT THE DEPARTMENT AWARDS FOR THE PURPOSE DESCRIBED IN SUBSECTION (3)(a)(IV) AND (3)(a.5)(I)(C) OF THIS SECTION. THIS SUBSECTION (3)(h)(I) DOES NOT APPLY IN A FISCAL YEAR WHEN THE DEPARTMENT EXPENDS MONEY FROM THE FUND, INCLUDING MONEY IN THE ACCOUNT, PURSUANT TO SUBSECTIONS (3)(c) AND (3)(g) OF THIS SECTION.

(II) NOTWITHSTANDING SUBSECTIONS (3)(c) AND (3)(h)(I) OF THIS SECTION, IF, OVER THREE FISCAL YEARS, THE RESULT OF THE RESERVE CALCULATION FOR A SUBSECTION OF THIS SECTION (3) ACCORDING TO WHICH THE DEPARTMENT EXPENDED MONEY FROM THE FUND DECREASES BY TEN PERCENTAGE POINTS FROM THE FIRST TO THE THIRD FISCAL YEAR, EQUALS AN AMOUNT EQUAL TO FORTY PERCENT OR LESS IN BOTH THE SECOND AND THIRD FISCAL YEAR, AND DECREASES IN BOTH THE SECOND AND THIRD FISCAL YEAR, FOR THE THIRD FISCAL YEAR:

(A) IF THE DEPARTMENT WOULD OTHERWISE EXPEND MONEY FROM THE FUND IN THE AMOUNTS DESCRIBED IN SUBSECTION (3)(f) OF THIS SECTION, THE DEPARTMENT SHALL INSTEAD EXPEND MONEY FROM THE FUND IN THE AMOUNTS DESCRIBED IN SUBSECTION (3)(e) OF THIS SECTION;

(B) IF THE DEPARTMENT WOULD OTHERWISE EXPEND MONEY FROM THE FUND IN THE AMOUNTS DESCRIBED IN SUBSECTION (3)(e) OF THIS SECTION, EXCEPT FOR WHEN DOING SO PURSUANT TO THIS SUBSECTION (3)(h)(II), THE DEPARTMENT SHALL INSTEAD EXPEND MONEY FROM THE FUND IN THE AMOUNTS DESCRIBED IN SUBSECTION (3)(d) OF THIS SECTION;

AND

(C) IF THE DEPARTMENT WOULD OTHERWISE EXPEND MONEY FROM THE FUND IN THE AMOUNTS DESCRIBED IN SUBSECTION (3)(d) OF THIS SECTION, EXCEPT FOR WHEN DOING SO PURSUANT TO THIS SUBSECTION (3)(h)(II), THE DEPARTMENT SHALL INSTEAD EXPEND MONEY FROM THE FUND IN THE AMOUNTS DESCRIBED IN SUBSECTION (3)(c) OF THIS SECTION.

(i) IF LEGISLATIVE COUNCIL'S COMPUTATIONS OF THE RESERVE CALCULATION DO NOT RESULT IN AN AMOUNT THAT ALLOWS FOR THE EXPENDITURE OF MONEY BY THE DEPARTMENT IN ACCORDANCE WITH SUBSECTIONS (3)(c) TO (3)(g) OF THIS SECTION, THE DEPARTMENT SHALL EXPEND MONEY IN ACCORDANCE WITH THE SUBSECTION OF THIS SECTION THAT REQUIRES THE HIGHEST MAXIMUM RESERVE CALCULATION AMOUNT AMONG THE SUBSECTIONS OF THIS SECTION FOR WHICH, WHEN LEGISLATIVE COUNCIL COMPUTES THE RESERVE CALCULATION FOR THE RELEVANT SUBSECTION, THE RESERVE CALCULATION AMOUNT IS GREATER THAN THE MAXIMUM PERMISSIBLE RESERVE CALCULATION AMOUNT FOR THE SUBSECTION.

(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 in the ~~cash~~ fund pursuant to subsection (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.

(4.5) (a) ON JULY 1, 2026, AND EACH JULY 1 THEREAFTER, THE STATE TREASURER SHALL TRANSFER AN AMOUNT FROM THE STATE

EDUCATION FUND TO THE ACCOUNT EQUAL TO THE AMOUNT REPORTED BY THE OFFICE OF STATE PLANNING AND BUDGETING PURSUANT TO SUBSECTION (4.5)(b) OF THIS SECTION.

