Healthy School Meals for All Frequently Asked Questions



This resource provides answers to frequently asked questions about the Healthy School Meals for All program including guidance on program implementation, program eligibility, and planning for potential changes in School Year 2025-26. This document will be updated as needed. New information will be highlighted in yellow.

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1. What is the Healthy School Meals for All program?

HSMA is a state program which began in School Year 2023-24 and provides funding via an additional meal reimbursement to eligible school food authorities participating in the National School Lunch and School Breakfast Programs. The reimbursement provided is for meals served to students that would otherwise pay full price for a meal. SFAs are required to opt into the program annually and offer meals free of charge to all students at participating HSMA sites.

2. What does meal reimbursement mean?

The Colorado Department of Education receives annual funding from the U.S. Department of Agriculture to reimburse school food authorities for meals served to students that meet federal nutrition standards. This funding helps SFAs pay for food, kitchen equipment, labor, etc. Reimbursement amounts are based on three income classifications. The free rate is the highest reimbursement amount, followed by reduced-price and paid reimbursement rates.

For schools not operating the Community Eligibility Provision, the state will continue to pay the <u>reduced-price co-pay</u> for students so that students who qualify for reduced-price meals can still eat for free. The state will also provide additional funding to cover the cost of meals for students who normally pay full price, so that all students receive free meals. Note that this additional state funding for students who normally pay full price will be based on the federal rate for all sponsors, even if the sponsor has a severe need qualification.

Current reimbursement rates can be found on the <u>Reimbursement and Funding webpage</u>.

3. Can a school food authority operate Healthy School Meals for All and a provisional program at the same time (e.g., CEP or Provision 2)?

Yes, participation in HSMA does not prevent a SFA from participating in provisional programs. In fact, to keep getting HSMA funding, SFAs are required to implement CDE's operating recommendations (e.g., CEP, Provision 2, or non-provisional programs).

4. What are the benefits of opting into the Healthy School Meals for All program?

- At all schools:
 - Promotes equity and reduces stigma of school meals
 - Eliminates unpaid meal debt once implementing the program (see <u>unpaid meal</u> <u>charges section</u> for more details)
 - Increases the number of students who eat breakfast and lunch each day
- Schools participating in HSMA and operating the Community Eligibility Provision have additional benefits:
 - Reduces administrative burden
 - Simplifies the meal counting and claiming processes
 - Easier implementation of alternative serving models (e.g. breakfast in the classroom, kiosks, etc.)
 - Simplifies the administrative review

5. How should school food authorities communicate information about the program to their community?

An <u>Outreach Toolkit</u> is available for schools to help share information about the Healthy School Meals for All program with families and the school community. Resources include sample social media posts, images, flyers, ready-to-use letters and robocall scripts.

6. Will additional funding be available for equipment, food, and other supplies needed to implement the program?

Sponsors may apply for funding to purchase equipment through the U.S. Department of Agriculture Equipment grant. USDA typically releases funds for additional Equipment Grants each fall, and future funding opportunities will be announced via <u>The Dish</u>.

In future years, funds may be available to support local food purchases and to provide wage increases or stipends to front line foodservice workers. More information can be found in the <u>Supplemental Grants</u> section of this FAQ.

Other grant opportunities may be available through organizations and vendors. Available grants and funding opportunities can be found on the <u>reimbursement and funding webpage</u>.

Healthy School Meals for All: Program Eligibility and Participation

1. What school food authorities are eligible to participate in the Healthy School Meals for All program?

Any Colorado public school district, charter school food authority, day treatment facility, or Residential Child Care Institution that participates in the National School Lunch Program or School Breakfast Program may opt into the Healthy School Meals for All program. Private schools are not eligible for HSMA. HSMA is optional; eligible SFAs are not required to participate.

2. What are the requirements for SFAs who opt into Healthy School Meals for All? Participating SFAs must:

- Provide annual notice of participation to the Colorado Department of Education
- Implement CDE's operating recommendations at all participating sites, which may include CEP, Provision 2, and/or non-Provisional program sites.
- Provide free meals to all students enrolled in participating schools
- Complete activities identified in the <u>HSMA Application Collection Policy</u> (for sites not recommended for CEP)
- 3. May a public or charter school that does not currently participate in the National School Lunch Program or School Breakfast Program begin participating in the meal programs? If a public or charter school does not currently participate in the National School Lunch Program or School Breakfast Program, they should first reach out to the food service department in their school district or a charter collaborative, if applicable. A list of participating school food authorities is located on the <u>CDE School Nutrition data webpage</u>.

