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HOUSE BILL 26-1350

BY REPRESENTATIVE(S) Brown and Taggart, Sirota, Clifford;
also SENATOR(S) Amabile and Bridges, Kirkmeyer.

CONCERNING APPROPRIATIONS RELATED TO SCHOOL FOOD PROGRAMS, AND,
IN CONNECTION THEREWITH, MAKING AND REDUCING AN
APPROPRIATION.

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

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

(a) Prior to the approval of propositions FF, MM, and LL concerning the healthy school meals for all program, the state maintained a number of mechanisms and programs to subsidize meals for students, each with required appropriations; and

(b) The voter approval of propositions FF, MM, and LL concerning the healthy school meals for all program is anticipated to be sufficient to fully support school nutrition programs.

(2) Therefore, the general assembly declares that it is necessary to

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.

eliminate the requirement to appropriate money to the legacy meal mechanisms and that the healthy school meals for all program may be used to support school nutrition programs, if necessary.

SECTION 2. In Colorado Revised Statutes, 22-82.9-211, **amend** (3)(a)(VII) and (3)(g); and **add** (3)(a)(IX), (3)(a)(X), (3)(a)(XI), and (3)(a)(XII) as follows:

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

(3) (a) Subject to annual appropriation by the general assembly, money may be expended from the fund that is not in the account for the following purposes:

(VII) Beginning July 1, 2026, providing outreach related to the supplemental nutritional assistance program; ~~and~~

(IX) BEGINNING JULY 1, 2026, COMPLYING WITH THE REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.;

(X) BEGINNING JULY 1, 2026, ADMINISTERING THE START SMART NUTRITION PROGRAM CREATED IN SECTION 22-82.7-103;

(XI) BEGINNING JULY 1, 2026, ADMINISTERING THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM CREATED IN SECTION 22-82.9-104;
AND

(XII) BEGINNING JULY 1, 2026, ADMINISTERING THE SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM PURSUANT TO SECTION 22-2-149.

(g) If, upon awarding money according to subsection (3)(f) of this section, the department determines that awarding money pursuant to this subsection (3)(g) would result in a reserve calculation amount equal to thirty-five percent or more, then money may be expended from the fund, including money in the account in accordance with subsection (3)(a.5)(II) of this section by awarding and distributing amounts from the fund as

described in subsection (3)(f) of this section and then funding the implementation of the supplemental nutritional assistance program in a manner that supplements and does not supplant the state's expenditures, as of July 1, 2025, to implement the supplemental nutritional assistance program; outreach related to the supplemental nutritional assistance program; ~~and~~ community-based nutrition education; THE REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.; AND THE SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM PURSUANT TO SECTION 22-2-149.

SECTION 3. In Colorado Revised Statutes, 22-54-123, **amend** (1); and **add** (1.5) as follows:

22-54-123. Richard B. Russell national school lunch act - appropriation of state matching funds - definition.

(1) ~~For the 2001-02 budget year and budget years thereafter,~~ The general assembly ~~shall~~ MAY appropriate by separate line item an amount to comply with the requirements for state matching funds under the federal "Richard B. Russell National School Lunch Act", 42 U.S.C. sec. 1751 et seq. The department of education shall develop procedures to allocate and disburse the funds among participating school food authorities each year in an equitable manner so as to comply with the requirements of said act.

(1.5) PURSUANT TO SECTION 22-82.9-211 (3)(a)(IX), SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT OF EDUCATION MAY EXPEND AN AMOUNT FROM THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CASH FUND TO COMPLY WITH THE REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.

SECTION 4. In Colorado Revised Statutes, 22-82.7-102, **amend** the introductory portion; and **repeal** (2) as follows:

22-82.7-102. Definitions.

As used in this ~~article~~ ARTICLE 82.7, unless the context otherwise requires:

(2) ~~"Fund" means the start smart nutrition program fund created in section 22-82.7-105.~~

SECTION 5. In Colorado Revised Statutes, 22-82.7-104, **amend** (1); and **repeal** (2) as follows:

22-82.7-104. Program funding - appropriation.