(b) BEFORE JULY 1, 2026, AND BEFORE EACH JULY 1 THEREAFTER, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL, IN COLLABORATION WITH THE DEPARTMENT OF REVENUE, PREPARE AN ESTIMATE OF THE AMOUNT OF STATE EDUCATION FUND HEALTHY SCHOOL MEALS FOR ALL REVENUE FOR THE FOLLOWING FISCAL YEAR AND REPORT THAT ESTIMATE TO THE STATE TREASURER.

(c) (I) ON JULY 1, 2026, IN ADDITION TO THE AMOUNT DESCRIBED IN SUBSECTION (4.5)(a) OF THIS SECTION, THE STATE TREASURER SHALL TRANSFER AN AMOUNT FROM THE STATE EDUCATION FUND TO THE FUND EQUAL TO THE AMOUNT REPORTED BY THE OFFICE OF STATE PLANNING AND BUDGETING PURSUANT TO SUBSECTION (4.5)(c)(II) OF THIS SECTION.

(II) BEFORE JULY 1, 2026, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL, IN COLLABORATION WITH THE DEPARTMENT OF REVENUE, PREPARE AN ESTIMATE OF THE AMOUNT OF STATE EDUCATION FUND HEALTHY SCHOOL MEALS FOR ALL REVENUE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR AND REPORT THAT ESTIMATE TO THE STATE TREASURER.

(d) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, HEALTHY SCHOOL MEALS ARE AN ESSENTIAL COMPONENT TO STUDENT LEARNING. THE PROGRAMS DESCRIBED IN SUBSECTION (3)(a.5) OF THIS SECTION ARE AN IMPORTANT COMPONENT OF AN ACCOUNTABLE PROGRAM TO MEET STATE ACADEMIC STANDARDS, AND MAY THEREFORE RECEIVE MONEY FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(5) If the department determines that there is an insufficient amount of money in the ~~cash~~ fund, EXCLUDING THE MONEY IN THE ACCOUNT, 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.

(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, 22-82.9-211, **amend** (3)(a)(IV), (3)(a)(V), and (3)(b); and **add** (3)(a)(VI) and (5.5) as follows:

22-82.9-211. Healthy school meals for all program cash fund - creation - uses - reporting requirements - definitions. (3) (a) Subject to annual appropriation by the general assembly, the department may expend money from the cash fund for the following purposes:

(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); AND

(VI) PROVIDING REIMBURSEMENTS PURSUANT TO THE LOCAL SCHOOL FOOD PURCHASING PROGRAM CREATED IN SECTION 22-82.9-302 AND GRANT AWARDS PURSUANT TO THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION ASSISTANCE GRANT PROGRAM CREATED IN SECTION 22-82.9-303.

(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), AND (3)(a)(VI) of this section.

(5.5) THE DEPARTMENT SHALL, SUBJECT TO ANNUAL APPROPRIATION, ANNUALLY EXPEND ONE MILLION DOLLARS FROM THE CASH FUND FOR THE PURPOSE DESCRIBED IN SUBSECTION (3)(a)(VI) OF THIS SECTION.

SECTION 12. In Colorado Revised Statutes, 22-82.9-302, **amend**

(2)(b)(I), (2)(b)(II)(D), and (2)(c) as follows:

22-82.9-302. Local school food purchasing program - creation - rules. (2) (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 TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION. 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:

(D) Served fewer than one million two hundred fifty thousand school lunches in the ~~2023-24~~ school year ~~count~~ TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION; and

(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 TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION, 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.

SECTION 13. In Colorado Revised Statutes, 22-82.9-302, **amend as amended by Senate Bill 25-214** (2)(b)(I), (2)(b)(II)(D), and (2)(c) as follows:

22-82.9-302. Local school food purchasing program - creation - rules. (2) (b) (I) The department shall select participating providers that served fewer than two million one hundred fifty thousand school lunches in the ~~immediately preceding~~ school year TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION. 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:

(D) Served fewer than one million two hundred fifty thousand school lunches in the ~~immediately preceding~~ school year count TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION; and

(c) On or before August 1 of the year following the participating provider's application, and August 1 of each year thereafter through the year after when the participating provider stops participating in the purchasing program, the participating provider shall track and report to the department for the school year in which it applied, and for the ~~immediately preceding~~ school year TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION, 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.

