



# Memorandum

To: Joint Budget Committee Members  
From: Kelly Shen, JBC Staff (303-866-5434)  
Date: March 25, 2026  
Subject: Potential Legislation Packet 13

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If the Committee would like to approve a bill draft for introduction, the motion should include:

- Approve for introduction in the House as a JBC bill LLS 25-XXXX;
- When the bill should be run (with the Long Bill package or otherwise);
- Prime sponsors and co-sponsors; and
- Grant staff permission to make technical changes.

Each individual item has page numbers, but also a packet page number (P-XXX) to help navigate the whole document. The page numbers below refer to the packet page number that begins with a "P".

## Potential Legislation

*Education – Amanda Bickel*

LLS 26-0529 Appropriations to Legacy School Food Programs .....P-1

*Health Care Policy and Financing – Emily Pope*

LLS 26-0928 Prior Authorization for Outpatient Psychotherapy .....P-12

*Labor and Employment – Phoebe Canagarajah*

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Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/24/26

DRAFT

LLS NO. 26-0529.02 Jacob Baus x2173

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** Appropriations to Legacy School Food Programs

**DEADLINES:** File by: 2/6/2026

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**A BILL FOR AN ACT**

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

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**Bill Summary**

*(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.** Under current law, the general assembly is required to appropriate from the general fund an amount to comply with matching requirements under the federal "Richard B. Russell National School Lunch Act". The bill makes this appropriation optional and allows the amount to be appropriated from the healthy school meals

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

for all program cash fund.

Under current law, the department of education is a designated partner agency for the summer electronic benefits transfer for children program (summer EBT program), created in the department of human services, and is required to administer the summer EBT program. The bill allows the amount for administration of the summer EBT program to be appropriated from the healthy school meals for all program cash fund.

Under current law, the general assembly is required to appropriate \$700,000 to \$1.5 million from the general fund to the start smart nutrition program cash fund (cash fund). The bill makes the appropriation optional, repeals the cash fund, transfers the cash fund balance to the general fund, and allows an appropriation to be made from the healthy school meals for all program cash fund.

Under current law, the general assembly is required to appropriate from the general fund an amount to the child nutrition school lunch protection program. The bill makes the appropriation optional and allows an appropriation to be made from the healthy school meals for all program cash fund.

Under current law, the department is required to reimburse participating providers up to a certain amount for each school lunch, subject to annual appropriation. The bill states that the general assembly may appropriate an amount for the department of education to reimburse participating providers up to a certain amount for each school lunch.

The bill makes and reduces appropriations to the department of education for the affected programs.

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

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

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

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

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

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

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

7 **22-82.9-211. Healthy school meals for all program cash fund**  
8 **- creation - uses - reporting requirements - legislative declaration -**  
9 **definitions - repeal.**

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

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

15 (IX) BEGINNING JULY 1, 2026, COMPLYING WITH THE  
16 REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE FEDERAL  
17 "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC.  
18 1751 ET SEQ.;

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

21 (XI) BEGINNING JULY 1, 2026, ADMINISTERING THE CHILD  
22 NUTRITION SCHOOL LUNCH PROTECTION PROGRAM CREATED IN SECTION  
23 22-82.9-104; AND

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

27 (g) If, upon awarding money according to subsection (3)(f) of this

1 section, the department determines that awarding money pursuant to this  
 2 subsection (3)(g) would result in a reserve calculation amount equal to  
 3 thirty-five percent or more, then money may be expended from the fund,  
 4 including money in the account in accordance with subsection (3)(a.5)(II)  
 5 of this section by awarding and distributing amounts from the fund as  
 6 described in subsection (3)(f) of this section and then funding the  
 7 implementation of the supplemental nutritional assistance program in a  
 8 manner that supplements and does not supplant the state's expenditures,  
 9 as of July 1, 2025, to implement the supplemental nutritional assistance  
 10 program; outreach related to the supplemental nutritional assistance  
 11 program; and community-based nutrition education; THE REQUIREMENTS  
 12 FOR STATE MATCHING FUNDS UNDER THE FEDERAL "RICHARD B. RUSSELL  
 13 NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.; AND THE  
 14 SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM  
 15 PURSUANT TO SECTION 22-2-149.

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

18 **22-54-123. Richard B. Russell national school lunch act -**  
 19 **appropriation of state matching funds - definition.**

20 (1) ~~For the 2001-02 budget year and budget years thereafter,~~ The  
 21 general assembly ~~shall~~ MAY appropriate by separate line item an amount  
 22 to comply with the requirements for state matching funds under the  
 23 federal "Richard B. Russell National School Lunch Act", 42 U.S.C. sec.  
 24 1751 et seq. The department of education shall develop procedures to  
 25 allocate and disburse the funds among participating school food  
 26 authorities each year in an equitable manner so as to comply with the  
 27 requirements of said act.

1 (1.5) PURSUANT TO SECTION 22-82.9-211 (3)(a)(IX), SUBJECT TO  
2 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT  
3 OF EDUCATION MAY EXPEND AN AMOUNT FROM THE HEALTHY SCHOOL  
4 MEALS FOR ALL PROGRAM CASH FUND TO COMPLY WITH THE  
5 REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE FEDERAL  
6 "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC.  
7 1751 ET SEQ.

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

10 **22-82.7-102. Definitions.**

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

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

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

17 **22-82.7-104. Program funding - appropriation.**

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

1 breakfast program. The appropriation to the fund shall be DEPARTMENT  
2 MAY BE in addition to any appropriation made by the general assembly  
3 pursuant to section 22-54-123 or 22-54-123.5 (1).

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

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

13 **22-82.7-105. Start smart nutrition program fund - creation -**  
14 **administrative costs - repeal.**

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

17 (a) ~~Such moneys as are~~ MONEY AS IS appropriated to the fund by  
18 the general assembly pursuant to section 22-82.7-104 (1); AND

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

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

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

1 FUND.

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

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

5 **22-82.7-106. Program - procedures.**

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

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

14 **22-82.9-105. Program funding.**

15 (1) For each fiscal year, the general assembly ~~shall~~ MAY make an  
16 appropriation by separate line item in the annual general appropriation  
17 bill to allow school food authorities to provide lunches at no charge for  
18 children in state-subsidized early childhood education programs  
19 administered by public schools or in kindergarten through twelfth grade  
20 participating in the school lunch program who would otherwise be  
21 required to pay a reduced price for lunch and to offset the costs incurred  
22 by a facility school in providing lunch to students who are placed in the  
23 facility and are eligible to participate in the school lunch program. The  
24 appropriation to the department for the program ~~must~~ MAY be in addition  
25 to any appropriation made by the general assembly pursuant to section  
26 22-54-123 or 22-54-123.5 (1). The department may expend not more than  
27 two percent of the money annually appropriated for the program to offset

1 the direct and indirect costs incurred by the department in implementing  
2 the program pursuant to this part 1.

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

5 **22-82.9-302. Local school food purchasing program - creation**  
6 **- rules.**

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

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

23 **22-82.9-303. Local school food purchasing technical assistance**  
24 **and education grant program - creation - report.**

25 (2) ~~Subject to available appropriations~~ IN A STATE FISCAL YEAR  
26 WHEN APPROPRIATIONS FROM THE HEALTHY SCHOOL MEALS FOR ALL  
27 PROGRAM FUND CREATED IN SECTION 22-82.9-211 DO NOT FULLY FUND

1 THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND  
2 EDUCATION GRANT PROGRAM PURSUANT TO SECTION 22-82.9-207, THE  
3 GENERAL ASSEMBLY MAY APPROPRIATE AN AMOUNT FOR the nonprofit  
4 organization ~~may~~ TO award grants for the following:

5 **SECTION 11. Appropriation - adjustments to 2026 long bill.**

6 (1) Except as provided in subsection (3) of this section, to implement this  
7 act, appropriations made in the annual general appropriation act for the  
8 2026-27 state fiscal year to the department of education for use by school  
9 district operations are adjusted as follows:

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

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

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

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

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

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

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

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

4 (d) \$229,097 for summer electronics benefits transfer for children,  
5 which amount is based on an assumption that the department will require  
6 an additional 0.9 FTE.

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

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

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

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

27 (d) The amount of the general fund appropriation made in the

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

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

7 (I) State match for the school lunch program;

8 (II) The child nutrition school lunch protection program;

9 (III) The start smart nutrition program; or

10 (IV) The summer electronics benefits transfer for children.

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

17 **SECTION 13. Safety clause.** The general assembly finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, or safety or for appropriations for  
20 the support and maintenance of the departments of the state and state  
21 institutions.

# Memorandum

To: Joint Budget Committee  
From: Emily Pope, JBC Staff (303-866-4961)  
Date: March 24, 2026  
Subject: Prior authorization for outpatient psychotherapy legislation

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During figure setting for HCPF, the Committee approved drafting legislation to allow prior authorization requirements (PARs) after 52 outpatient psychotherapy sessions in a calendar year. PARs are prohibited under current law. The Department requested implementing PARs after 24 sessions. The attached bill draft allows PARs to occur after 52 sessions in one fiscal year.

The General Fund savings for PARs after 52 sessions was unknown during figure setting. The Department has provided estimates for setting PARs at different intervals, provided in the table below.

### FY 2026-27 Savings by session limit

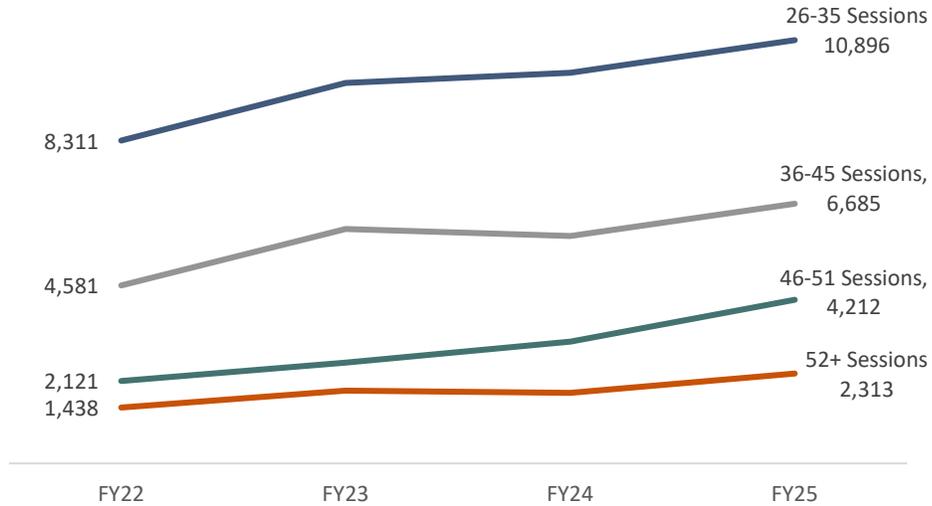
Annual Sessions	Total Funds	General Fund
52	-\$6,706,019	-\$1,566,600
46	-9,199,174	-2,149,028
36	-15,509,161	-3,623,110
26	-24,026,598	-5,612,877

General Fund savings were not assumed in the General Fund overview presented Friday, March 20 because the savings were still unknown to staff. Any General Fund savings presented after March 20 include \$1.6 million in General Fund savings to align with Committee action during figure setting.

The Department indicates that a full year of savings can be assumed for FY 2026-27 as long as the decision to allow PARs is finalized in the next few weeks. Approximately 60-90 days are necessary to implement changes into RAE contracts. The Department also indicates that high utilizers of outpatient psychotherapy should not be assumed to be higher acuity patients.

PARs were prohibited by S.B. 22-156. The Department had previously provided utilization data based on changes from FY 2021-22 to FY 2023-24. The Committee asked for updated data from FY 2024-25 during figure setting. Updated utilization data is provided in the table below.

Utilization for outpatient psychotherapy in the last four fiscal years.



The Department had a very limited time to provide this analysis and data previously presented to the Committee may have been outdated. However, the numbers differ significantly from the numbers previously provided to staff and presented to the Committee.

#### Previously Presented Utilization Data

Annual Sessions	FY 21-22	FY 23-24	% Change
26-35	4,237	6,836	61%
36-45	2,121	3,569	68%
46-55	764	1,221	60%
56+	447	886	98%

#### Most Recent Utilization Data

Annual Sessions	FY22	FY23	FY24	FY25	FY22 to FY24 %Change
26-35	8,311	9,791	10,059	10,896	21.0%
36-45	4,581	6,035	5,853	6,685	27.8%
46-51	1,438	1,877	1,818	2,313	26.4%
52+	2,121	2,595	3,135	4,212	47.8%

Staff has not been able to address concerns from the Committee regarding compliance with federal parity laws. Staff assumes that the Committee may choose to delay introduction of the bill draft until the Department can provide more comprehensive data about comparable PARs for occupational and physical therapy.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/18/26

DRAFT

LLS NO. 26-0928.01 Lindy Schaible x4215

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** Prior Authorization for Outpatient Psychotherapy  
**DEADLINES:** File by: 3/20/2026

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**A BILL FOR AN ACT**

101 CONCERNING PRIOR AUTHORIZATION FOR OUTPATIENT  
102 PSYCHOTHERAPY FOR MEDICAID MANAGED CARE PROGRAMS.

**Bill Summary**

*(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.** Current law prohibits prior authorization requests (PARs) for outpatient psychotherapy sessions for medicaid managed care programs. The bill permits PARs for outpatient psychotherapy sessions for medicaid managed care programs after a member receives a specified number of outpatient psychotherapy sessions in any given state fiscal year.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

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

2           **SECTION 1.** In Colorado Revised Statutes, 25.5-5-406.1, **amend**  
3 (1)(j)(II) as follows:

4           **25.5-5-406.1. Required features of statewide managed care**  
5 **system.**

6           (1) **General features.** All medicaid managed care programs must  
7 contain the following general features, in addition to others that the  
8 federal government, state department, and state board consider necessary  
9 for the effective and cost-efficient operation of those programs:

10           (j) (II) A prepaid inpatient health plan ~~shall not require~~ MAY  
11 REQUIRE prior authorization for outpatient psychotherapy services, as  
12 defined in the most recent version of the "Current Procedural  
13 Terminology", as developed and copyrighted by the American Medical  
14 Association or its successor entity, PROVIDED TO A MEMBER IN A STATE  
15 FISCAL YEAR AFTER THE MEMBER RECEIVES FIFTY-TWO SESSIONS IN THE  
16 STATE FISCAL YEAR;

17           **SECTION 2. Effective date.** This act takes effect July 1, 2026.

18           **SECTION 3. Safety clause.** The general assembly finds,  
19 determines, and declares that this act is necessary for the immediate  
20 preservation of the public peace, health, or safety or for appropriations for  
21 the support and maintenance of the departments of the state and state  
22 institutions.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/23/26

DRAFT

LLS NO. 26-0956.01 Alison Killen x4350

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** Direct Transfers for CDLE School-to-Work Progs

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**A BILL FOR AN ACT**

101 **CONCERNING THE CLASSIFICATION OF SCHOOL-TO-WORK ALLIANCE**  
102 **PROGRAM COST PAYMENTS TO THE DEPARTMENT OF LABOR AND**  
103 **EMPLOYMENT FROM THE DEPARTMENT OF EDUCATION.**

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**Bill Summary**

*(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.** Currently, a school district (district) may request that the department of education pay the state's share of the district's total program for the budget year in 12 monthly payments. A district may further direct, by written instruction to the state board of education (board), that a specified portion of its monthly payment be paid

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

instead to the department of labor and employment to cover the district's costs for participation in school-to-work alliance programs. The board is required to certify to the state treasurer on a monthly basis the amount payable to each district and the amount, if any, to be transferred directly to the department of labor and employment instead of paid to the district.

The bill clarifies that the amount of money transferred from the state public school fund directly to the department of labor and employment for school-to-work alliance program costs instead of paid to a district is not state fiscal year spending for purposes of section 20 of article X of the state constitution (TABOR).

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

**SECTION 1.** In Colorado Revised Statutes, 22-54-115, **amend** (1.5) as follows:

**22-54-115. Distribution from state public school fund.**

(1.5) Any school district may give written instructions to the state board directing that a specified portion of a monthly payment or monthly payments that the district is otherwise entitled to receive pursuant to this section shall be transferred to the department of labor and employment for the district's cost of participating in school-to-work alliance programs.

These written instructions shall specify the amount to be transferred to the department of labor and employment from the district's payment for a specified month or months. The written instructions shall be given to the state board no later than the fifth day of the first month in which such amount is to be transferred to the department of labor and employment.

THE TRANSFER OF THE SPECIFIED PORTION OF A DISTRICT'S MONTHLY PAYMENT OR MONTHLY PAYMENTS THAT THE DISTRICT INSTRUCTS SHOULD NOT BE PAID BUT INSTEAD TRANSFERRED TO THE DEPARTMENT OF LABOR AND EMPLOYMENT IS NOT STATE FISCAL YEAR SPENDING FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

**SECTION 2. Safety clause.** The general assembly finds,

1 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.



## Joint Budget Committee Staff

Nonpartisan Budget Analysis for Colorado's Legislature

### JBC Staff Comeback

# Public Health and Environment

**JBC Staff:** Andrew McLeer, (303-866-4959)

**Date:** March 24, 2026

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## Transfers from School and Child Care Drinking Water Fund

The Committee has approved transfers totaling \$6.3 million from the School and Child Care Drinking Water Fund to be included in the omnibus transfer bill. Per Committee direction, these transfers are scheduled for FY 2025-26. However, the Office of Legislative Legal Services prefers to have these transfers reflected in the bill extending the Test and Fix Water for Kids program (LLS 26-0906). **Staff recommends reflecting these transfers in LLS 26-0906, rather than the omnibus transfer bill.** The bill draft reflects this recommendation.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/24/26

DRAFT

LLS NO. 26-0906.01 Richard Sweetman x4333

HOUSE BILL

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HOUSE SPONSORSHIP

**Brown and Sirota**, Taggart

SENATE SPONSORSHIP

**Amabile and Kirkmeyer**, Bridges

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**BILL TOPIC:** Safe Drinking Water in Child Care Ctrs & Schools

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A BILL FOR AN ACT

101 CONCERNING CLEAN DRINKING WATER IN PLACES WHERE CHILDREN  
102 ARE PRESENT, AND, IN CONNECTION THEREWITH, EXTENDING  
103 THE SCHOOL AND CHILD CARE CLEAN DRINKING WATER FUND  
104 THROUGH **2029**, ADDING HIGH SCHOOLS TO THE SCOPE OF  
105 POTENTIAL RECIPIENTS OF GRANTS FROM THE SCHOOL AND  
106 CHILD CARE CLEAN DRINKING WATER FUND, PROHIBITING THE  
107 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FROM  
108 ISSUING A LICENSE TO A CHILD CARE CENTER UNLESS THE CHILD  
109 CARE CENTER IS IN COMPLIANCE WITH LAWS CONCERNING THE  
110 TESTING OF DRINKING WATER, AND TRANSFERRING MONEY  
111 FROM THE SCHOOL AND CHILD CARE CLEAN DRINKING WATER  
112 FUND TO THE GENERAL FUND.

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*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

## Bill Summary

*(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.** In 2022, the general assembly enacted, and the governor subsequently signed into law, House Bill 22-1358, which required child care centers, family child care homes, and each public school that serves any of grades preschool through 8th grade to:

- Test its drinking water sources by having a state-certified laboratory measure the lead content of water drawn from each drinking water source; and
- Satisfy other requirements concerning the provision of safe drinking water.

House Bill 22-1358 also created the school and child care clean drinking water fund (fund) to help schools, child care centers, and family child care homes comply with House Bill 22-1358.

House Bill 22-1358 included a repeal date of June 30, 2026, for its provisions. The bill extends the provisions, with amendments, until June 30, 2029. The bill also adds high schools (i.e., schools that serve grades 9 to 12) to the scope of House Bill 22-1358, which means that high schools may receive grants from the fund and must satisfy certain requirements on or before dates specified in the bill.

The bill prohibits the department of public health and environment from issuing or renewing a license for a child care center unless the child care center is in compliance with the requirements of House Bill 22-1358 concerning testing for the presence of lead in drinking water.

On June 30, 2026, the bill transfers \$5.3 million from the fund to the general fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-8-901, **amend** (4)

3 as follows:

4 **25-8-901. Definitions.**

5 As used in this part 9, unless the context otherwise requires:

6 (4) "Eligible school" means a school that serves any of grades  
7 preschool through ~~eight~~ TWELFTH grade.



1           (1) **Testing.**

2           (a) (I) Except as described in ~~subsection (1)(a)(II)~~ SUBSECTIONS  
3 (1)(a)(II) AND (1)(a)(III) of this section, on or before May 31, 2023, each  
4 child care center, family child care home, and eligible school shall test its  
5 drinking water sources by having a state-certified laboratory measure the  
6 lead content of water drawn from each drinking water source. The testing  
7 must be done in accordance with the latest federal guidance on proper  
8 sampling for testing for the presence of lead in drinking water, including  
9 the "Lead and Copper Rule" of the federal environmental protection  
10 agency, 40 CFR 141 et seq., as amended.

11           (II) Subject to available appropriations, ~~as described in section~~  
12 ~~25-8-904 (2)~~, an eligible school that serves students in sixth, seventh, or  
13 eighth grade shall satisfy the requirement described in subsection (1)(a)(I)  
14 of this section on or before November 30, 2024.

15           (III) SUBJECT TO AVAILABLE APPROPRIATIONS, AN ELIGIBLE  
16 SCHOOL THAT SERVES STUDENTS IN NINTH, TENTH, ELEVENTH, OR  
17 TWELFTH GRADE SHALL SATISFY THE REQUIREMENT DESCRIBED IN  
18 SUBSECTION (1)(a)(I) OF THIS SECTION ON OR BEFORE MAY 31, 2027.

19           (4) **Training.**

20           (a) EXCEPT AS DESCRIBED IN SUBSECTION (4)(b) OF THIS SECTION,  
21 not later than one hundred eighty days after August 10, 2022, the  
22 department shall provide training to each child care center, family child  
23 care home, and eligible school regarding water filter maintenance,  
24 flushing protocols, testing for lead, reporting processes for sampling  
25 reports, and other activities relevant to compliance with this part 9.  
26 Training may take place in person or virtually and must include the  
27 individuals who will take water samples at the child care center, family

1 child care home, or eligible school for the purposes of this part 9. The  
2 department shall provide the training in relevant languages.

3 (b) NOT LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE  
4 EFFECTIVE DATE OF THIS SUBSECTION (4)(b), THE DEPARTMENT SHALL  
5 PROVIDE THE TRAINING DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION  
6 TO EACH ELIGIBLE SCHOOL THAT SERVES STUDENTS IN NINTH, TENTH,  
7 ELEVENTH, OR TWELFTH GRADE.

8 (7) **Reimbursement.**

9 (b) ~~Notwithstanding subsection (7)(a) of this section, the~~  
10 ~~department shall not reimburse an eligible school that serves students in~~  
11 ~~sixth, seventh, or eighth grade until June 1, 2023, for costs incurred for~~  
12 ~~the purpose of complying with this section.~~

13 **SECTION 4.** In Colorado Revised Statutes, **repeal** 25-8-904 as  
14 follows:

15 **25-8-904. Report and recommendation regarding expansion**  
16 **required - legislative declaration.**

17 (1) ~~It is the general assembly's intent that, subject to the~~  
18 ~~availability of future appropriations, the requirements described in this~~  
19 ~~part 9 concerning the testing and remediation of drinking water sources~~  
20 ~~in eligible schools should be expanded to apply to schools other than~~  
21 ~~those schools that are eligible schools, and such schools should also be~~  
22 ~~made eligible to receive reimbursement for costs incurred in complying~~  
23 ~~with such requirements. To this end, the department is required to advise~~  
24 ~~the general assembly in the form of the report described in subsection (2)~~  
25 ~~of this section.~~

26 (2) ~~On or before February 28, 2024, the department shall report~~  
27 ~~to the public and behavioral health and human services committee of the~~

1 ~~house of representatives and the health and human services committee of~~  
2 ~~the senate, or to any successor committees, concerning the department's~~  
3 ~~activities under this part 9. Specifically, the department shall include in~~  
4 ~~the report the amount of money, if any, that remains in the fund on the~~  
5 ~~date of the report. If the department determines that sufficient money~~  
6 ~~remains in the fund, then eligible schools that serve any of grades six~~  
7 ~~through eight shall comply with the testing requirement described in~~  
8 ~~section 25-8-903 (1)(a)(I) on or before November 30, 2024. The~~  
9 ~~department shall post notice of its determination on its public website as~~  
10 ~~soon as practicable.~~

11 **SECTION 5.** In Colorado Revised Statutes, **amend** 25-8-905 as  
12 follows:

13 **25-8-905. Repeal of part.**

14 This part 9 is repealed, effective ~~June 30, 2026~~ JUNE 30, 2029.

15 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-530, **amend**  
16 (2) as follows:

17 **22-30.5-530. Testing for the presence of lead in drinking water**  
18 **in eligible schools - compliance with public health requirements -**  
19 **repeal.**

20 (2) This section is repealed, effective ~~June 30, 2026~~ JUNE 30,  
21 2029.

22 **SECTION 7.** In Colorado Revised Statutes, 22-32-151, **amend**  
23 (2) as follows:

24 **22-32-151. Testing for the presence of lead in drinking water**  
25 **in eligible schools - compliance with public health requirements -**  
26 **repeal.**

27 (2) This section is repealed, effective ~~June 30, 2026~~ JUNE 30,

1 2029.

2 **SECTION 8.** In Colorado Revised Statutes, 26.5-5-329, **amend**  
3 (2) as follows:

4 **26.5-5-329. Testing for the presence of lead in drinking water**  
5 **in child care centers and family child care homes - compliance with**  
6 **public health requirements - repeal.**

7 (2) This section is repealed, effective ~~June 30, 2026~~ JUNE 30,  
8 2029.

9 **SECTION 9.** In Colorado Revised Statutes, 26.5-5-309, **add** (8)  
10 as follows:

11 **26.5-5-309. Licenses - rules - definition - appropriation -**  
12 **repeal.**

13 (8) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (8),  
14 THE DEPARTMENT SHALL NOT ISSUE OR RENEW A LICENSE FOR A CHILD  
15 CARE CENTER UNLESS THE CHILD CARE CENTER IS IN COMPLIANCE WITH  
16 THE REQUIREMENTS OF PART 9 OF ARTICLE 8 OF TITLE 25 CONCERNING  
17 TESTING FOR THE PRESENCE OF LEAD IN DRINKING WATER.

18 **SECTION 10. Safety clause.** The general assembly finds,  
19 determines, and declares that this act is necessary for the immediate  
20 preservation of the public peace, health, or safety or for appropriations for  
21 the support and maintenance of the departments of the state and state  
22 institutions.