

CHAPTER 375

HUMAN SERVICES - SOCIAL SERVICES

HOUSE BILL 22-1380

BY REPRESENTATIVE(S) Gonzales-Gutierrez and Pelton, Kennedy, McCormick, Amabile, Bacon, Benavidez, Bennett, Bird, Boesenecker, Caraveo, Cutter, Duran, Esgar, Exum, Froelich, Herod, Hooton, Jodeh, Lindsay, Lontine, McCluskie, Michaelson Jenet, Mullica, Ricks, Sirota, Sullivan, Titone, Valdez A., Valdez D., Kipp, Young; also SENATOR(S) Bridges and Coram, Buckner, Danielson, Donovan, Fields, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Kolker, Lee, Moreno, Pettersen, Rodriguez, Story, Winter, Zenzinger, Fenberg.

AN ACT

CONCERNING CREATING COMPREHENSIVE, STATEWIDE SYSTEMS TO PROVIDE IMPROVED ACCESS TO CRITICAL PROGRAM SERVICES THAT SUPPORT LOW-INCOME HOUSEHOLDS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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) Colorado is ranked as one of the most expensive states to live in. On a scale of one to fifty, with fifty meaning highest costs, Colorado ranks forty-eighth for housing affordability and thirty-sixth for cost of living.

(b) Nutrition insecurity rates are at record highs in Colorado, and the rising cost of food exacerbates this. Today, thirty-three percent of Coloradans report some degree of food insecurity, up from just less than ten percent before the COVID-19 pandemic began.

(c) Housing affordability and accessibility are at crisis levels in Colorado; when a family becomes burdened by rent costs, the family often begins to spend less on other items, such as healthy food;

(d) Long-standing disparities in access to healthy food have increased dramatically as a result of the COVID-19 pandemic; forty-three percent of non-White and Latino Coloradans now struggle to put food on the table, compared with twenty-nine percent of White Coloradans;

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

(e) More than two hundred fifty thousand Colorado households receive supplemental nutrition assistance program (SNAP) benefits;

(f) More than sixty percent of food retailers in Colorado that accept SNAP benefits are small, corner, or convenience stores. These stores often struggle to provide a balanced and healthy selection of food.

(g) In response to the COVID-19 public health emergency, obstacles that small food retailers face in providing healthy, affordable food to local communities include a lack of financial resources for capacity-building, such as updating technology, paying for pallet fees, and technical assistance with negotiating and contracting;

(h) To help bring down the cost of essential, fresh, and perishable food for lower-income households and to maximize the amount and quality of food they can purchase, it is essential to assist small food retailers;

(i) Small food retailers tend to have higher prices for fresh and perishable foods compared to large food retailers. Small food retailers face pallet break fees charged by distributors because they cannot meet minimum purchase quotas; small food retailers also lack cold storage or other storage space to store higher quantities of perishable foods; and

(j) Therefore, the general assembly declares that it is in the best interest of Coloradans to establish a community food access program to improve access to and lower prices for healthy foods in low-income and underserved areas of the state by supporting small food retailers with technical assistance, subsidies for pallet, pallet break, distribution, delivery, and other fees, and one-time grants to strengthen infrastructure.

(2) The general assembly further finds that:

(a) A high-quality work management system will have further interoperability to interface with the Colorado benefits management system (CBMS) and other human services technology systems used to process and approve applications for essential programs like SNAP, medicaid, and Colorado works;

(b) Work management systems are tools that help county offices triage and manage caseloads, which allows for more time to provide critical services;

(c) Currently, work management systems are not standardized across the state, with many rural and frontier counties lacking access to fully optimized tools to better manage workload; and

(d) Investing in a universal high-quality work management system will reduce administrative costs and streamline the application process for programs like SNAP, medicaid, and Colorado works; and allow for better case management and improved access to program services that help low-income households purchase healthy food, pay for medical expenses, and achieve economic stability.

(3) (a) The general assembly further declares that the federal government enacted the "American Rescue Plan Act of 2021", Pub.L. 117-2, as amended, to help state, local, and tribal governments respond to the impact and effects of the COVID-19 public health emergency on their communities, residents, and businesses. Under the federal act, the state of Colorado has received over three billion dollars to be used for the purposes identified in the federal act.