SECTION 14. In Colorado Revised Statutes, 22-82.9-302, **amend** (2)(b)(I), (2)(b)(II)(D), and (2)(c); and **add** (2)(b)(I.5) and (3.5) as follows:

22-82.9-302. Local school food purchasing program - creation - rules. (2) (b) (I) The department shall select participating providers that ~~served fewer than two million one hundred fifty thousand~~ A NUMBER OF school lunches DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2)(b)(I.5) OF THIS SECTION in the ~~2023-24~~ school year TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION. The department shall create a form for participating providers to track and report the Colorado grown, raised, or processed products purchased.

(I.5) THE DEPARTMENT SHALL ONLY SELECT PARTICIPATING PROVIDERS THAT SERVED FEWER THAN TWO MILLION ONE HUNDRED FIFTY THOUSAND SCHOOL LUNCHES IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH A PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION, UNLESS THE DEPARTMENT DETERMINES THAT IT CAN AWARD REIMBURSEMENTS TO THOSE PARTICIPATING PROVIDERS OF AT LEAST FIVE CENTS FOR EVERY SCHOOL LUNCH THAT THE PARTICIPATING PROVIDER PREPARED IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING

PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION OR A MINIMUM OF ONE THOUSAND DOLLARS, WHICHEVER IS GREATER, IN WHICH CASE THE DEPARTMENT MAY SELECT ANY PARTICIPATING PROVIDER FOR REIMBURSEMENT PURSUANT TO THIS SECTION.

(II) The department shall give preference to applicants that:

(D) Served fewer than one million two hundred fifty thousand school lunches in the ~~2023-24~~ school year ~~count~~ TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION; and

(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 TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION, 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.

(3.5) DURING EACH OCTOBER AFTER OCTOBER 2024 IN WHICH THE DEPARTMENT REIMBURSES PROVIDERS PARTICIPATING IN THE PURCHASING PROGRAM, THE DEPARTMENT SHALL REIMBURSE PARTICIPATING PROVIDERS IN AN AMOUNT ESTABLISHED PURSUANT TO SECTION 22-82.9-211 (3)(c)(I).

SECTION 15. In Colorado Revised Statutes, 22-82.9-302, **amend as amended by Senate Bill 25-214** (2)(b)(I), (2)(b)(II)(D), and (2)(c); and **add** (2)(b)(I.5) and (3.5) as follows:

22-82.9-302. Local school food purchasing program - creation - rules. (2) (b) (I) The department shall select participating providers that served ~~fewer than two million one hundred fifty thousand~~ A NUMBER OF school lunches DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2)(b)(I.5) OF THIS SECTION in the ~~immediately preceding~~ school year TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION. The department shall create a form for participating providers to track and report the Colorado grown, raised, or processed products purchased.

(I.5) THE DEPARTMENT SHALL ONLY SELECT PARTICIPATING PROVIDERS THAT SERVED FEWER THAN TWO MILLION ONE HUNDRED FIFTY THOUSAND SCHOOL LUNCHES IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH A PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION, UNLESS THE DEPARTMENT DETERMINES THAT IT CAN AWARD REIMBURSEMENTS TO THOSE PARTICIPATING PROVIDERS OF AT LEAST FIVE CENTS FOR EVERY SCHOOL LUNCH THAT THE PARTICIPATING PROVIDER PREPARED IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION OR A MINIMUM OF ONE THOUSAND DOLLARS, WHICHEVER IS GREATER, IN WHICH CASE THE DEPARTMENT MAY SELECT ANY PARTICIPATING PROVIDER FOR REIMBURSEMENT PURSUANT TO THIS SECTION.

(II) The department shall give preference to applicants that:

(D) Served fewer than one million two hundred fifty thousand school lunches in the ~~immediately preceding~~ school year count TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION; and

(c) On or before August 1 of the year following the participating provider's application, and August 1 of each year thereafter through the year after when the participating provider stops participating in the purchasing program, the participating provider shall track and report to the department for the school year in which it applied, and for the ~~immediately preceding~~ school year TWO YEARS PRIOR TO THE SCHOOL YEAR FOR WHICH THE PARTICIPATING PROVIDER IS APPLYING FOR REIMBURSEMENT PURSUANT TO THIS SECTION, 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.

(3.5) DURING EACH OCTOBER AFTER OCTOBER 2024 IN WHICH THE DEPARTMENT REIMBURSES PROVIDERS PARTICIPATING IN THE PURCHASING PROGRAM, THE DEPARTMENT SHALL REIMBURSE PARTICIPATING PROVIDERS IN AN AMOUNT ESTABLISHED PURSUANT TO SECTION 22-82.9-211 (3)(c)(I).

