A BILL FOR AN ACT

CONCERNING COLORADO FOOD PRODUCTS IN SCHOOLS.

Bill Summary

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

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

Shading denotes HOUSE amendment  Double underlining denotes SENATE amendment
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.
previous year.

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

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

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

ARTICLE 99

Colorado Food Products Purchasing Programs

22-99-101. Definitions. As used in this Article 99, unless the context otherwise requires:

(1) "Colorado grown, raised, or processed products" means all fruits, vegetables, grains, meats, and dairy products grown or raised in Colorado and minimally processed products or value-added food that meets the standards for the Colorado Proud designation, established by the Colorado Department of Agriculture, even if the food does not have the Colorado Proud designation; except that fluid milk is not a Colorado grown, raised, or processed product.

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

(3) "Eligible provider" means a school district, charter school, board of cooperative services that operates a public school, or residential child care center as defined in section 26-6-102 (5) that participates in the federal "Richard B. Russell National School Lunch Act", 42 U.S.C. Sec. 1751 et seq.
(4) "INCENTIVE GRANT PROGRAM" MEANS THE COLORADO FOOD PRODUCTS PURCHASING INCENTIVES GRANT PROGRAM CREATED PURSUANT TO SECTION 22-99-102.

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

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

22-99-102. Colorado food products purchasing incentives grant program - creation - rules - report. (1) Program. There is created in the department the Colorado food products purchasing incentives grant program to provide incentives to eligible providers to purchase Colorado grown, raised, and processed products.

(2) (a) Baseline year. On or before December 1, 2019, or on or before December 1 of any year thereafter, an eligible provider may apply to the department on a form developed by the department to participate in the incentive grant program to receive incentives pursuant to subsections (3) to (5) of this section. On or before August 1 of the year following the eligible provider's initial application to the incentives grant program pursuant to this subsection (2), the applicant shall track and report to the department on a form developed by the department for the school year in which it applied the total
AMOUNT OF COLORADO GROWN, RAISED, AND PROCESSED PRODUCTS IT PURCHASED FOR STUDENT MEALS, THE TOTAL AMOUNT OF VALUE-ADDED PROCESSED PRODUCTS IT PURCHASED FOR SCHOOL MEALS, THE TOTAL AMOUNT OF PRODUCTS PURCHASED FOR STUDENT MEALS, AND THE TOTAL NUMBER OF LUNCHES THAT IT PROVIDED TO STUDENTS.

(b) **Subsequent years.** On or before December 1 of each year following the eligible provider's initial application for participation in the incentive grant program, an eligible provider that wishes to continue participation in the incentive grant program must submit an application to the department on a form developed by the department. On or before August 20 of each year thereafter that an eligible provider wishes to receive a primary incentive pursuant to subsection (3) of this section, the eligible provider shall track and report to the department on a form developed by the department for the previous school year the total amount of Colorado grown, raised, and processed products it purchased for student meals, the total amount of products purchased for student meals, and the total number of lunches that it provided to students.

(3) **Primary incentive.** (a) In October 2020 and each October thereafter, the department shall reimburse each eligible provider participating in the incentive grant program as of the previous December 1 for the amount spent for meals for students on Colorado grown, raised, and processed products, up to the maximum incentive established pursuant to subsection (3)(b) of this section; except that an eligible provider shall not be reimbursed for the amount of value-added processed
PRODUCTS THAT EXCEEDS TWENTY-FIVE PERCENT OF THE TOTAL OF THE COLORADO GROWN, RAISED, AND PROCESSED PRODUCTS IT PURCHASED.

(b) Each eligible provider is entitled to a primary incentive in an amount up to the number of school lunches provided by the eligible provider as reported to the department pursuant to subsection (2) of this section, divided by the total number of lunches reported by all eligible providers, multiplied by the total appropriation for primary incentive grants.

(4) Increase purchase incentive. (a) Starting with the 2020-21 school year and every school year thereafter, an eligible provider participating in the incentive grant program as of the previous December 1 may be eligible for an additional increased purchase incentive of one cent for every lunch that it provided in that school year. Based on the reports submitted by the eligible providers pursuant to subsection (2) of this section, an eligible provider is entitled to an increased purchase incentive if:

(I) The percentage of Colorado grown, raised, and processed products the provider purchased for meals increased by two percent or more over the previous school year; or

(II) The percentage of Colorado grown, raised, and processed products the provider purchased for meals was at least fifty percent of the total products purchased.