(b) The general assembly further determines that establishing a community food program, a high-quality work management system, and a database connection to issue payments to recipients' electronic benefits transfer cards, as funded by this act, are appropriate uses of the money transferred to Colorado under the federal act and constitute critical government services.

SECTION 2. In Colorado Revised Statutes, **add** 26-2-141 as follows:

26-2-141. High-quality work management system - implementation - funding - repeal. (1) BEGINNING JULY 1, 2022, THE STATE DEPARTMENT SHALL BEGIN WORK IN PARTNERSHIP WITH COUNTIES TOWARD IMPLEMENTATION OF A HIGH-QUALITY COUNTY WORK MANAGEMENT SYSTEM FROM JOINT STATE AND COUNTY DECISIONS INFORMED BY THE JOINT AGENCY INTEROPERABILITY SYSTEM STUDY. THE WORK MANAGEMENT SYSTEM MUST BE DESIGNED TO PROVIDE A UNIFIED APPROACH TO EFFICIENTLY AND EFFECTIVELY SERVE COUNTY DEPARTMENTS AND CLIENTS OF THE STATE DEPARTMENT. THE STATE DEPARTMENT SHALL PROVIDE A CENTRALIZED PROCESS FOR COUNTY DEPARTMENTS TO REQUEST CHANGES OR CUSTOMIZATION IN THE WORK MANAGEMENT SYSTEM. IF A COUNTY DEPARTMENT'S CHANGE OR CUSTOMIZATION IS APPROVED, THE STATE DEPARTMENT SHALL HAVE A MECHANISM TO FULFILL THAT REQUEST. THE PURPOSE OF THE WORK MANAGEMENT SYSTEM IS TO REDUCE ADMINISTRATIVE COST, STREAMLINE THE APPLICATION PROCESS FOR VARIOUS BENEFIT PROGRAMS, AND PROVIDE MORE TIME FOR BETTER CASE MANAGEMENT AND IMPROVED ACCESS TO PROGRAM SERVICES THAT ASSIST LOW-INCOME HOUSEHOLDS IN PURCHASING HEALTHY FOOD, PAYING FOR MEDICAL EXPENSES, AND ACHIEVING ECONOMIC STABILITY.

(2) (a) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE THREE MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 TO THE STATE DEPARTMENT FOR THE PURPOSES OF IMPLEMENTING THIS SECTION. UPON FULL UTILIZATION OR EXPIRATION OF THE MONEY APPROPRIATED FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND PURSUANT TO THIS SUBSECTION (2) FOR THE WORK MANAGEMENT SYSTEM, THE STATE DEPARTMENT SHALL CONSIDER ONGOING COSTS TO OPERATE AND MAINTAIN THE WORK MANAGEMENT SYSTEM.

(b) MONEY SPENT PURSUANT TO THIS SUBSECTION (2) MUST CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED. THE STATE DEPARTMENT SHALL EITHER SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

(3) THE STATE DEPARTMENT SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN

ACCORDANCE WITH SECTION 24-75-226 (5).

(4) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

SECTION 3. In Colorado Revised Statutes, 26-2-307, **amend** (1)(a), (1)(b) introductory portion, (1)(b)(V) introductory portion, (1)(b)(V)(B), and (1)(d) introductory portion; **repeal** (1)(b)(III), (1)(b)(IV), (1)(c), and (1)(e); and **add** (1)(b)(III.5) and (1)(d.1) as follows:

26-2-307. Fuel assistance payments - eligibility for federal standard utility allowance - supplemental utility assistance fund established - definitions - repeal. (1) (a) On and after ~~January 1, 2024~~ JULY 1, 2024, the state department shall implement a program to make fuel assistance payments by crediting the fuel assistance payments to recipients' electronic benefits transfer service cards.

(b) Except as provided in ~~subsections (1)(c) and~~ SUBSECTION (1)(d) of this section:

~~(III) The state department may seek, accept, and expend outside funds to finance its work to develop the database connection. The state department shall transmit any outside funds received pursuant to this subsection (1)(b)(III) to the state treasurer who shall credit the outside funds to the supplemental utility assistance fund.~~

(III.5) (A) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWO MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 TO THE STATE DEPARTMENT FOR THE PURPOSES OF IMPLEMENTING THIS SECTION.

