



Fiscal Note

Legislative Council Staff

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HB 26-1350: APPROPRIATIONS TO LEGACY SCHOOL FOOD PROGRAM

Prime Sponsors:

Rep. Brown; Taggart
Sen. Amabile; Bridges

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2026-27 budget package

Summary Information

Overview. The bill modifies the fund sources and funding requirements for a variety of school nutrition programs.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- State Transfers
- School Districts

Appropriations. For FY 2026-27, the bill requires multiple appropriation changes that, on net, reduce appropriations to the Department of Education by \$837,944. See State Appropriations section.

Table 1
State Fiscal Impacts

| Type of Impact | Current Year FY 2025-26 | Budget Year FY 2026-27 | Out Year FY 2027-28 |
|-------------------------|----------------------------|---------------------------|------------------------|
| State Revenue | \$0 | \$0 | \$0 |
| State Expenditures | \$ | -\$837,944 | -\$837,944 |
| Transferred Funds | \$480,000 | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE | 0.0 FTE |

**Table 1A
 State Expenditures**

| Fund Source | Current Year FY 2025-26 | Budget Year FY 2026-27 | Out Year FY 2027-28 |
|---------------------------|------------------------------------|-----------------------------------|--------------------------------|
| General Fund | \$0 | -\$229,097 | -\$229,097 |
| State Education Fund | \$0 | -\$841,460 | -\$841,460 |
| State Public School Fund | \$0 | -\$2,472,644 | -\$2,472,644 |
| Smart Start Cash Fund | \$0 | -\$296,484 | -\$296,484 |
| HSMA Cash Fund | \$0 | \$3,001,741 | \$3,001,741 |
| Total Expenditures | \$0 | -\$837,944 | -\$837,944 |
| Total FTE | 0.0 FTE | 0.0 FTE | 0.0 FTE |

**Table 1B
 State Transfers**

| Fund Source | Current Year FY 2025-26 | Budget Year FY 2026-27 | Out Year FY 2027-28 |
|-----------------------|------------------------------------|-----------------------------------|--------------------------------|
| General Fund | \$480,000 | \$0 | \$0 |
| Start Smart Cash Fund | -\$480,000 | \$0 | \$0 |
| Net Transfer | \$0 | \$0 | \$0 |

Summary of Legislation

Beginning in FY 2026-27, the bill allows the Healthy School Meals for All (HSMA) Cash Fund to be used for:

- state matching funds for the federal National School Lunch Act;
- the Start Smart Nutrition Program;
- the Child Nutrition School Lunch Protection (NLSP) Program; and
- administrative costs for the Summer Electronic Benefits Transfer (EBT) program.

In addition, the bill:

- makes General Fund appropriations for NSLP, Start Smart, and School Lunch Protection programs optional;
- specifies that the National School Lunch Act and Summer EBT program are allowable uses of the HSMA Cash Fund if the HSMA program is fully funded;
- repeals the Start Smart Cash Fund and transfers any unexpended money in the fund to the General Fund on June 30, 2026, and again on August 31, 2026; and
- in years when appropriations from the HSMA Cash Fund are not sufficient to fully fund the local school food purchasing and technical assistance grants that are part of the HSMA program, allows the General Assembly to appropriate funds for local school food purchasing and technical assistance grant programs created elsewhere in statute.

Background

Healthy School Meals for All

The Healthy School Meals for All Program reimburses participating school meal providers that offer free school breakfasts and lunches to all students at participating public schools, regardless of family income. The program also includes funding for school food authorities to increase wages or provide stipends to school meal employees, and grants for purchasing local food and technical assistance related to using local products.

The program was initially approved by voters via Proposition FF in 2022. House Bill 24-1390 delayed implementation of the local school food purchasing grant program, the technical assistance grant program, and the employee wage program by one year to FY 2025-26. Proposition LL and MM were approved by voters in 2025 to allow for Proposition FF revenue to be retained and to raise additional revenue for the program and fund all the program components.

Other Nutrition Programs

The Start Smart Nutrition Program covers the gap between the cost of reduced price and free breakfasts, and the School Lunch Protection Program covers the gap between the cost of reduced price and free lunch. Both programs, which were implemented prior to HSMA, allow children eligible for reduced price meals to receive free meals.

The Summer EBT program, created by [Senate Bill 23B-002](#), provides funds to eligible children to purchase food during the summer.

State Transfers

In FY 2025-26, the bill transfers the unexpended, unencumbered balance of the Start Smart Cash Fund to the General Fund. This amount is estimated at \$480,000.

In FY 2026-27, the bill also transfers any balance in the Start Smart Cash Fund to the General Fund. The amount of this second transfer is expected to be minimal.

State Expenditures

Beginning in FY 2026-27, the bill shifts funding to the Colorado Department of Education for four school nutrition programs from the General Fund and various cash funds to the HSMA Cash Fund, and reduces funding for two of them by a total of \$837,944. The changes are shown in Table 3 below, and by fund in Table 1A.

**Table 2
 State Expenditures**

| Program | Current Fund Source | Current Funding Amount | New Fund Source | New Funding Amount | Change in Funding |
|-----------------------|----------------------------|-------------------------------|------------------------|---------------------------|--------------------------|
| Natl. Sch Lunch Prog. | State Pub. Sch. Fund | \$2,472,644 | HSMA CF | \$2,472,644 | \$0 |
| Sch. Lunch Protection | State Ed. Fund | \$841,460 | HSMA CF | \$235,000 | -\$606,460 |
| Start Smart | Start Smart Fund CF | \$296,484 | HSMA CF | \$65,000 | -\$231,484 |
| Summer EBT | General Fund | \$229,097 | HSMA CF | \$229,097 | \$0 |
| Total | | \$3,839,685 | | \$3,001,741 | -\$837,944 |

School District

The bill is not expected to impact the amount of funding that school districts receive for meal reimbursements. The School Lunch Protection Program and Start Smart Program serve a small number of school food authorities that do not participate in HSMA and the lower appropriation is expected to be sufficient to fund those programs.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without signature. However, Section 11 (1) and (3) only take effect if the Long Bill becomes law, with this section taking effect on the effective date of this bill or of the FY 2026-27 Long Bill, whichever is later.

State Appropriations

For FY 2026-27, the bill requires and includes the following appropriations changes for the Colorado Department of Education:

- a decrease of \$841,460 from the State Education Fund;
- a decrease of \$2,472,644 from the State Public School Fund;
- a decrease of \$296,484 from the Smart Start Cash Fund;
- a decrease of \$229,097 from the General Fund, and a decrease of 0.9 FTE; and
- an increase of \$3,001,741 from the HSMA Cash Fund and an increase of 0.9 FTE.

State and Local Government Contacts

Education Joint Budget Committee Staff

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).