(b) In October 2021 and each October thereafter, the department shall pay to each eligible provider that is eligible for an increase purchase incentive pursuant to this subsection (4) one cent for every lunch that it provided in the previous
SCHOOL YEAR.

(5) **Bonus purchase incentive.** (a) **Starting with the 2020-21 school year and every school year thereafter,** an eligible provider participating in the incentive grant program as of the previous December 1 may be eligible for a bonus purchase incentive of one cent for every lunch that it provided in that school year. Based on the reports submitted by the eligible providers pursuant to subsection (2) of this section, an eligible provider is entitled to a bonus purchase incentive if the percentage of Colorado grown, raised, and processed products the eligible provider purchased for meals was at least fifty percent of the total products purchased.

(b) **In October 2021, and each October thereafter,** the department shall pay to each eligible provider that is eligible for a bonus purchase incentive pursuant to this subsection (5) one cent for every lunch that it provided in the previous school year.

(6) **Grant payments under this section accrue to the eligible provider's nonprofit school food account.**

(7) (a) The state board of education is authorized to adopt rules to implement the incentive grant program.

(b) The department is authorized to monitor the incentive grant program to ensure program integrity and to annually reallocate money among eligible providers to maximize the amount of the grants given.

(c) (I) **On or before December 1, 2021, and on or before December 1 every two years thereafter,** the department shall
SUBMIT A REPORT TO THE EDUCATION AND AGRICULTURE COMMITTEES OF
THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR
COMMITTEES, ON THE EFFECT OF THE INCENTIVES GRANT PROGRAM ON THE
AMOUNT OF COLORADO GROWN, RAISED, AND PROCESSED PRODUCTS
PURCHASED BY ELIGIBLE PROVIDERS.

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

22-99-103. Colorado purchasing technical grant program -
created. (1) THERE IS CREATED IN THE DEPARTMENT THE COLORADO
PURCHASING TECHNICAL GRANT PROGRAM 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, AND PROCESSED PRODUCTS TO ELIGIBLE PROVIDERS. SUBJECT TO
AVAILABLE APPROPRIATIONS, THE NONPROFIT ORGANIZATION MAY AWARD
GRANTS FOR THE FOLLOWING:

(a) TRAINING, TECHNICAL ASSISTANCE, AND PHYSICAL
INFRASTRUCTURE GRANTS TO ELIGIBLE PROVIDERS, AGRICULTURAL TRADE
ASSOCIATIONS, OR OTHER ORGANIZATIONS THAT AGGREGATE PRODUCTS
FROM PRODUCERS FOR:

(I) SUPPORTING DEVELOPMENT AND SUSTAINABILITY OF
COLORADO 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
(IV) CAPACITY BUILDING FOR FOOD PROCESSING IN COLORADO;

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) TRADE ASSOCIATIONS AND PRODUCERS TO COMMUNICATE TO

SCHOOLS AND SCHOOL COMMUNITIES ABOUT THE MULTIPLE BENEFITS OF

PURCHASING COLORADO PRODUCTS.

(2) (a) THE NONPROFIT ORGANIZATION SHALL ANNUALLY

CONDUCT OR CONTRACT FOR THE CONDUCTING OF AN EVALUATION OF THE

COLORADO PURCHASING TECHNICAL GRANT PROGRAM PURSUANT TO THIS

SECTION, INCLUDING:

(I) THE NUMBER OF PARTICIPATING SCHOOL DISTRICTS, THE

DOLLAR AMOUNT SPENT ON COLORADO GROWN, RAISED, AND PROCESSED

PRODUCTS, AND A BREAKDOWN OF THE PRODUCT CATEGORIES

PURCHASED; AND

(II) TO THE EXTENT POSSIBLE, THE IMPACT ON PRODUCERS AND

COLORADO OR REGIONAL ECONOMIES.

(b) THE NONPROFIT ORGANIZATION SHALL ANNUALLY REPORT TO

THE DEPARTMENT ON THE GRANTS AWARDED PURSUANT TO SUBSECTION

(1) OF THIS SECTION AND THE EVALUATION DESCRIBED IN SUBSECTION

(2)(a) OF THIS SECTION.

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