(B) MONEY SPENT PURSUANT TO THIS SUBSECTION (1)(b)(III.5) MUST CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED. THE STATE DEPARTMENT SHALL EITHER SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

(C) THIS SUBSECTION (1)(b)(III.5) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

~~(IV) The state department shall use outside funds received to process the EBT card payments and for other administrative costs incurred in implementing the program. If insufficient funds are available to cover the administrative costs, the state department shall request that the organization allocate, as part of its budget prepared pursuant to section 40-8.7-108 (3), money to the state department from the energy assistance system benefit charge collected pursuant to section 40-8.7-104 (2.5) for this purpose.~~

(V) On or before April 1, ~~2022~~ 2024, and on or before April 1 of each year thereafter, the state department shall submit a budget to the organization and the commission to include the state department's administrative costs to implement the program, INCLUDING THE COST TO ISSUE PAYMENTS TO RECIPIENTS' ELECTRONIC BENEFITS TRANSFER CARDS FOR PAYMENTS MADE PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, and the projected number of eligible households that the state department identifies as receiving SNAP benefits but that are not receiving

assistance under LEAP, including an estimated number of new SNAP cases that the state department will approve during the upcoming federal fiscal year. Based on the budget that the state department submits, the organization shall:

(B) Transmit the money to the state department on or before July 1, ~~2022~~ 2024, and on or before July 1 of each year thereafter.

~~(c) If, by January 1, 2022, the state department does not receive outside funds pursuant to subsection (1)(b)(III) of this section or does not receive sufficient outside funds to develop the database connection, the state department shall notify the joint technology committee created in section 2-3-1702 that outside funds were not received or that insufficient outside funds were received.~~

(d) If insufficient ~~outside~~ funds to develop the database connection are received by ~~January 1, 2022~~ SEPTEMBER 1, 2022, the state department need not commence work on developing the database connection pursuant to subsection (1)(b)(II) of this section, but shall:

(d.1) SUBSECTION (1)(d) OF THIS SECTION AND THIS SUBSECTION (1)(d.1) ARE REPEALED, EFFECTIVE SEPTEMBER 1, 2022.

~~(e) If, after January 1, 2022, the state department receives sufficient outside funds for the purpose of developing the database connection, the state department shall, as soon as practicable, develop the database connection and transition to implementing the program in accordance with subsection (1)(b) of this section.~~

SECTION 4. In Colorado Revised Statutes, 26-2-308, **amend** (4) and (5) as follows:

26-2-308. Colorado employment first - supplemental nutrition assistance program - federal match - legislative declaration - definition - repeal. (4) For the 2020-21 state fiscal year, the general assembly shall appropriate three million dollars from the general fund to the state department for the purposes described in subsection (3) of this section. If any unexpended or unencumbered money appropriated for the fiscal year remains at the end of the fiscal year, the state department may expend the money for the same purposes ~~in the next fiscal year~~ without further appropriation.

(5) This section is repealed, effective ~~July 1, 2023~~ JULY 1, 2024.

SECTION 5. In Colorado Revised Statutes, **add** 35-1-117 as follows:

35-1-117. Community food access program - creation - purpose - duties and responsibilities - grant program - funding - reporting - rules - definitions - repeal. (1) THERE IS CREATED IN THE DEPARTMENT A COMMUNITY FOOD ACCESS PROGRAM. THE PURPOSE OF THE PROGRAM IS TO IMPROVE ACCESS TO AND LOWER PRICES FOR HEALTHY FOODS IN LOW-INCOME AND UNDERSERVED AREAS OF THE STATE BY SUPPORTING SMALL FOOD RETAILERS.

(2) (a) AS PART OF THE PROGRAM, THE DEPARTMENT SHALL CREATE A COMMUNITY FOOD CONSORTIUM FOR SMALL FOOD RETAILERS AND

COLORADO-OWNED AND COLORADO-OPERATED FARMS THAT HAS THE FOLLOWING DUTIES AND RESPONSIBILITIES:

(I) PROVIDING TECHNICAL ASSISTANCE IN PURCHASING AND NEGOTIATIONS;

(II) PROVIDING SUBSIDIES FOR PALLET, PALLET BREAK, DISTRIBUTION, AND DELIVERY FEES;

(III) ASSISTING WITH CONNECTING SMALL FOOD PRODUCERS TO SMALL FOOD RETAILERS, WHICH ULTIMATELY SUPPORTS THE FARM, RETAILER, AND CONSUMER;

(IV) OPERATING AS A FOOD VALUE CHAIN COORDINATOR TO CONNECT SMALL FOOD RETAILERS TO COLORADO-OWNED AND COLORADO-OPERATED FARMS AND SMALL- AND LARGE-SCALE DISTRIBUTORS; AND

(V) PROVIDING TECHNICAL SUPPORT TO SMALL FOOD RETAILERS WHO CHOOSE TO PARTICIPATE IN THE CONSORTIUM WITH NEGOTIATING PALLET, PALLET BREAK, PRICING, DISTRIBUTION, AND DELIVERY FEES FOR BETTER PRICES ON WHOLESALE PRODUCTS.

(b) (I) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE ONE MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 TO THE DEPARTMENT FOR THE PURPOSES OF IMPLEMENTING THIS SECTION.

(II) THE DEPARTMENT IS AUTHORIZED TO USE UP TO SEVEN PERCENT OF THE TOTAL MONEY APPROPRIATED TO THE PROGRAM FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAM.

(III) MONEY SPENT PURSUANT TO THIS SUBSECTION (2) MUST CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED. THE DEPARTMENT SHALL EITHER SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

(IV) THE STATE DEPARTMENT SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

(V) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

(3)(a) AS PART OF THE PROGRAM, THE DEPARTMENT SHALL CREATE AND MANAGE THE SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM. THE DEPARTMENT SHALL AWARD ONE-TIME GRANTS, NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS, OUT OF THE GRANT PROGRAM, TO PARTICIPATING SMALL FOOD RETAILERS AND SMALL FAMILY FARMS FOR:

(I) ASSISTING WITH THE NECESSARY COSTS OF OPERATING;

(II) PURCHASING COSTLY EQUIPMENT, INCLUDING BUT NOT LIMITED TO COLD

STORAGE, DISPLAY SHELVING, AND CALIBRATED AND CERTIFIED PRODUCE SCALES;

(III) PROVIDING ACCOUNTING AND BOOK MANAGEMENT SUPPORT; AND

(IV) PURCHASING OR UPDATING POINT OF SALES SYSTEMS OR EQUIPMENT TO ALLOW PARTICIPATING SMALL FOOD RETAILERS TO ACCEPT PAYMENT FROM ANY FOOD INCENTIVE PROGRAM.

(b) (I) THE DEPARTMENT SHALL CREATE AN ADVISORY COMMITTEE CONSISTING OF NO MORE THAN SEVEN MEMBERS TO ASSIST WITH THE GRANT PROGRAM. THE ADVISORY COMMITTEE MAY INCLUDE BUT NEED NOT BE LIMITED TO MEMBERS THAT REFLECT COMMUNITY AND NONPROFIT ORGANIZATIONS THAT HAVE EXPERIENCE RELEVANT TO SUBSECTION (4)(a) OF THIS SECTION, SMALL FOOD RETAILERS, AND SMALL FAMILY FARMS THAT ARE NOT APPLYING FOR GRANT FUNDING, AN INDIVIDUAL WHO HAS PARTICIPATED IN A SUPPLEMENTAL FOOD ASSISTANCE BENEFIT PROGRAM, AND DEPARTMENT STAFF WITH EXPERIENCE IN GRANT-MAKING. THE COMMISSIONER SHALL SELECT THE MEMBERS OF THE ADVISORY COMMITTEE.

(II) THE ADVISORY COMMITTEE'S ROLE IS TO MAKE RECOMMENDATIONS ON AND ASSIST WITH:

(A) THE DEVELOPMENT OF THE GRANT APPLICATION;

(B) A DISBURSEMENT TIMELINE FOR THE GRANTS;

(C) A RUBRIC TO EVALUATE GRANT APPLICATIONS;

(D) THE EVALUATION OF GRANT APPLICATIONS; AND

(E) AWARDED GRANT MONEY TO ELIGIBLE RECIPIENTS.

(III) THE DEPARTMENT AND ADVISORY COMMITTEE SHALL AWARD AT LEAST THIRTY PERCENT OF THE GRANTS TO APPLICANTS LOCATED IN RURAL AREAS.

(c) (I) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE SEVEN MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 TO THE DEPARTMENT FOR THE PURPOSES OF IMPLEMENTING THIS SUBSECTION (3) AND SUBSECTION (4) OF THIS SECTION.

(II) THE DEPARTMENT IS AUTHORIZED TO USE UP TO TEN PERCENT OF THE TOTAL MONEY APPROPRIATED TO THE PROGRAM FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAM.

(III) MONEY SPENT PURSUANT TO THIS SUBSECTION (3) MUST CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED. THE DEPARTMENT SHALL EITHER SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

(IV) THE STATE DEPARTMENT SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS

ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

(V) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

(4) THE DEPARTMENT SHALL DEVELOP A STRATEGY FOR OUTREACH TO COLORADO-OWNED AND COLORADO-OPERATED FARMS AND FOOD RETAILERS AND SMALL FARMS THAT ARE INTERESTED IN PARTICIPATING IN THE CONSORTIUM OR APPLYING FOR A GRANT THROUGH THE GRANT PROGRAM. THE OUTREACH STRATEGY MUST INCLUDE:

(a) FUNDING FOR PARTNERSHIPS WITH NONPROFIT ORGANIZATIONS TO ENSURE APPLICANTS FOR THE CONSORTIUM AND GRANT PROGRAM REFLECT THE IDENTITY AND NEEDS OF THEIR INDIVIDUAL COMMUNITIES. THE OUTREACH STRATEGY MUST INCLUDE FUNDING FOR PARTNERSHIPS WITH NONPROFIT ORGANIZATIONS THAT HAVE:

(I) EXPERIENCE WORKING WITH SMALL FOOD RETAILERS AND SMALL FAMILY FARMS THAT CURRENTLY ACCEPT PAYMENT FROM ANY INCENTIVE PROGRAM;

(II) EXPERIENCE RUNNING AND SUPPORTING SMALL FOOD RETAILERS AND SMALL FAMILY FARMS OR ANY OTHER FOOD INCENTIVE PROGRAM;

(III) EXPERIENCE WITH GRANT-MAKING;

(IV) COMMUNITY RELATIONSHIPS THAT WILL ENSURE THAT OUTREACH TO SMALL FOOD RETAILERS AND SMALL FARMS REFLECTS THE IDENTITY AND NEEDS OF INDIVIDUAL COMMUNITIES; OR

(V) A DEMONSTRATED TRACK RECORD OF WORKING IN FOOD ACCESS AND FOOD JUSTICE; AND

(b) WORKING WITH LOCAL GOVERNMENTS, COUNTIES, TOWNS, AND OTHER MUNICIPALITIES.

(5) ON OR BEFORE JANUARY 30, 2027, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE AGRICULTURE, LIVESTOCK, AND WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, ON THE GRANT PROGRAM AND CONSORTIUM, INCLUDING INFORMATION ON GRANTEEES, USE OF GRANT FUNDS, SNAP SALES, AND PRODUCE AND STOCKING DATA.

(6) (a) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE ONE MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 TO THE DEPARTMENT OF HUMAN SERVICES. THE DEPARTMENT OF HUMAN SERVICES SHALL USE THE APPROPRIATION FOR ELECTRONIC BENEFITS TRANSFER BACK-END PROGRAMMATIC UPDATES. THE APPROPRIATION MUST ALSO BE USED FOR NEW FUNCTIONALITY WITH THE CONTRACTED FINANCIAL TECHNOLOGY VENDOR AND ELIGIBILITY SYSTEM THAT MAKES IT POSSIBLE TO DEPOSIT TIME-LIMITED INCENTIVE FUNDS BASED ON QUALIFYING PURCHASES BACK INTO AN ACCOUNT BY AN AUTHORIZED ELECTRONIC BENEFITS TRANSFER RETAILER WITH THE APPROPRIATE MIDDLEWARE.

(b) THE DEPARTMENT OF HUMAN SERVICES IS AUTHORIZED TO USE UP TO TEN PERCENT OF THE TOTAL MONEY APPROPRIATED TO THE PROGRAM FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAM.