(1) The general assembly ~~shall~~ MAY annually appropriate by separate line item in the annual general appropriation bill an amount of ~~not less than seven hundred thousand dollars and not more than one million five hundred thousand dollars to the fund created in section 22-82.7-105~~ TO THE DEPARTMENT FOR DISTRIBUTION TO SCHOOL FOOD AUTHORITIES to allow school food authorities to provide free breakfasts to children participating in the school breakfast program who would otherwise be required to pay a reduced price for breakfast and to offset the costs incurred by facility schools in providing breakfasts to students who are placed in the facility and are eligible to participate in the school breakfast program. The appropriation to the ~~fund shall be~~ DEPARTMENT MAY BE in addition to any appropriation made by the general assembly pursuant to section 22-54-123 or 22-54-123.5 (1).

(2) ~~The department may seek and accept gifts, grants, and donations from public and private sources to fund the program, but receipt of gifts, grants, and donations shall not be a prerequisite to the implementation of the program. All private and public funds received through gifts, grants, and donations shall be transmitted to the state treasurer, who shall credit the same to the fund.~~

SECTION 6. In Colorado Revised Statutes, 22-82.7-105, **amend** (1) introductory portion and (1)(a); **repeal** (1)(b); and **add** (4) and (5) as follows:

22-82.7-105. Start smart nutrition program fund - creation - administrative costs - repeal.

(1) There is ~~hereby~~ created in the state treasury the start smart nutrition program fund. The fund ~~shall consist~~ CONSISTS of:

(a) ~~Such moneys as are~~ MONEY AS IS appropriated to the fund by the

general assembly pursuant to section 22-82.7-104 (1); AND

(b) ~~Any gifts, grants, or donations received by the department for the fund pursuant to section 22-82.7-104 (2); and~~

(4)(a) NOTWITHSTANDING SUBSECTIONS (1) TO (3) OF THIS SECTION, ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND TO THE GENERAL FUND.

(b) NOTWITHSTANDING SUBSECTIONS (1) TO (3) OF THIS SECTION, ON AUGUST 31, 2026, THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND TO THE GENERAL FUND.

(5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2026.

SECTION 7. In Colorado Revised Statutes, **amend** 22-82.7-106 as follows:

22-82.7-106. Program - procedures.

The department shall develop procedures to allocate and disburse ~~the moneys in the fund~~ THE MONEY APPROPRIATED TO THE DEPARTMENT FOR THE PROGRAM among participating school food authorities and facility schools each year, in an equitable manner and in compliance with the requirements of the federal "Richard B. Russell National School Lunch Act", 42 U.S.C. sec. 1751 et seq.

SECTION 8. In Colorado Revised Statutes, 22-82.9-105, **amend** (1) as follows:

22-82.9-105. Program funding.

(1) For each fiscal year, the general assembly ~~shall~~ MAY make an appropriation by separate line item in the annual general appropriation bill to allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade participating in the school lunch program who would otherwise be required to pay a reduced

price for lunch and to offset the costs incurred by a facility school in providing lunch to students who are placed in the facility and are eligible to participate in the school lunch program. The appropriation to the department for the program ~~must~~ MAY be in addition to any appropriation made by the general assembly pursuant to section 22-54-123 or 22-54-123.5 (1). The department may expend not more than two percent of the money annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to this part 1.

SECTION 9. In Colorado Revised Statutes, 22-82.9-302, **amend** (3)(a) as follows:

22-82.9-302. Local school food purchasing program - creation - rules.

~~(3) (a) In October 2024, and each October thereafter, subject to annual appropriation~~ IN A STATE FISCAL YEAR WHEN APPROPRIATIONS FROM THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM FUND CREATED IN SECTION 22-82.9-211 DO NOT FULLY FUND THE AWARD OF LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205, THE GENERAL ASSEMBLY MAY APPROPRIATE AN AMOUNT FOR the department ~~shall~~ TO reimburse each participating provider ~~at least five cents~~ for every school lunch that the participating provider prepared in the immediately preceding school year; ~~or a minimum of one thousand dollars, whichever is greater;~~ except that a participating provider is not reimbursed for the amount of value-added processed products that exceeds twenty-five percent of the total of the Colorado grown, raised, or processed products it purchased and that the department may prorate these reimbursements as necessary.

