



**COLORADO**  
Department of Education

**HB 22-1414/HB 24-1390**

# Healthy School Meals for All Program



## 2024 Legislative Report

Submitted to:

**Educational Committee; Agriculture, Livestock, and Water Committee;  
and Agriculture and Natural Resources Committee**

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# Table of Contents

<b>Executive Summary</b>	<b>3</b>
<b>Definitions</b>	<b>3</b>
<b>Introduction</b>	<b>5</b>
History	5
Program Structure	5
Funding Mechanism	7
<b>Program Implementation</b>	<b>7</b>
Participating School Food Authorities	7
Community Eligibility Program Implementation	7
CDE Staffing	7
Medicaid Direct Certification Pilot	7
<b>Program Outcomes</b>	<b>8</b>
Program Participation	8
Program Participation by School Meal Eligibility	8
Healthy School Meals for All Program Reimbursements	9
School Food Authority Feedback	9
<b>Conclusion</b>	<b>10</b>
Areas of Opportunity	10
Accomplishments	10
Program Changes	10

## Executive Summary

The Healthy School Meals for All Program (HSMA) provides funding opportunities for Colorado public school food authorities participating in the National School Lunch Program (NSLP) and School Breakfast Programs (SBP) via reimbursement for meals provided to students who would otherwise pay full price for a meal.

In its first year of implementation, HSMA resulted in serving 37% more breakfasts and 30% more lunches to Colorado students compared to the previous school year. The largest increases were among students who previously paid for their meals.

Healthy School Meals for All required that sites eligible for the federal Community Eligibility Provision (CEP) participate in CEP to maximize federal reimbursements. As a result, HSMA also saw an increase in the number of sites participating in the federal Community Eligibility Provision program, with a 978% increase compared to the previous school year.

High participation in the HSMA program meant that program reimbursements were roughly \$46 million higher than originally anticipated for the first year of program implementation. The legislature opted to make changes to the program for the following school year (2024-25) to help balance program revenue and expenses, and may revisit the program in future legislative sessions.



## Definitions

**Community Eligibility Provision (CEP)** refers to the federal program that enables schools to provide free meals to all students. To be eligible to operate CEP at the start of School Year 2023-24, a school, group of schools or district must have an identified student percentage (ISP) of 40 percent or greater. In September 2023, the USDA published a rule which reduced the eligibility threshold for CEP from 40% to 25% identified students, which took effect in Colorado in March 2024.

**Direct Certification** refers to the process of using approved assistance program data to automatically approve eligible students for free or reduced-price school meals. Colorado uses an automated online system to directly certify households that participate in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, and the Migrant Education Program.

**Identified Student Percentage** refers to directly certified students who receive free meals based on their participation in SNAP, TANF, Food Distribution Program on Indian Reservations (FDPIR), Medicaid, or their status



as Migrant, Foster, Homeless/Runaway or Head Start students. The identified student percentage (ISP) is the number of directly certified students divided by the total number of enrolled students multiplied by 100.

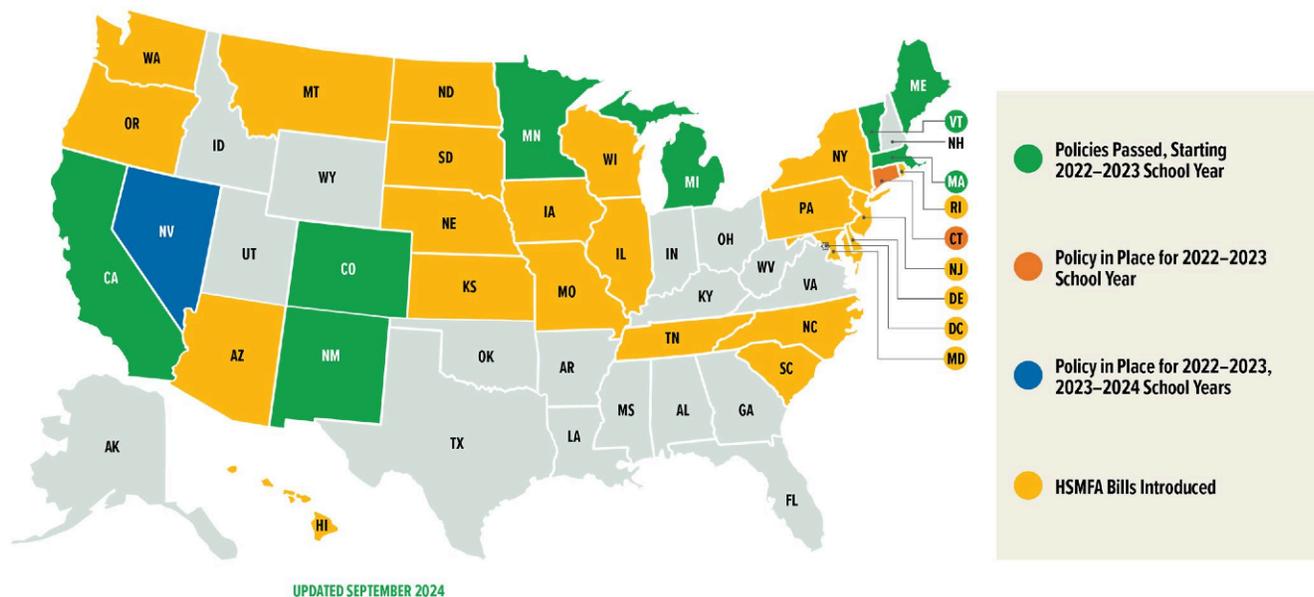
**National School Lunch Program (NSLP)** and **School Breakfast Program (SBP)** refer to federal school meals programs that provide nutritionally balanced, low-cost or no-cost meals to students each school day. All students can participate, but certain eligibility requirements allow students to receive a free or reduced-price meal based on their family's income or participation in certain federal assistance programs.

**School Food Authority (SFA)** refers to a school district, charter school, or Board of Cooperative Educational Services that operates a public school, Residential Child Care Institution or facility school that operates any Child Nutrition Program, which may include the National School Lunch Program, School Breakfast Program, Afterschool Snack Program, Fresh Fruit and Vegetable Program, and/or the Child and Adult Care Food Program.

## Introduction

### History

House Bill 22-1414, Healthy Meals for All Public School Students, was passed by voter approval of Proposition FF in the November 2022 election. The HSMA provides funding opportunities for Colorado public school food authorities participating in the NSLP or SBP via reimbursement for meals provided to students that would otherwise pay full price for a meal. Colorado is one of eight states across the nation offering a universal free meal program.



Source: [FRAC.org](https://www.frac.org)<sup>1</sup>

The purpose of HSMA is to ensure all students have access to a healthy meal during the school day, to promote equity and reduce the stigma associated with participating in school meal programs and to support the nourishment students need to achieve academic success. The Colorado Department of Education’s School Nutrition Unit was tasked with administering HSMA starting in School Year 2023-24.

Prior to HSMA, most SFAs determined individual student eligibility for school meal benefits by collecting and processing household income applications or via direct certification. SFAs receive federal reimbursement for meals served to students based on the USDA’s established reimbursement rates for each eligibility category: free, reduced-price or paid meals. In Colorado, students designated as paid were charged for meals served (except for a few instances where districts covered the cost of meals for these students by using their discretionary budget).

### Program Structure

Any Colorado public school district, charter school food authority, BOCES, day treatment facility, or Residential Child Care Institution that participates in the NSLP or SBP may opt into the HSMA. HSMA is optional; SFAs are not required to participate and have the ability to opt into the program on an annual basis. To participate in the 2023-24 school year, a SFA must:



- Provide annual notice of participation to the Department of Education’s School Nutrition Unit;
- Maximize the amount of federal reimbursement by participating in the Community Eligibility Provision at eligible sites; and
- Provide free meals to all students enrolled in participating schools.

School Food Authorities that participate in the National School Lunch or School Breakfast programs receive a per meal federal reimbursement for each reimbursable meal they serve which is based on student eligibility. In the state of Colorado, families that qualify for reduced-price meals do not pay the \$0.30 co-pay for breakfast or the \$0.40 co-pay for lunch because the state reimburses eligible SFAs for meals claimed for all reduced-price students through Colorado’s Start Smart Nutrition Program and the Child Nutrition Lunch Protection Act. For SFAs that opt in, the Healthy School Meals for All program provides free meals to all students by covering the cost of meals provided to students that would otherwise pay full price for a meal.

Sites operating CEP are reimbursed by multiplying their ISP by 1.6 to determine a free claiming percentage (FCP). The FCP is the percentage of total meals served that can be claimed at the federal free reimbursement rate and paid with federal funds. The remainder of meals are reimbursed at the federal paid rate. When operating HSMA, any meals reimbursed at the federal paid rate also receive the state HSMA reimbursement.

**Table 1: School Year 2023-24 Breakfast Reimbursement Rates**

	Federal	State (HSMA)	State (Other)	Total
Paid	\$0.38	\$1.90	\$0.00	\$2.28
Reduced-Price	\$1.98	\$0.00	\$0.30	\$2.28
Free	\$2.28	\$0.00	\$0.00	\$2.28

Note: Reimbursements shown are not inclusive of severe need rates that SFAs may qualify for.

**Table 2: School Year 2023-24 Lunch Reimbursement Rates**

	Federal	State (HSMA)	State (Other)	Total
Paid	\$0.48	\$3.85	\$0.00	\$4.33
Reduced-Price	\$3.93	\$0.00	\$0.40	\$4.33
Free	\$4.33	\$0.00	\$0.00	\$4.33

Note: Reimbursements shown are not inclusive of severe need rates that SFAs may qualify for.

In School Year 2023-24, sites with an identified student percentage of 40% or higher were required to participate in the Community Eligibility Program to maximize federal reimbursements.

Per the fiscal note associated with HB 22-1414, meal reimbursements in the 2023-24 school year were estimated to be up to \$115,000,000 and decrease in subsequent years.

## Funding Mechanism

Healthy School Meals for All is funded by capping itemized and standard state income tax deductions for taxpayers who have federal adjusted gross income of \$300,000 or more.

Per the fiscal note associated with HB 22-1414, the bill was expected to increase state revenue by \$50.4 million in FY 2022-23 (a half-year impact), \$101.9 million in FY 2023-24, \$104.2 million in FY 2024-25, and increasing amounts in subsequent years.

## Program Implementation

### Participating School Food Authorities

As of September 15, 2023, 183 SFAs opted into HSMA in year one of implementation, which represented 100% of eligible SFAs at that time. HSMA eligibility was extended to day treatment facilities and Residential Child Care Institutions as of March 1, 2024. At that time, seven out of the eleven sponsors operating these types of programs opted into HSMA bringing the total number of participating sponsors to 190.

### Community Eligibility Program Implementation

In the prior school year (2022-23), 26 SFAs representing 107 sites participated in CEP. In School Year 2023-24, program rules required participating SFAs to maximize the amount of federal reimbursement by participating in the CEP at eligible sites. CDE School Nutrition used data SFAs self-reported in April 2023 to identify sites that were potentially eligible for CEP, and then worked with those SFAs to validate the reported data and confirm CEP eligibility and program enrollment. This process resulted in 66 sponsors representing 587 sites participating in CEP.



In September 2023, the USDA published a rule which reduced the eligibility threshold for CEP from 40% to 25% identified students. This prompted CDE to allow for a voluntary one-time mid-year CEP election using the new, lower threshold. This process increased participation in CEP to 94 sponsors representing 1,154 sites.

### CDE Staffing

H.B. 22-1414 budgeted 3.1 Full Time Equivalent for the 2023-24 school year. This included support for the build out of additional funding elements of the program that were scheduled to begin in School Year 2024-25, but were delayed in the 2024 legislative session and are now subject to appropriations per H.B. 24-1390. Employee duties included program development and implementation management, providing outreach and training for SFAs, and developing program rules and processes for the additional funding elements.

### Medicaid Direct Certification Pilot

H.B. 22-1414 required CDE School Nutrition to apply for a demonstration project with the USDA that allows children receiving Medicaid benefits to be directly certified as free or reduced-price to establish meal benefits. The inclusion of Medicaid in direct certification totals increases the amount of identified students a site has,



which under CEP increases the rate of meals reimbursed as free at the federal level, reducing program costs to the state.

## Program Outcomes

### Program Participation

Based on meal counts reported by SFAs, HSMA increased the number of students who were eating breakfast and lunch at school on a daily basis. Across the state, SFAs served 37% more breakfasts and 30% more lunches than were served in the prior school year. Approximately 183,00 breakfasts and 434,000 lunches were served each day in School Year 2023-24. The largest increases in meals served were among students who have been traditionally designated as paid for school nutrition programs.

Table 3: Meals Served Data

	August 2022 - June 2023	August 2023 - June 2024	% Change
Breakfast Free	13,394,774	17,008,670	27%
Breakfast Reduced	2,338,236	776,685	-67%
Breakfast Paid	6,222,633	12,193,322	96%
<b>Total Breakfast</b>	<b>21,955,643</b>	<b>29,978,677</b>	<b>37%</b>
Lunch Free	25,034,053	32,690,074	31%
Lunch Reduced	5,248,920	2,122,293	-60%
Lunch Paid	24,081,580	36,022,029	50%
<b>Total Lunch</b>	<b>54,364,553</b>	<b>70,834,396</b>	<b>30%</b>

Under CEP, meals are claimed at the free and paid rates; the reduced category is no longer used. Due to the program requirement that eligible sites operate CEP, CDE saw an increase in CEP sites in School Year 2023-24, which contributes to the reduction of reduced meals served year over year.

In School Year 2022-23, students who had access to free meals included those designated as free as well as those designated as reduced based on other state-level child nutrition programs. In School Year 2023-24, HSMA extended access to free meals to students traditionally designated as paid in school nutrition programs.

### Program Participation by School Meal Eligibility

Healthy School Meals for All led to changes in the mix of students participating in school nutrition programs based on their school meal eligibility. Table 4 shows the percent of all students participating in NSLP/SBP based on their eligibility designation as either free, reduced or paid.



**Table 4: Breakfasts Served by Eligibility Category**

	August 2022 - June 2023	August 2023 - June 2024
Breakfast Free	61.0%	56.7%
Breakfast Reduced	10.7%	2.6%
Breakfast Paid	28.3%	40.7%
Total	100%	100%

**Table 5: Lunches Served by Eligibility Category**

	August 2022 - June 2023	August 2023 - June 2024
Lunch Free	46.0%	46.1%
Lunch Reduced	9.7%	3.0%
Lunch Paid	44.3%	50.9%
Total	100%	100%

### Healthy School Meals for All Program Reimbursements

School Food Authorities participating in HSMA received a total of \$162,062,094.83 in program reimbursements in School Year 2023-24. Per program rules, these reimbursements were paid to SFAs for any paid breakfast or lunch served during the school year. Program reimbursements were roughly \$46 million higher than originally anticipated for the first year of program implementation. An additional \$6.5 million was needed from the State Education Fund to provide sufficient funding for the program as a result of the higher participation.

### School Food Authority Feedback

Overall, SFAs shared that HSMA was successful in reducing the stigma associated with school nutrition programs and providing nutritionally-balanced meals to all students to support their learning.

“We have been able to provide meals to more students who are in need. This has been especially apparent at the high school level where there has been a stigma attached to eating school meals. It has been clear that high school students have been drastically undercounted when it comes to socio-economic status.” - Meggan Sponsler, Greeley-Evans School District 6

“This has brought equality to our cafeterias. It has taken burdens from families worrying about [negative] cafeteria balances and finding money to pay for lunch if they do not qualify. It has taken some work burdens of administrative work [off of] the kitchen staff. It has given cafeteria staff [time] to connect with more students.” - John Roche, Widefield School District 3



Some SFAs shared that the program was especially helpful for families whose income was close to qualifying for free or reduced-price meals in prior years, but were just over the cusp:

“The district that I work in has received a great deal of positive feedback about the accessibility of school meals for families. Our district has a high number of families that were close to qualifying for free and reduced benefits in previous years, but did not qualify. The accessibility of free meals for their students has made a huge impact on their families, financially, and for the well-being of their students in being nourished and ready to learn.” - Kylie Baker, Thompson School District

However, SFAs also shared that the increased participation that came with HSMA created other challenges for their foodservice teams, including longer lunch lines, which decreases the time students have to eat, additional staffing, equipment, and product needs, and an increase in meal modification requests. Some families were confused about why they were still asked to complete the household income application which determines eligibility for free and reduced-price meals federally since meals were free for all students under the state HSMA program.

## Conclusion

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### Areas of Opportunity

Based on feedback shared by SFAs, CDE School Nutrition has identified the need to provide support for some of the challenges SFAs have communicated. Additional signage and public outreach tools were created to help sponsors communicate program requirements to families. School Nutrition held a webinar which focused on strategies to address hiring challenges in school nutrition teams. Existing resources were reviewed, updated and promoted to SFAs to support the challenges reported. CDE School Nutrition also partnered and engaged with interested stakeholders, and provided individualized support to SFAs as needed.

### Accomplishments

Both CDE School Nutrition and participating sponsors had to navigate changes to program operations leading up to School Year 2023-24 to implement HSMA. At the state and local level, changes to technology systems were required to ensure students are categorized and counted accurately, and that state reimbursements are calculated correctly.

The requirement that eligible sites participate in CEP greatly expanded CEP implementation in Colorado. Prior research shows that benefits of CEP include a reduction in administrative work at the district level, increases in program participation, increases in academic performance and a reduction in out-of-school suspensions<sup>2</sup>.

H.B. 22-1414 created three new positions to support HSMA implementation. CDE School Nutrition hired and onboarded individuals to fill these roles.

### Program Changes

As the program saw more participation than anticipated in its first year, the cost of the program also increased over what was originally budgeted. The Joint Budget Committee made updates to the program as outlined in H.B. 24-1390 to help balance program revenue and expenses. Those changes, which took effect in School Year 2024-25, are summarized below:

- The grant and technical assistance programs, originally planned for implementation in School Year 2024-25, were delayed and are now subject to appropriations.



- The Local Food Program pilot, originally planned to sunset in School Year 2023-24, was extended for an additional year.
- The legislation required CDE to create a policy to increase the collection of household income applications used to establish eligibility for federal meal program reimbursements.
- Per the requirements of H.B. 24-1390, SFAs have been required to implement CDE’s recommended operating model (i.e., a provisional program or normal meal counting and claiming) to maximize federal reimbursements.
- A Technical Advisory Group was established to provide options to legislators to balance program revenues and expenditures, with a report due to legislators in December 2024.

Further changes to the program could be made by legislators in future legislative sessions.

1- [frac.org, 2024, frac.org/wp-content/uploads/HSMFA-Map-September-2024.png](https://frac.org/wp-content/uploads/HSMFA-Map-September-2024.png). Accessed 22 Oct. 2024.

2- Ruffini, K. (2021, February 21). Schoolwide free-meal programs fuel better classroom outcomes for students.

<https://www.brookings.edu/articles/schoolwide-free-meal-programs-fuel-better-classroom-outcomes-for-students/>