(c) MONEY SPENT PURSUANT TO THIS SUBSECTION (6) MUST CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED. THE DEPARTMENT OF HUMAN SERVICES SHALL EITHER SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

(d) THE DEPARTMENT OF HUMAN SERVICES SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

(e) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

(7) THE DEPARTMENT SHALL PROMULGATE RULES AS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION.

(8) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CONSORTIUM" MEANS THE COMMUNITY FOOD CONSORTIUM CREATED IN SUBSECTION (2) OF THIS SECTION.

(b) "GRANT PROGRAM" MEANS THE SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

(c) "PROGRAM" MEANS THE COMMUNITY FOOD ACCESS PROGRAM CREATED IN SUBSECTION (1) OF THIS SECTION.

(d) "SMALL FAMILY FARM" MEANS A FARM THAT IS COLORADO-OWNED AND COLORADO-OPERATED AND HAS AN ANNUAL GROSS REVENUE BELOW THREE HUNDRED FIFTY THOUSAND DOLLARS.

(e) "SMALL FOOD RETAILER" MEANS:

(I) AN INDEPENDENT OR NONPROFIT-MANAGED, COLORADO-OWNED, AND COLORADO-OPERATED SMALL FOOD RETAIL BUSINESS, DEFINED AS A FOOD RETAILER WITH LESS THAN FIVE THOUSAND SQUARE FEET OF RETAIL SPACE THAT CARRIES AT LEAST THREE CATEGORIES OF FEDERALLY DEFINED STAPLE FOODS, AS DESCRIBED IN THE FEDERAL "FOOD AND NUTRITION ACT OF 2008", SECTIONS 3 AND 9, THE "CONSOLIDATED APPROPRIATIONS ACT OF 2017", SEC. 76, AND THE FEDERAL "ENHANCING RETAILER STANDARDS IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM", 81 FED. REG. 90675, AND BE LOCATED IN OR PROVIDE FOOD TO LOCAL, STATE, OR FEDERALLY DEFINED LOW-INCOME, LOW-ACCESS NEIGHBORHOODS; OR

(II) A FARMER'S MARKET OR FARM-DIRECT OPERATION THAT IS ALREADY OR DEMONSTRATES AN INTENT TO BECOME SNAP AND WIC -AUTHORIZED WHERE ALLOWED.

(f) "SNAP" MEANS THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, ESTABLISHED IN PART 3 OF ARTICLE 2 OF TITLE 26.

(g) "WIC" MEANS THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN, CREATED PURSUANT TO 42 U.S.C. SEC. 1786.

(8) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

SECTION 6. Appropriation. (1) For the 2022-23 state fiscal year, \$3,000,000 is appropriated to the department of human services for use by administration and finance. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228 (2)(a), C.R.S., and is of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, administration and finance may use this appropriation for IT systems interoperability.

(2) For the 2022-23 state fiscal year, \$2,000,000 is appropriated to the department of human services for use by the office of economic security. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228 (2)(a), C.R.S., and is of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, the office of economic security may use this appropriation for fuel assistance payments related to food and energy assistance.

(3) For the 2022-23 state fiscal year, \$1,000,000 is appropriated to the department of human services for use by the office of economic security. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228 (2)(a), C.R.S., and is of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, the office of economic security may use this appropriation for electronic benefits transfer programming related to food and energy assistance.

(4) For the 2022-23 state fiscal year, \$1,000,000 is appropriated to the department of agriculture for use by agricultural services. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228 (2)(a), C.R.S., is of money the state received from the federal coronavirus state fiscal recovery fund, and is based on an assumption that agricultural services will require an additional 1.8 FTE. To implement this act, agricultural services may use this appropriation for the community food access program. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to agricultural services from July 1, 2023, through December 30, 2024, for the same purpose.

(5) For the 2022-23 state fiscal year, \$7,000,000 is appropriated to the department of agriculture for use by agricultural services. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228 (2)(a), C.R.S., and is of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, agricultural services may use this appropriation for the small food business recovery and resilience grant program and outreach. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to agricultural services from July 1, 2023, through December 30, 2024, for the same purpose.

SECTION 7. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 3, 2022