SECTION 10. In Colorado Revised Statutes, 22-82.9-303, **amend** (2) introductory portion as follows:

22-82.9-303. Local school food purchasing technical assistance and education grant program - creation - report.

~~(2) Subject to available appropriations~~ IN A STATE FISCAL YEAR WHEN APPROPRIATIONS FROM THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM FUND CREATED IN SECTION 22-82.9-211 DO NOT FULLY FUND THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION

GRANT PROGRAM PURSUANT TO SECTION 22-82.9-207, THE GENERAL ASSEMBLY MAY APPROPRIATE AN AMOUNT FOR the nonprofit organization may TO award grants for the following:

SECTION 11. Appropriation - adjustments to 2026 long bill.

(1) Except as provided in subsection (3) of this section, to implement this act, appropriations made in the annual general appropriation act for the 2026-27 state fiscal year to the department of education for use by school district operations are adjusted as follows:

(a) The cash funds appropriation from the state public school fund created in section 22-54-114 (1), C.R.S., for state match for the school lunch program is decreased by \$2,472,644;

(b) The cash funds appropriation from the state education fund created in section 17 (4)(a) of article IX of the state constitution for the child nutrition school lunch protection program is decreased by \$841,460;

(c) The cash funds appropriation from the start smart nutrition program fund created in section 22-82.7-105 (1), C.R.S., for the start smart nutrition program is decreased by \$296,484; and

(d) The general fund appropriation for summer electronics benefits transfer for children is decreased by \$229,097, and the related FTE is decreased by 0.9 FTE.

(2) For the 2026-27 state fiscal year, \$3,001,741 is appropriated to the department of education for use by school district operations. This appropriation is from the healthy school meals for all program fund created in section 22-82.9-211 (2)(a), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$2,472,644 for state match for the school lunch program;

(b) \$235,000 for the child nutrition school lunch protection program;

(c) \$65,000 for the start smart nutrition program; and

(d) \$229,097 for summer electronics benefits transfer for children, which amount is based on an assumption that the department will require

an additional 0.9 FTE.

(3) Subsection (1) of this section does not require a reduction of an appropriation in the annual general appropriation act for the 2026-27 state fiscal year for the department of education for use by school district operations if:

(a) The amount of cash funds appropriation from the state public school fund created in section 22-54-114 (1), C.R.S., made in the annual general appropriation act for the 2026-27 state fiscal year for state match for the school lunch program is less than the amount of the adjustment required in subsection (1)(a) of this section;

(b) The amount of cash funds appropriation from the state education fund created in section 17 (4)(a) of article IX of the state constitution made in the annual general appropriation act for the 2026-27 state fiscal year for the child nutrition school lunch protection program is less than the amount of the adjustment required in subsection (1)(b) of this section;

(c) The amount of cash funds appropriation from the start smart nutrition program fund created in section 22-82.7-105 (1), C.R.S., made in the annual general appropriation act for the 2026-27 state fiscal year for the start smart nutrition program is less than the amount of the adjustment required in subsection (1)(c) of this section;

(d) The amount of the general fund appropriation made in the annual general appropriation act for the 2026-27 state fiscal year for the summer electronics benefits transfer for children is less than the amount of the adjustment required in subsection (1)(d) of this section; or

(e) The annual general appropriation act for the 2026-27 state fiscal year does not include an appropriation to the department of education for use by school district operations for:

(I) State match for the school lunch program;

(II) The child nutrition school lunch protection program;

(III) The start smart nutrition program; or

(IV) The summer electronics benefits transfer for children.

SECTION 12. Effective date. This act takes effect upon passage; except that subsections (1) and (3) of section 11 of this act take effect only if the annual general appropriation act for the 2026-27 state fiscal year becomes law, in which case subsections (1) and (3) of section 11 of this act take effect upon the effective date of this act or of the annual general appropriation act for state fiscal year 2026-27, whichever is later.

SECTION 13. 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 _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO