

# Updates: Healthy School Meals for All

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June 20, 2024



- Update from the 2023-24 school year
- Implementation of HB24-1390
  - *Maximizing Federal Funds through Community Eligibility Provision (CEP)*
  - *New requirements for collection of Free & Reduced Lunch (FRL) forms*
  - *Convening the technical advisory work group*
- Preview and garner feedback on the December report

# 2023-24 School Year

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# This school year...

- The data reflects August 2023 through April 2024
  - *Because of federal requirements, reimbursement data can lag behind by as much as 60 days, so final totals will not be available until September 2024*
- 100% of eligible School Food Authorities participated in HSMA (190 total)
- 28 newly eligible School Food Authorities elected mid-year Community Eligibility Provision (CEP) status following the US Department of Agriculture's updated rules in late 2023 and subsequent waiver determinations in early 2024
- To date, districts have been reimbursed nearly \$150 million for HSMA, and CDE projects the final cost for the year to be \$166 million
  - *That is more than \$50 million more than originally projected*
- Revenue data will be available in October or November of 2024

# HB24-1390 Updates

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# HB24-1390 Requires CDE to...

1. Maximize the federal benefit from the Community Eligibility Provision (CEP) by:
  - Determining how a district participating in CEP will save or cost the state money
  - Condition HSMA reimbursements on districts maximizing federal reimbursement
2. Create a policy for FRL forms that HSMA districts must use.
3. Establish and regularly convene the technical advisory group to make recommendations to the legislature:
  - Identify ways to maximize federal reimbursements;
  - Reduce costs of the program;
  - Review cost-savings options, including minimizing food waste;
  - Strengthen the long-term resiliency of the healthy school meals for all cash fund;
  - Create model revenue scenarios;
  - Provide options and recommendations to balance program revenues and expenditures.

# What is the Community Eligibility Provision?

The Community Eligibility Provision (CEP) is a federal meal service option that is available to some schools and/or districts with student populations that meet certain eligibility.

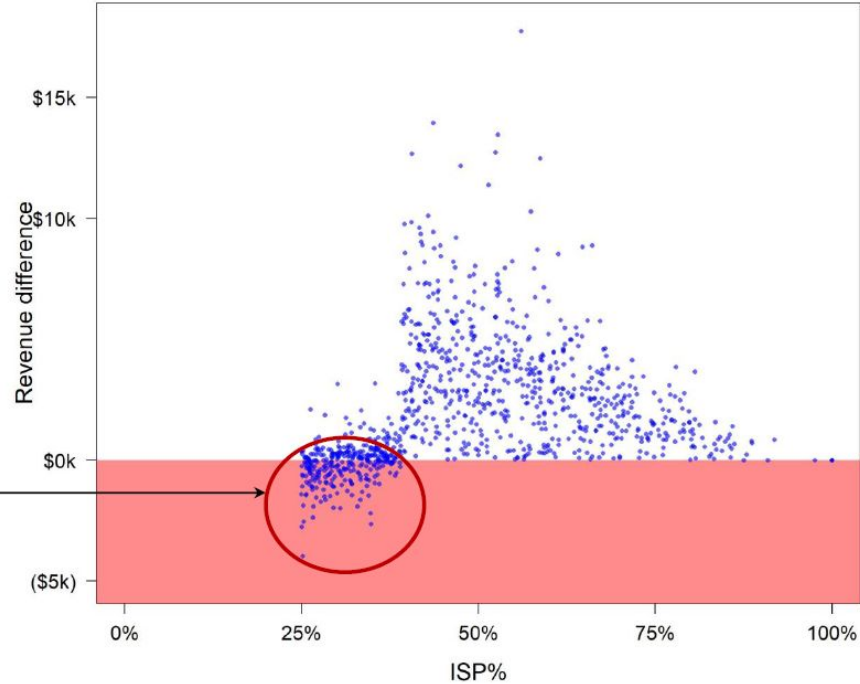
It allows school districts to serve breakfast and lunch at no cost to all enrolled students without collecting household income (FRL) applications.

The eligibility threshold for CEP was lowered in late 2023 from 40% of students meeting certain requirements to 25%.

# Mandatory Mid-Year CEP Adjustments



A significant number of lower ISP sites net less simulated revenue under CEP. Additional analysis is underway to determine the drivers of this phenomenon.





- In March of 2024 CDE contracted with a third party developer to create an optimization tool that will allow CDE to determine, down to the site, which site should/should not be on CEP and how they should be grouped to maximize funding.
- Districts submitted their annual CEP identified student percentage (ISP) numbers in April 2024. We're currently validating the data, per federal regulations.
- All but 2 eligible School Food Authorities (SFAs) have opted into CEP. Per USDA requirement, SFAs must opt in to CEP by June 30th.
- CDE is conducting outreach to the 2 remaining districts who still have to opt-in.

- HB24-1390 requires CDE to develop, and HSMA participating SFAs to adopt, new requirements for the collection of Free and Reduced Lunch (FRL) forms no later than July 1, 2024.
- CDE has created the new requirements, which include practices such as:
  - Requiring that between July 1 and the first day of school, each household will be provided with a letter, the free and reduced-price meal application and corresponding instructions for completing the form by mail or electronically.
  - Requiring that prior to October 1, two separate communication methods are used to remind parents if they haven't completed their applications.
- Districts will be trained on the policy and CDE will begin monitoring these practices this next school year.

# Technical Advisory Group Summary

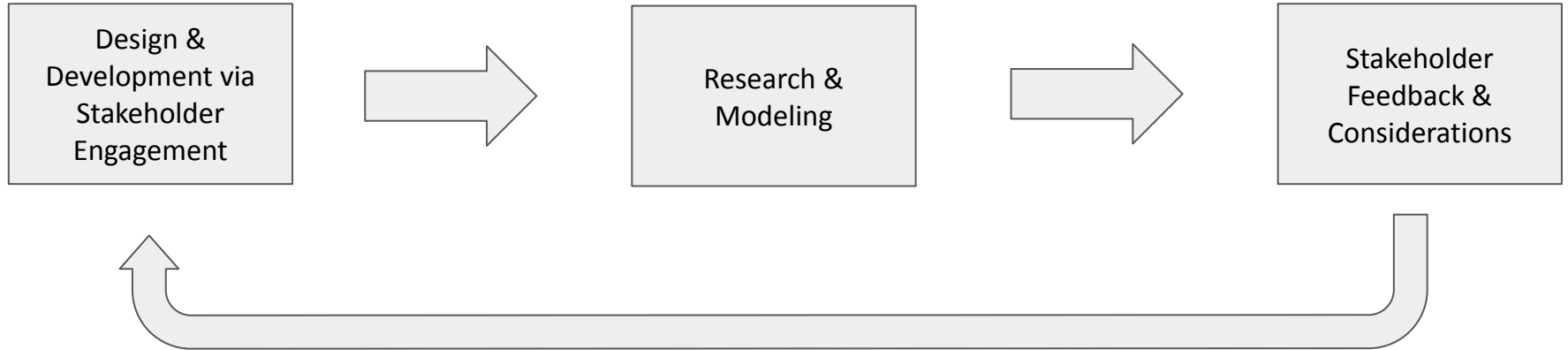
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# Overview

- CDE will work with the Colorado Department of Agriculture, the Office of State Planning and Budget, and a team of expert facilitators and researchers to lead an open and transparent process that includes robust stakeholder engagement through things like:
  - Holding design sessions to develop potential policy scenarios;
  - Conducting surveys of and interviewing various groups including but not limited to students, parents, school district leaders (superintendents, CFOs, school food service teams), nutrition advocates, and policy makers regarding the research that is needed and the impact potential policy options could have; and
  - Researching how other states universal meal programs are structured and funded.
- CDE will leverage the expertise of several economists the Department has retained, along with the technical assistance from Joint Budget Committee and Legislative Council Staff to:
  - Provide financial projections for the program on a routine basis ahead of next session
  - Model various policy scenarios and their financial impact

# Dynamic & Engaging Research Driven Process



# December 2024 Report

- **At a minimum, the final report will include:**
  - A summary on the work groups' efforts to:
    - *“(I) IDENTIFY WAYS TO MAXIMIZE FEDERAL REIMBURSEMENTS;*
    - *(II) REDUCE COSTS OF THE PROGRAM;*
    - *(III) REVIEW COST-SAVINGS OPTIONS, INCLUDING MINIMIZING FOOD WASTE;*
    - *(IV) STRENGTHEN THE LONG-TERM RESILIENCY OF THE HEALTHY SCHOOL MEALS FOR ALL CASH FUND;*
    - *(V) CREATE MODEL REVENUE SCENARIOS;*
    - *(VI) PROVIDE OPTIONS AND RECOMMENDATIONS FOR BALANCING PROGRAM REVENUES AND EXPENDITURES IN THE MANNER MOST EQUITABLE FOR STUDENTS AND SCHOOL FOOD AUTHORITIES”*
  - An overview and projected modeling for the program in FY 24-25
  - A range of policy options and recommendations to balance program revenues and expenditures.
    - Financial modeling for each policy option, and
    - A summary of the research and stakeholder feedback regarding each policy option.

# Questions?

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