



COLORADO
Department of Education

Healthy School Meals for All (HSMA)

Joint Budget Committee
9/19/24



Overview

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



2023-24 Updates

2023 - 2024 School Year

- 100% of eligible School Food Authorities participated in HSMA (190 total)
- HSMA expenditures for FY 23-24 were finalized in August
 - *Because of federal requirements, reimbursement data can lag behind by as much as 60 days and will be adjusted as each district trues up their data.*
- In FY 23-24 reimbursements totaled \$162,062,094
- Revenue data for FY 23-24 will be available in October or November of 2024



Implementation of HB24-1390

HB24-1390 Requires CDE To...

1. Create a policy for Free and Reduced Lunch (FRL) forms that HSMA districts must use.
2. Maximize the federal benefits by:
 - Determining how a district participating in provisional programs will save or cost the state money
 - Condition HSMA reimbursements on districts maximizing federal reimbursement
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.

FRL Application Best Practices

- 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 have been trained on the policy, CDE will send out reminders to SFAs and will begin monitoring these practices this next school year.



Maximizing Federal Funds



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.

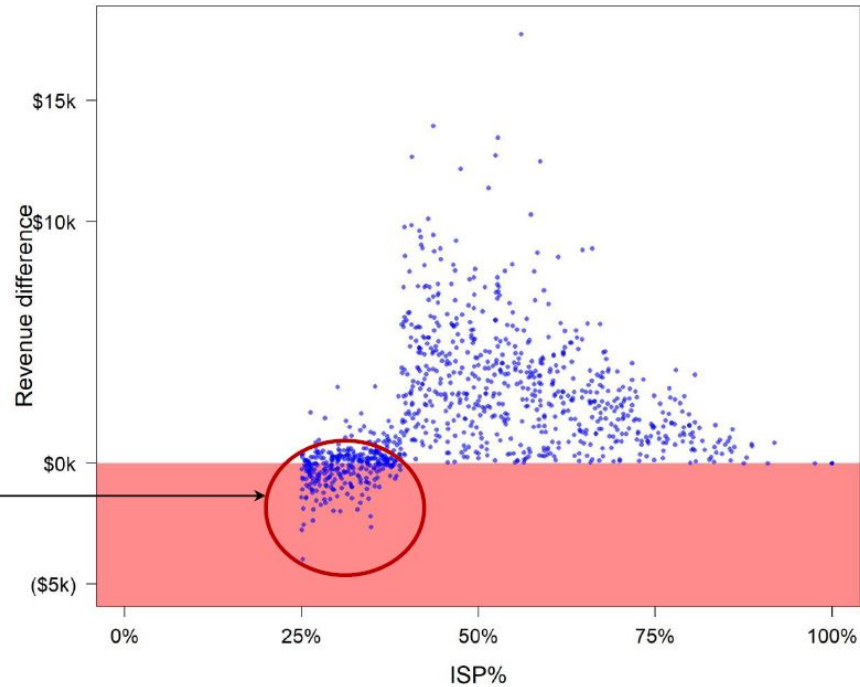
CEP eligibility is determined by the Identified Student Percentage – or ISP. A district's ISP is determined by the number of students who are directly certified through federal programs such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Medicaid.

Recent Changes to Identified Student Percentages

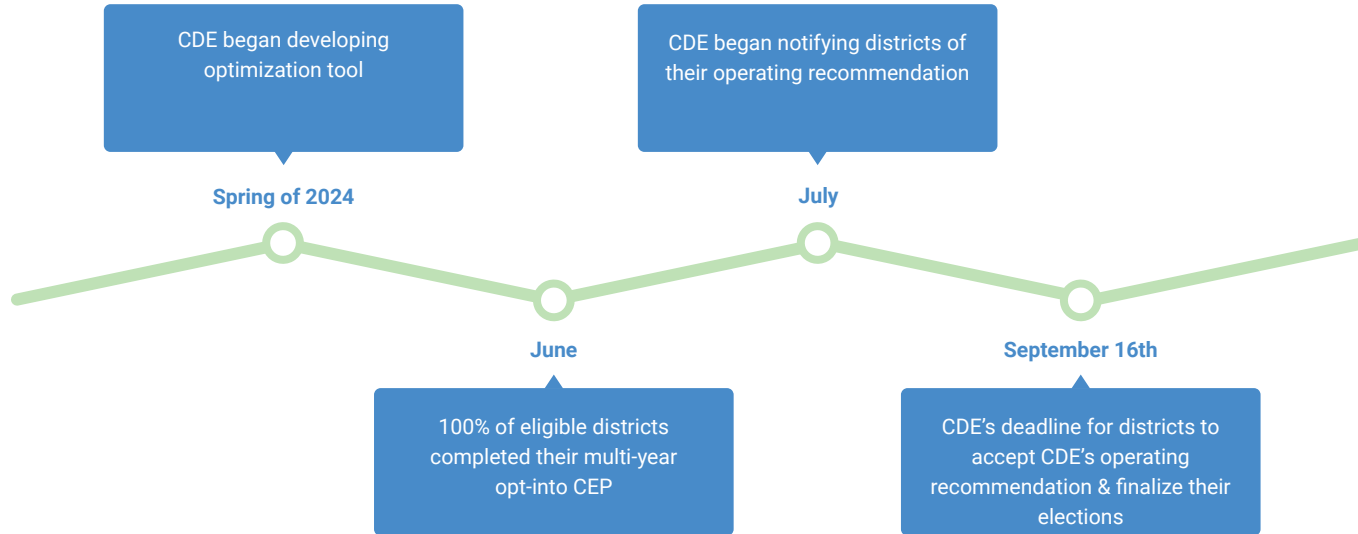
- The eligibility threshold for CEP was lowered in late 2023 from 40% of students meeting certain requirements (ISP - Identified Student Percentage) to 25% (ISP).
- CEP eligibility lags behind by a year, so 2024-25 is the first year that will include Medicaid data in calculated Identified Student Percentages.

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.



Federal Reimbursement Elections



- Preliminary data indicates that the weighted average ISP for schools statewide has increased by approximately 15 percentage points. We believe that this is, in part, due to direct certification using medicaid data.
- This increase in ISP rates for schools, coupled with the reduction in the CEP eligibility threshold (from 40% to 25%), will translate into approximately 1,320 - 1,350 schools being identified as cost-saving CEP schools, which will increase federal reimbursement.
 - *This represents a 14% increase in the number of CEP schools from the 2023-24 school year.*
- Data is still preliminary and the overall impact on total costs is not yet clear but current data indicates this should substantially increase federal reimbursement and decrease the need for HSMA dollars in FY 2024-25.



Technical Advisory Work Group

Technical Advisory Group Overview

- 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 ahead of next session, including a recessionary projection
 - Model various policy scenarios and their financial impact
- CDE is working with the Colorado Department of Agriculture, the Office of State Planning and Budget, district leaders and a team of expert facilitators and researchers to lead an open and transparent process that includes robust stakeholder engagement through:
 - Various focus 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.
 - Opening up public comment periods to solicit policy suggestions and better understand the values related to this program that are important to the public

Technical Advisory Group

September

Hold Round 1 of key stakeholder focus groups/design sessions
Round 1 of public comment opens and closes

November

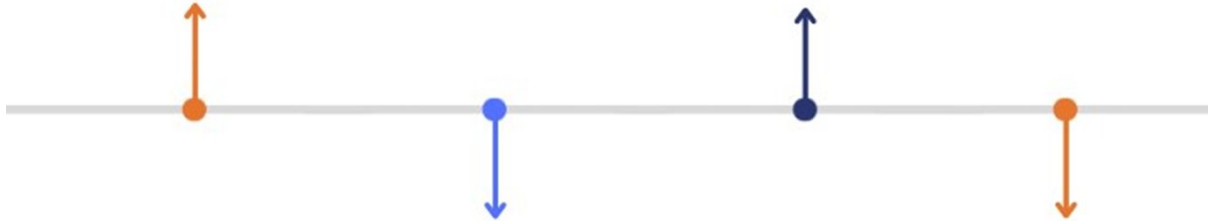
- Urban drafts final report with policy options

October

- Hold Round 2 of key stakeholder focus groups/design sessions
- Round 2 of public comment opens and closes

December

- Report presented to TAG & JBC





Questions?

