



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-169: RESTAURANT MEALS PROGRAM

Prime Sponsors:

Sen. Jodeh; Pelton R.
Rep. Zokaie

Fiscal Analyst:

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Bill Outcome: Signed into Law
Drafting number: LLS 25-0716

Version: Final Fiscal Note
Date: August 13, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. Conditional on approval from the United States Department of Agriculture, the bill allows participating restaurants to accept supplemental nutrition assistance program benefits as payment.

Types of impacts. The bill conditionally affects the following areas on an ongoing basis:

- State Expenditures

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$252,512	\$80,196
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.5 FTE	0.5 FTE

¹ Fund sources for these impacts are shown in the table below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$121,307	\$35,149
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$121,306	\$35,148
Centrally Appropriated	\$0	\$9,899	\$9,899
Total Expenditures	\$0	\$252,512	\$80,196
Total FTE	0.0 FTE	0.5 FTE	0.5 FTE

Summary of Legislation

The bill requires the Department of Human Services (CDHS) to submit an application to the United State Department of Agriculture (USDA) seeking approval of a program that would allow Supplemental Nutrition Assistance Program (SNAP) recipients to use their benefits at participating restaurants.

If approved by the USDA and subject to available appropriations, CDHS must develop an implementation plan and conduct rulemaking for administration of the program. Participating restaurants must be authorized by the USDA to accept SNAP benefits and must be licensed by the state Department of Public Health and Environment. CDHS may provide technical assistance to restaurants and contract with a third-party vendor.

The bill requires CDHS to report to the legislature progress on implementing the program in their 2027 SMART Act hearing.

State Expenditures

Conditional upon federal approval, the bill increases state expenditures in the CDHS by \$253,000 in FY 2026-27 and \$81,000 in FY 2027-28 and ongoing. These costs, split evenly between General Fund and federal funds, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Human Services

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$0	\$39,657	\$39,657
Operating Expenses	\$0	\$640	\$640
Capital Outlay Costs	\$0	\$6,670	\$0
Programming Costs	\$0	\$113,146	\$0
Vendor Fee	\$0	\$82,500	\$30,000
Centrally Appropriated Costs	\$0	\$9,899	\$9,899
Total Costs	\$0	\$252,512	\$80,196
Total FTE	0.0 FTE	0.5 FTE	0.5 FTE

Department of Human Services

Staff

Beginning in FY 2026-27, CDHS will require 0.5 FTE Social Services Specialist to implement the bill. This position will provide outreach and technical assistance to restaurants who choose to participate in the program, ensuring that restaurants can comply with reporting and accept SNAP benefits. Standard capital outlay and operating costs are included.

Programming and Vendor Costs

CDHS will have costs of \$113,146 to make updates to the Colorado Benefit Management System to allow this new SNAP benefits. Programming costs are based on 852 hours of contractor time at a rate of \$132.80 per hour. Additionally, CDHS employs an external vendor to manage the Electronic Benefits Transfer System. CDHS will have one-time costs of \$70,000 in FY 2026-27 for the vendor to update their system to pay restaurants, and then pay an ongoing monthly fee of \$2,500 to oversee these additional types of transactions. Costs in FY 2026-27 assume five months of vendor fees.

Application Workload

In FY 2025-26, CDHS will have increased workload to submit the required application to the USDA, conduct rulemaking and engage with stakeholders. This workload will be minimal and can be accomplished within existing appropriations.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

Effective Date

The bill was signed into law by the Governor and took effect on May 13, 2025.

State and Local Government Contacts

Agriculture

Human Services

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](#).