SECTION 16. In Colorado Revised Statutes, 22-82.9-304, **amend** (1) introductory portion as follows:

22-82.9-304. Evaluation - report. (1) On or before December 1, 2025, AND EACH DECEMBER 1 THEREAFTER, 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~~ QUANTITY of Colorado grown, raised, or processed products purchased by participating providers, including:

SECTION 17. In Colorado Revised Statutes, **repeal** 22-82.9-306 as follows:

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

SECTION 18. In Colorado Revised Statutes, 39-22-104, **amend** (3)(p.5)(I) introductory portion and (3)(p.5)(II); and **add** (3)(p.5)(III) and (3)(p.7) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - report - tax preference performance statement - legislative declaration - definitions - repeal. (3) There shall be added to the federal taxable income:

(p.5) (I) For income tax years commencing on or after January 1, 2023, BUT BEFORE JANUARY 1, 2026, for taxpayers who claim itemized deductions as defined in section 63 (d) of the internal revenue code or the standard deduction as defined in section 63 (c) of the internal revenue code and who have federal adjusted gross income in the income tax year equal to or exceeding three hundred thousand dollars:

(II) For the 2023-24 state fiscal year and state fiscal years thereafter, the general assembly shall annually appropriate an amount at least equal to the amount of revenue generated by the addition to federal taxable income described in subsection (3)(p.5)(I) of this section, calculated without regard to any temporary rate reduction pursuant to section 39-22-627, ~~but not more than the amount required, to fully fund the direct and indirect costs of implementing the healthy school meals for all program as provided in section 22-82.9-209. The provisions of~~ TO THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND CREATED IN SECTION 22-82.9-211. Subsection

(3)(p.5)(I) of this section ~~constitute~~ CONSTITUTES a voter-approved revenue change, approved by the voters at the statewide election in November of 2022, and the revenue generated by this voter-approved revenue change may be collected, retained, appropriated, and spent without subsequent voter approval, notwithstanding any other limits in the state constitution or law. The addition to federal taxable income described in subsection (3)(p.5)(I) of this section does not apply for an income tax year that commences after the healthy school meals for all program, or any successor program, is repealed. Upon repeal of the healthy school meals for all program, or any successor program, the commissioner of education shall promptly notify the executive director in writing that the program is repealed.

(III) THIS SUBSECTION (3)(p.5) IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

(p.7) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, FOR TAXPAYERS WHO CLAIM ITEMIZED DEDUCTIONS AS DEFINED IN SECTION 63 (d) OF THE INTERNAL REVENUE CODE OR THE STANDARD DEDUCTION AS DEFINED IN SECTION 63 (c) OF THE INTERNAL REVENUE CODE AND WHO HAVE A FEDERAL ADJUSTED GROSS INCOME IN THE INCOME TAX YEAR EQUAL TO OR EXCEEDING THREE HUNDRED THOUSAND DOLLARS:

(A) FOR A TAXPAYER WHO FILES A SINGLE RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS ONE THOUSAND DOLLARS; AND

(B) FOR TAXPAYERS WHO FILE A JOINT RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS TWO THOUSAND DOLLARS.

(II) IN ADDITION TO THE FUNDING APPROPRIATED IN SUBSECTION (3)(p.5) OF THIS SECTION, FOR THE 2026-27 STATE FISCAL YEAR AND EVERY STATE FISCAL YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL

ANNUALLY APPROPRIATE AN AMOUNT AT LEAST EQUAL TO THE AMOUNT OF REVENUE GENERATED BY THE ADDITION TO FEDERAL TAXABLE INCOME DESCRIBED IN THIS SUBSECTION (3)(p.7) TO THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND CREATED IN SECTION 22-82.9-211. THE PROVISIONS OF THIS SUBSECTION (3)(p.7) CONSTITUTE A VOTER-APPROVED REVENUE CHANGE, APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2025, AND THE REVENUE GENERATED BY THIS VOTER-APPROVED REVENUE CHANGE MAY BE COLLECTED, RETAINED, APPROPRIATED, AND SPENT WITHOUT SUBSEQUENT VOTER APPROVAL, NOTWITHSTANDING ANY OTHER LIMITS IN THE STATE CONSTITUTION OR LAW. THE ADDITION TO FEDERAL TAXABLE INCOME DESCRIBED IN THIS SUBSECTION (3)(p.7) DOES NOT APPLY FOR AN INCOME TAX YEAR THAT COMMENCES AFTER THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, OR ANY SUCCESSOR PROGRAM, IS REPEALED. UPON REPEAL OF THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, OR ANY SUCCESSOR PROGRAM, THE COMMISSIONER OF EDUCATION SHALL PROMPTLY NOTIFY THE EXECUTIVE DIRECTOR IN WRITING THAT THE PROGRAM IS REPEALED.

SECTION 19. In Colorado Revised Statutes, 39-22-104, **amend** (3)(p.5)(I) introductory portion and (3)(p.5)(II); and **add** (3)(p.5)(I.5) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - report - tax preference performance statement - legislative declaration - definitions - repeal. (3) There shall be added to the federal taxable income:

(p.5) (I) For income tax years commencing on or after January 1, 2023, BUT BEFORE JANUARY 1, 2026, for taxpayers who claim itemized deductions as defined in section 63 (d) of the internal revenue code or the standard deduction as defined in section 63 (c) of the internal revenue code and who have federal adjusted gross income in the income tax year equal to or exceeding three hundred thousand dollars:

(I.5) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, FOR TAXPAYERS WHO CLAIM ITEMIZED DEDUCTIONS AS DEFINED IN SECTION 63 (d) OF THE INTERNAL REVENUE CODE OR THE STANDARD DEDUCTION AS DEFINED IN SECTION 63 (c) OF THE INTERNAL REVENUE CODE AND WHO HAVE A FEDERAL ADJUSTED GROSS INCOME IN THE INCOME TAX YEAR EQUAL TO OR EXCEEDING THREE HUNDRED THOUSAND DOLLARS:

(A) FOR A TAXPAYER WHO FILES A SINGLE RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS, AN AMOUNT THAT IS GREATER THAN TWELVE THOUSAND DOLLARS, IS THREE-QUARTERS OF THE AMOUNT DESCRIBED IN SUBSECTION (3)(p.5)(I.5)(B) OF THIS SECTION, AND THAT THE DEPARTMENT OF REVENUE DETERMINES THAT, IN COMBINATION WITH THE AMOUNT DESCRIBED IN SUBSECTION (3)(p.5)(I.5)(B) OF THIS SECTION, HAD IT BEEN USED INSTEAD OF THE ADDITION TO FEDERAL TAXABLE INCOME REQUIRED BY SUBSECTION (3)(p.5)(I) OF THIS SECTION, WOULD HAVE REDUCED THE AMOUNT OF ADDITIONAL STATE INCOME TAX REVENUE FOR THE 2023-24 STATE FISCAL YEAR GENERATED BY THAT ADDITION TO ONE HUNDRED MILLION SEVEN HUNDRED TWENTY-SEVEN THOUSAND EIGHT HUNDRED TWENTY DOLLARS; AND

(B) FOR TAXPAYERS WHO FILE A JOINT RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS, AN AMOUNT THAT IS GREATER THAN SIXTEEN THOUSAND DOLLARS, IS ONE-THIRD GREATER THAN THE AMOUNT DESCRIBED IN SUBSECTION (3)(p.5)(I.5)(A) OF THIS SECTION, AND THAT THE DEPARTMENT OF REVENUE DETERMINES THAT, IN COMBINATION WITH THE AMOUNT DESCRIBED IN SUBSECTION (3)(p.5)(I.5)(A) OF THIS SECTION, HAD IT BEEN USED INSTEAD OF THE ADDITION TO FEDERAL TAXABLE INCOME REQUIRED BY SUBSECTION (3)(p.5)(I) OF THIS SECTION, WOULD HAVE REDUCED THE AMOUNT OF ADDITIONAL STATE INCOME TAX REVENUE FOR THE 2023-24 STATE FISCAL YEAR GENERATED BY THAT ADDITION TO ONE HUNDRED MILLION SEVEN HUNDRED TWENTY-SEVEN THOUSAND EIGHT HUNDRED TWENTY DOLLARS.

(II) For the 2023-24 state fiscal year and state fiscal years thereafter, the general assembly shall annually appropriate an amount at least equal to the amount of revenue generated by the addition to federal taxable income described in ~~subsection (3)(p.5)(I)~~ SUBSECTIONS (3)(p.5)(I) AND (3)(p.5)(I.5) of this section, calculated without regard to any temporary rate reduction pursuant to section 39-22-627, but not more than the amount required, to fully fund the direct and indirect costs of implementing the healthy school meals for all program as provided in section 22-82.9-209.

~~The provisions of subsection (3)(p.5)(I)~~ SUBSECTIONS (3)(p.5)(I) AND (3)(p.5)(I.5) of this section constitute a voter-approved revenue change, approved by the voters at the statewide election in November of 2022, and the revenue generated by this voter-approved revenue change may be collected, retained, appropriated, and spent without subsequent voter approval, notwithstanding any other limits in the state constitution or law. The addition to federal taxable income described in ~~subsection (3)(p.5)(I)~~ SUBSECTIONS (3)(p.5)(I) AND (3)(p.5)(I.5) of this section does not apply for an income tax year that commences after the healthy school meals for all program, or any successor program, is repealed. Upon repeal of the healthy school meals for all program, or any successor program, the commissioner of education shall promptly notify the executive director in writing that the program is repealed.

SECTION 20. Effective date - applicability. (1) Section 11 of this act takes effect only if the ballot issue described in section 22-82.9-212 is approved by the people at the next statewide election and the ballot issue described in section 22-82.9-213 is rejected by the people at the next statewide election, in which case section 11 takes effect on the date of the official declaration of the vote thereon by the governor.

(2) Section 12 of this act takes effect only if the ballot issue described in section 22-82.9-212 is approved by the people at the next statewide election, the ballot issue described in section 22-82.9-213 is rejected by the people at the next statewide election, and Senate Bill 25-214 does not become law, in which case section 12 takes effect on the date of the official declaration of the vote thereon by the governor.

(3) Section 13 of this act takes effect only if the ballot issue described in section 22-82.9-212 is approved by the people at the next statewide election, the ballot issue described in section 22-82.9-213 is rejected by the people at the next statewide election, and Senate Bill 25-214 becomes law, in which case section 13 takes effect on the date of the official declaration of the vote thereon by the governor.

(4) Section 19 of this act takes effect only if the ballot issue described in section 22-82.9-212 and the ballot issue described in section 22-82.9-213 are rejected by the people at the next statewide election, in which case section 19 of this act takes effect on the date of the official declaration of the vote thereon by the governor.

(5) Sections 16 and 17 of this act take effect only if one or both of the ballot issues described in section 22-82.9-212 and the ballot issue described in section 22-82.9-213 are approved by the people at the next statewide election, in which case sections 16 and 17 of this act take effect on the date of the official declaration of the vote thereon by the governor.

(6) Sections 4, 5, 6, 7, 8, 9, 10, and 18 of this act take effect only if the ballot issue described in section 22-82.9-213 is approved by the people at the next statewide election, in which case sections 4, 5, 6, 7, 8, 9, 10, and 18 take effect on the date of the official declaration of the vote thereon by the governor.

(7) Section 14 of this act takes effect only if the ballot issue described in section 22-82.9-213 is approved by the people at the next statewide election and Senate Bill 25-214 does not become law, in which case section 14 takes effect on the date of the official declaration of the vote thereon by the governor.

(8) Section 15 of this act takes effect only if the ballot issue described in section 22-82.9-213 is approved by the people at the next statewide election and Senate Bill 25-214 becomes law, in which case section 15 takes effect on the date of the official declaration of the vote thereon by the governor.

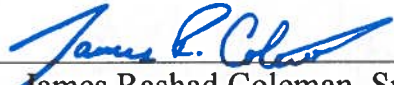
(9) Sections 1, 2, 3, 20, and 21 of this act take effect upon passage.

SECTION 21. 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.



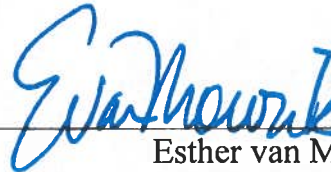
Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

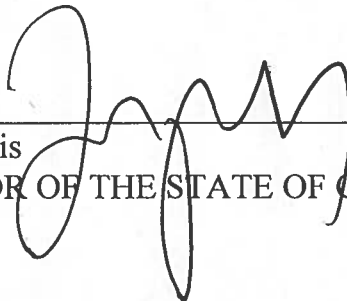


Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Esther van Mourik
SECRETARY OF
THE SENATE

APPROVED Tuesday June 3rd 2025 at 11:00 am
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO