First Regular Session Seventy-fifth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 25-0750.04 Pierce Lively x2059

SENATE BILL 25-214

SENATE SPONSORSHIP

Bridges and Amabile, Kirkmeyer, Michaelson Jenet, Mullica, Snyder, Wallace

HOUSE SPONSORSHIP

Sirota and Taggart, Bird

Senate Committees

Appropriations

101

102

103

104

House Committees

Appropriations

A BILL FOR AN ACT CONCERNING REIMBURSEMENTS FOR ELIGIBLE MEALS PROVIDED THROUGH THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN

Bill Summary

APPROPRIATION.

(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/.)

Joint Budget Committee. The healthy school meals for all program (program) reimburses participating school food authorities for meals that those authorities provide to students without charge. Section

SENATE 3rd Reading Unamended April 3, 2025

SENATE Amended 2nd Reading April 2, 2025 2 of the bill allows for the amount of these reimbursements to be modified in 2 different scenarios. First, if a referred measure that would, beginning with the 2026 state income tax year, increase state taxes annually by at least \$90 million in connection with the program is not approved by the voters voting on the referred measure at the 2025 statewide election, the department of education (department) is required to only provide reimbursements to participating school food authorities for meals served at eligible sites. Eligible sites are those that either:

- Qualify for the community eligibility provision program, as that program exists on November 15, 2025; or
- Is identified as an eligible site by the department based on the amount that the general assembly appropriates for the purpose of providing reimbursements to a participating school food authority for offering eligible meals without charge and the percentage of a site's student enrollment who are certified as eligible for free meals based on documentation of benefit receipt or categorical eligibility as described in federal rule, or any successor regulations.

Second, if the department, in consultation with the office of state planning and budgeting, determines that the amount that the general assembly appropriated for the purpose of providing reimbursements to a participating school food authority is less than the costs of the department providing those reimbursements, the department may request a supplemental appropriation or an overexpenditure. If that request is rejected, the department may determine a prorated reimbursement amount for the reimbursements that the department provides through the program to each participating school food authority for the remainder of that budget year.

Under current law, if the department determines that there is an insufficient amount of money in the healthy school meals for all program cash fund (fund) for the department to provide reimbursements to a participating school food authority for offering eligible meals without charge, the department may make an expenditure from the general fund to provide those reimbursements. **Sections 4 and 6** limit this expenditure authority to fiscal years commencing on or before July 1, 2024.

Additionally, under current law, the general assembly is required to appropriate money from the state education fund to cover program costs for which there is not sufficient money in the fund for state fiscal years 2023-24 and 2024-25. **Section 3** allows the general assembly to appropriate money from the state education fund into state fiscal year 2025-26. **Section 4** requires the department, on January 15, 2027, in consultation with the office of state planning and budgeting, to report to the joint budget committee on whether there is a sufficient balance in the fund for:

• The state treasurer to transfer an amount from the fund to

-2- 214

the state education fund equal to the total amount of expenditures from the state education fund for the program for state fiscal years 2022-23, 2023-24, 2024-25, and 2025-26 minus the amount of additional tax revenue deposited in the state education fund as a result of the increase in state income tax generated in connection with voter approval of the program for those same fiscal years; and

• The department to provide reimbursements to a participating school food authority for offering eligible meals without charge.

Section 8 decreases the appropriation for school meal reimbursements provided through the program from the general fund by \$42,240,242 and increases the appropriation from the state education fund by \$8,119,271 for the same purpose.

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

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2 **SECTION 1.** Legislative declaration. The general assembly 3 finds and declares that, in the event of unanticipated federal action, 4 changes in the amount of tax revenue collected in connection with the 5 Healthy School Meals for All program, or changes in the utilization of the 6 Healthy School Meals for All program it is the general assembly's intent 7 to prioritize reimbursing the cost of meals served for those students who 8 are certified as eligible for free meals based on documentation of benefit 9 receipt or categorical eligibility as described in 7 CFR 245.9 (f)(1)(iii) 10 and by those schools that participate in the federal community eligibility 11 provision program created in 42 U.S.C. sec. 1759a (a)(1)(F).

SECTION 2. In Colorado Revised Statutes, 22-82.9-204, **amend** (1)(a)(I), (1)(a)(II), (1)(b), and (2); and **add** (1)(b.3) and (1)(b.5) as follows:

22-82.9-204. Healthy school meals for all program - created - advisory group - report - rules - definition - repeal. (1) (a) There is created in the department the healthy school meals for all program

-3-

through which each school food authority that chooses to participate in the program:

- (I) Offers eligible meals, without charge, to all students enrolled in the public schools THAT ARE served by the participating school food authority, that participate in the national school lunch program or national school breakfast program, AND FOR WHICH THE DEPARTMENT MAY REIMBURSE THE PARTICIPATING SCHOOL FOOD AUTHORITY PURSUANT TO SUBSECTION (1)(b) OR (1)(b.3) OF THIS SECTION;
 - (II) Receives reimbursement for the meals as described in subsection (1)(b)of this section THIS SUBSECTION (1);
 - (b) (I) FOR ELIGIBLE MEALS SERVED BEFORE JANUARY 1, 2026, the amount of the reimbursement provided through the program to each participating school food authority for each budget year, is equal to the federal free reimbursement rate multiplied by the total number of eligible meals that the participating school food authority serves during the applicable budget year minus the total amount of reimbursement for eligible meals served during the applicable budget year that the participating school food authority receives pursuant to the national school breakfast program, the national school lunch program, sections 22-54-123 and 22-54-123.5, article 82.7 of this title 22, and part 1 of this article 82.9.
 - (II) (A) NOTWITHSTANDING ANY LAW TO THE CONTRARY, IF A REFERRED MEASURE THAT WOULD, <u>IN COMBINATION WITH SECTION 39-22-104 (3)(p.5)</u>, <u>RESULT IN THE COLLECTION OF AT LEAST ONE HUNDRED FIFTY MILLION DOLLARS FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1, 2026</u>, IN CONNECTION WITH THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, AS ESTIMATED IN THE FISCAL IMPACT

-4- 214

1	STATEMENT PREPARED PURSUANT TO SECTION 1-40-124.5 FOR THAT			
2	REFERRED MEASURE, IS APPROVED BY THE VOTERS VOTING ON THE			
3	REFERRED MEASURE AT THE STATEWIDE ELECTION HELD ON NOVEMBER			
4	4,2025, for eligible meals served on or after January $1,2026$, the			
5	AMOUNT OF THE REIMBURSEMENT PROVIDED THROUGH THE PROGRAM TO			
6	EACH PARTICIPATING SCHOOL FOOD AUTHORITY FOR EACH BUDGET YEAR			
7	IS EQUAL TO THE FEDERAL FREE REIMBURSEMENT RATE MULTIPLIED BY			
8	THE TOTAL NUMBER OF ELIGIBLE MEALS THAT THE PARTICIPATING SCHOOL			
9	FOOD AUTHORITY SERVES DURING THE APPLICABLE BUDGET YEAR MINUS			
10	THE TOTAL AMOUNT OF REIMBURSEMENT FOR ELIGIBLE MEALS SERVED			
11	DURING THE APPLICABLE BUDGET YEAR THAT THE PARTICIPATING SCHOOL			
12	FOOD AUTHORITY RECEIVES PURSUANT TO THE NATIONAL SCHOOL			
13	BREAKFAST PROGRAM, THE NATIONAL SCHOOL LUNCH PROGRAM,			
14	SECTIONS 22-54-123 AND 22-54-123.5, ARTICLE 82.7 OF THIS TITLE 22,			
15	AND PART 1 OF THIS ARTICLE 82.9.			
16	(B) If a referred measure that would, <u>in combination with</u>			
17	SECTION 39-22-104 (3)(p.5), RESULT IN THE COLLECTION OF AT LEAST ONE			
18	HUNDRED FIFTY MILLION DOLLARS FOR THE INCOME TAX YEAR			
19	COMMENCING ON JANUARY 1, 2026, IN CONNECTION WITH THE HEALTHY			
20	SCHOOL MEALS FOR ALL PROGRAM, AS ESTIMATED IN THE FISCAL IMPACT			
21	STATEMENT PREPARED PURSUANT TO SECTION 1-40-124.5 FOR THAT			
22	REFERRED MEASURE, IS NOT APPROVED BY THE VOTERS VOTING ON THE			
23	REFERRED MEASURE AT THE STATEWIDE ELECTION HELD ON NOVEMBER			
24	4,2025, THIS SUBSECTION (1)(b)(II) IS REPEALED, EFFECTIVE JULY 1,2026.			
25	(b.3) (I) If a referred measure that would, $\underline{\text{in combination}}$			
26	WITH SECTION 39-22-104 (3)(p.5), RESULT IN THE COLLECTION OF AT			
27	LEAST ONE HUNDRED FIFTY MILLION DOLLARS FOR THE INCOME TAX YEAR			

-5- 214

1	COMMENCING ON JANUARY 1, 2026, IN CONNECTION WITH THE HEALTHY
2	SCHOOL MEALS FOR ALL PROGRAM, AS ESTIMATED IN THE FISCAL IMPACT
3	STATEMENT PREPARED PURSUANT TO SECTION 1-40-124.5 FOR THAT
4	REFERRED MEASURE, IS NOT APPROVED BY THE VOTERS VOTING ON THE
5	REFERRED MEASURE AT THE STATEWIDE ELECTION HELD ON NOVEMBER
6	4,2025, for eligible meals served on or after January $1,2026$, the
7	DEPARTMENT SHALL ONLY REIMBURSE PARTICIPATING SCHOOL FOOD
8	AUTHORITIES FOR MEALS SERVED AT ELIGIBLE SITES.
9	(II) THE AMOUNT OF THE REIMBURSEMENT PROVIDED THROUGH
10	THE PROGRAM TO EACH PARTICIPATING SCHOOL FOOD AUTHORITY FOR
11	EACH BUDGET YEAR FOR ELIGIBLE MEALS SERVED AT ELIGIBLE SITES ON OR
12	after January 1, 2026, is equal to the federal free reimbursement
13	RATE MULTIPLIED BY THE TOTAL NUMBER OF ELIGIBLE MEALS THAT THE
14	PARTICIPATING SCHOOL FOOD AUTHORITY SERVES AT ELIGIBLE SITES
15	DURING THE APPLICABLE BUDGET YEAR MINUS THE TOTAL AMOUNT OF
16	REIMBURSEMENT FOR ELIGIBLE MEALS SERVED AT ELIGIBLE SITES DURING
17	THE APPLICABLE BUDGET YEAR THAT THE PARTICIPATING SCHOOL FOOD
18	AUTHORITY RECEIVES PURSUANT TO THE NATIONAL SCHOOL BREAKFAST
19	PROGRAM, THE NATIONAL SCHOOL LUNCH PROGRAM, SECTIONS 22-54-123
20	AND 22-54-123.5, ARTICLE 82.7 OF THIS TITLE 22, AND PART 1 OF THIS
21	ARTICLE 82.9.
22	(III) As used in this subsection $(1)(b.3)$, unless the context
23	OTHERWISE REQUIRES, "ELIGIBLE SITE" MEANS A SITE THAT, FOR THE
24	SCHOOL YEAR DURING THE RELEVANT BUDGET YEAR:
25	(A) QUALIFIES FOR THE COMMUNITY ELIGIBILITY PROVISION
26	PROGRAM, AS THAT PROGRAM EXISTS ON NOVEMBER 15, 2025; OR
27	(B) IS IDENTIFIED AS AN ELIGIBLE SITE BY THE DEPARTMENT BASED

-6- 214

1	ON THE AMOUNT THAT THE GENERAL ASSEMBLY APPROPRIATES FOR THE		
2	PURPOSE OF PROVIDING REIMBURSEMENTS TO A PARTICIPATING SCHOOL		
3	FOOD AUTHORITY FOR OFFERING ELIGIBLE MEALS WITHOUT CHARGE		
4	PURSUANT TO THIS SUBSECTION (1) AND THE PERCENTAGE OF A SITE'S		
5	STUDENT ENROLLMENT WHO ARE CERTIFIED AS ELIGIBLE FOR FREE MEALS		
6	BASED ON DOCUMENTATION OF BENEFIT RECEIPT OR CATEGORICAL		
7	ELIGIBILITY AS DESCRIBED IN 7 CFR 245.9 (f)(1)(iii) OR ANY SUCCESSOR		
8	REGULATIONS.		
9	(IV) If a referred measure that would, $\underline{\text{IN COMBINATION WITH}}$		
10	SECTION 39-22-104 (3)(p.5), RESULT IN THE COLLECTION OF AT LEAST ONE		
11	HUNDRED FIFTY MILLION DOLLARS FOR THE INCOME TAX YEAR		
12	COMMENCING ON JANUARY 1, 2026, IN CONNECTION WITH THE HEALTHY		
13	SCHOOL MEALS FOR ALL PROGRAM, AS ESTIMATED IN THE FISCAL IMPACT		
14	STATEMENT PREPARED PURSUANT TO SECTION 1-40-124.5 FOR THAT		
15	REFERRED MEASURE, IS APPROVED BY THE VOTERS VOTING ON THE		
16	REFERRED MEASURE AT THE STATEWIDE ELECTION HELD ON NOVEMBER		
17	4,2025, this subsection $(1)(b.3)$ is repealed, effective July $1,2026$.		
18	(b.5)(I) If the department, in consultation with the office		
19	OF STATE PLANNING AND BUDGETING, ESTIMATES, FOR ANY BUDGET YEAR,		
20	THAT THE AMOUNT THAT THE GENERAL ASSEMBLY APPROPRIATED FOR THE		
21	PURPOSE OF PROVIDING REIMBURSEMENTS TO A PARTICIPATING SCHOOL		
22	FOOD AUTHORITY FOR OFFERING ELIGIBLE MEALS WITHOUT CHARGE		
23	Pursuant to this subsection (1) after January 1, 2026, will be less		
24	THAN THE COSTS OF THE DEPARTMENT PROVIDING THOSE		
25	REIMBURSEMENTS, THE DEPARTMENT SHALL PROVIDE NOTICE OF THIS		
26	ESTIMATION TO THE JOINT BUDGET COMMITTEE OF THE GENERAL		
27	ASSEMBLY AND THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL		

-7- 214

1	OF THE GENERAL ASSEMBLY. IN ADDITION TO THE NOTICE DESCRIBED IN
2	This subsection $(1)(b.5)(I)$, the department may submit a
3	SUPPLEMENTAL APPROPRIATION REQUEST TO THE JOINT BUDGET
4	COMMITTEE OR A REQUEST FOR AN OVEREXPENDITURE IN ACCORDANCE
5	WITH SECTION 24-75-111.
6	(II) (A) AS SOON AS PRACTICABLE AFTER THE DEPARTMENT
7	SUBMITS A REQUEST FOR A SUPPLEMENTAL APPROPRIATION PURSUANT TO
8	SUBSECTION $(1)(b.5)(I)$ of this section, the joint budget committee
9	OF THE GENERAL ASSEMBLY SHALL INFORM THE DEPARTMENT WHETHER
10	IT WILL APPROVE OR REJECT THE DEPARTMENT'S REQUEST. IF THE JOINT
11	BUDGET COMMITTEE INDICATES THAT IT WILL REJECT THE DEPARTMENT'S
12	REQUEST, THE DEPARTMENT MAY DETERMINE A PRORATED, REDUCED
13	REIMBURSEMENT AMOUNT FOR THE REIMBURSEMENTS THAT THE
14	DEPARTMENT PROVIDES PURSUANT TO SUBSECTION (1)(b) OR (1)(b.3) OF
15	THIS SECTION AS APPLICABLE FOR THE REMAINDER OF THAT BUDGET YEAR.
16	(B) IF, WITHIN THIRTY DAYS OF THE DEPARTMENT SUBMITTING A
17	REQUEST FOR AN OVEREXPENDITURE PURSUANT TO SUBSECTION $(1)(b.5)(I)$
18	OF THIS SECTION, THE DEPARTMENT'S REQUEST HAS NOT BEEN GRANTED,
19	THE DEPARTMENT MAY DETERMINE A PRORATED, REDUCED
20	REIMBURSEMENT AMOUNT FOR THE REIMBURSEMENTS THAT THE
21	DEPARTMENT PROVIDES PURSUANT TO SUBSECTION $(1)(b)$ or $(1)(b.3)$ of
22	THIS SECTION AS APPLICABLE FOR THE REMAINDER OF THAT BUDGET YEAR.
23	(C) Before providing the propated, reduced
24	REIMBURSEMENT AMOUNTS DESCRIBED IN SUBSECTIONS (1)(b.5)(II)(A)
25	AND $(1)(b.5)(II)(B)$ of this section, the department shall provide
26	TIMELY WRITTEN NOTICE TO EACH PARTICIPATING SCHOOL FOOD
27	AUTHORITY.

-8-

(2) A school food authority that chooses to participate in the
program must annually give notice of participation to the department as
provided by rule of the state board. At a minimum, the notice must
include evidence that the school food authority is participating in
provisional programming if deemed necessary by the department. The
department may require school food authority modifications to the
program throughout the year to maximize a school food authority's federal
reimbursements as deemed necessary by the department.
SECTION 3. In Colorado Revised Statutes, 22-82.9-209, amend
(2) as follows:
22-82.9-209. Program - funding. (2) (a) For the 2023-24 budget
year and the 2024-25 budget year, the general assembly shall appropriate
money from the state education fund created in section 17 (4) of article
IX of the state constitution to cover program costs for which there is not
sufficient money in the healthy school meals for all cash fund.
(b) For the 2025-26 budget year, the general assembly may
APPROPRIATE MONEY FROM THE STATE EDUCATION FUND CREATED IN
SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION TO COVER
PROGRAM COSTS FOR WHICH THERE IS NOT SUFFICIENT MONEY IN THE
HEALTHY SCHOOL MEALS FOR ALL CASH FUND.
SECTION 4. In Colorado Revised Statutes, 22-82.9-211, amend
(3)(a)(I) and (5); and add (8) as follows:
22-82.9-211. Healthy school meals for all program cash fund
- creation - uses - reporting requirements - definitions - repeal.
(3) (a) Subject to annual appropriation by the general assembly, the
department may expend money from the cash fund for the following
purposes:

-9- 214

1	(I) Providing reimbursements to a participating school food			
2	authority for offering eligible meals without charge pursuant to section			
3	22-82.9-204 (1)(b) SECTION 22-82.9-204 (1);			
4	(5) (a) For fiscal years commencing on or before July			
5	2024, if the department determines that there is an insufficient amount of			
6	money in the cash fund to provide for an expenditure authorized by the			
7	annual appropriation from the cash fund for the purposes described in			
8	subsection (3)(a)(I) of this section, the department may make the			
9	expenditure from the general fund.			
10	(b) This subsection (5) is repealed, effective July 1, 2026.			
11	(8) (a) On or before January 15, 2027, the department, in			
12	CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING,			
13	SHALL REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL			
14	ASSEMBLY ON WHETHER THERE IS A SUFFICIENT BALANCE IN THE CASH			
15	FUND FOR:			
16	(I) THE STATE TREASURER TO TRANSFER AN AMOUNT FROM THE			
17	CASH FUND TO THE STATE EDUCATION FUND EQUAL TO THE TOTAL			
18	AMOUNT OF EXPENDITURES FROM THE STATE EDUCATION FUND FOR THE			
19	PURPOSES OF SUBSECTION (3) OF THIS SECTION MINUS THE AMOUNT OF			
20	ADDITIONAL TAX REVENUE DEPOSITED IN THE STATE EDUCATION FUND AS			
21	A RESULT OF SECTION 39-22-104 (3)(p.5) FOR STATE FISCAL YEARS			
22	2022-23, 2023-24, 2024-25, and 2025-26; and			
23	(II) THE DEPARTMENT TO PROVIDE REIMBURSEMENTS TO A			
24	PARTICIPATING SCHOOL FOOD AUTHORITY FOR OFFERING ELIGIBLE MEALS			
25	WITHOUT CHARGE PURSUANT TO SECTION 22-82.9-204 (1).			
26	(b) This subsection (8) is repealed, effective July 1, 2027.			
27	SECTION 5. In Colorado Revised Statutes, 22-82.9-208, amend			

-10-

1 (1)(a)(II) as follows: 2 **22-82.9-208. Report - audit.** (1) (a) On or before December 1, 3 2024, and on or before December 1 every two years thereafter, the 4 department shall prepare a report concerning the implementation of 5 section 22-82.9-204 and sections 22-82.9-205, 22-82.9-206, and 6 22-82.9-207, to the extent those sections are in effect as provided in 7 section 22-82.9-204 (4)(b). At a minimum, the report must describe: 8 (II) The effect of the use of local food purchasing grants on the 9 amount of Colorado grown, raised, or processed products purchased by 10 participating school food authorities and include a compilation of the 11 information reported by participating school food authorities pursuant to 12 section 22-82.9-205 (1)(b) SECTION 22-82.9-205 (1); 13 **SECTION 6.** In Colorado Revised Statutes, 24-75-109, amend 14 (1)(f) and (5) as follows: 15 24-75-109. Controller may allow expenditures in excess of 16 appropriations - limitations - appropriations for subsequent fiscal 17 year restricted - repeal. (1) For the purpose of closing the state's books, 18 and subject to the provisions of this section, the controller may, on or 19 after May 1 of any fiscal year and before the forty-fifth day after the close 20 thereof, upon approval of the governor, allow any department, institution, 21 or agency of the state, including any institution of higher education, to 22 make an expenditure in excess of the amount authorized by an item of 23 appropriation for such fiscal year if: 24 (f) The overexpenditure is by the department of education for 25 providing reimbursements to a participating school food authority for 26 offering eligible meals without charge, pursuant to section 22-82.9-204

(1)(b) SECTION 22-82.9-204 (1), FOR STATE FISCAL YEARS COMMENCING

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-11- 214

ON OR BEFO	RE JU	LY 1, 2024;	or
(5)	The	limitation	on

(5) The limitation on general fund appropriations and the requirement for a general fund reserve contained in section 24-75-201.1 shall not apply to overexpenditures from the general fund for medicaid programs allowed pursuant to subsection (1)(a) of this section to overexpenditures by the department of education allowed pursuant to subsection (1)(f) of this section or to supplemental general fund appropriations for medicaid programs enacted pursuant to subsection (4) of this section. Overexpenditures for all other purposes allowed pursuant to subsection (1) of this section and supplemental general fund appropriations for all other purposes enacted pursuant to subsection (4) of this section shall be considered appropriations for the fiscal year in which the overexpenditure was allowed and shall accordingly be subject to the limitations and requirements of section 24-75-201.1.

SECTION 7. Effective date. This act takes effect upon passage; except that section 24-75-109 (5), Colorado Revised Statutes, as amended in section 6 of this act, takes effect July 1, 2025.

SECTION 8. Appropriation - adjustments to 2025 long bill.

- (1) To implement this act, appropriations made in the annual general appropriation act for the 2025-26 state fiscal year to the department of education for use by school district operations are adjusted as follows:
- (a) The general fund appropriation for school meal reimbursements is decreased by \$42,240,242; and
 - (b) The cash funds appropriation from the state education fund created in section 17 (4)(a) of article IX of the state constitution for school meal reimbursements is increased by \$8,119,271.

SECTION 9. Safety clause. The general assembly finds,

-12-

- determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety or for appropriations for
- 3 the support and maintenance of the departments of the state and state
- 4 institutions.

-13-