If a district charter school is unable to come to an agreement for services with their district food and nutrition services, then the district may allow the district charter school to transfer their food service operations to another SFA. This would include transferring to an existing

SFA, or the charter school could become their own SFA. View the <u>Become a Sponsor webpage</u> for more information. The application deadline for becoming a new school food authority is February 15 of each year. Once the new SFA is approved to operate NSLP, they can also opt into HSMA.

4. Do all schools within the school food authority have to qualify for the Community Eligibility Provision to implement the Healthy School Meals for All program? No. If a school district does not have any schools that qualify for the Community Eligibility Provision, or if CDE does not recommend operating CEP, they can still participate in the Healthy School Meals for All program. Schools that implement CEP must participate in both the school breakfast and school lunch programs, per federal regulations. Schools that do not participate in the School Breakfast Program would not be required to implement CEP and therefore start serving breakfast.

Note: This could change pending November 2025 election results. Please see the <u>November</u> <u>2025 Election and Program Changes</u> section of this FAQ for more information.

5. May a school food authority claim preschool or pre-K students under the Healthy School Meals for All Program?

If a school food authority serves eligible preschool or pre-K programs under the School Breakfast (SBP) and National School Lunch Programs (NSLP) they would be included in the Healthy School Meals for All Program and all meals would be free for those students as well. Preschools or pre-K programs eligible to provide meals under the SBP and NSLP are those that are income-based programs, like Head Start, or ones that offer instructional time. Instructional time means a learning environment that supports children's growth in many areas such as language, literacy, and social and emotional development. If students attend the school for daycare, then the daycare students are not eligible for meals under SBP or NSLP. To help clarify options for serving meals to preschool and pre-K students, <u>view this</u> <u>informational chart</u>.

If pre-K students eat separately from older students, then they must be served meals that meet the pre-K meal pattern requirements. If pre-K students eat at the same time and in the same place as older students, then they may follow the NSLP and SBP meal patterns. <u>View the Plan Meals webpage</u> for additional information on the pre-K meal pattern. Pre-k meal service may also need to be structured to comply with <u>Colorado Department of Early Childhood licensing requirements</u>.

6. May a school food authority choose not to implement the Healthy School Meals for All program at all schools implementing the National School Lunch and/or School Breakfast Program?

No. If a school food authority chooses to opt into the Healthy School Meals for All program, they must offer meals at no charge to all students enrolled in all public schools implementing the National School Lunch (NSLP) and/or School Breakfast Program (SBP).

If a school or charter school does not operate the NSLP and/or SBP, the school is not required to begin operation of the NSLP or SBP if they are not currently under the SFA's jurisdiction.

Note: This could change pending November 2025 election results. Please see the <u>November</u> 2025 Election and Program Changes section of this FAQ for more information.

7. If a school food authority does not have any schools qualify for the Community Eligibility Provision, may they still opt-in to the Healthy School Meals for All program? Yes. If a school food authority does not have any schools that qualify for the Community Eligibility Provision or if CDE does not recommend operating CEP, they may still opt-in to the Healthy School Meals for All program. In this scenario, all schools will collect free and reduced lunch applications and claim students based on each student's eligibility status. Under the Healthy School Meals for All program, sponsors will receive additional reimbursement from state funds for all paid meals claimed. The amount of reimbursement received for paid meals will equal the federal free reimbursement rate.

Note: This could change pending November 2025 election results. Please see the <u>November</u> <u>2025 Election and Program Changes</u> section of this FAQ for more information

Community Eligibility Provision

1. What is the Community Eligibility Provision?

The Community Eligibility Provision is a funding option of the National School Lunch Act that enables schools to provide free meals to all students. To be eligible to operate CEP, a school, group of schools or district must have an identified student percentage of 25 percent or greater. To calculate ISP, a school must count all students who are categorically eligible for free school meals and divide by total student enrollment. Students are considered categorically eligible if they, or another student in their household, participate in public benefit programs (SNAP, TANF, Food Distribution Program on Indian Reservation) or are in foster care, homeless, migrant, runaway or enrolled in head start.

More information on CEP is available on CDE School Nutrition's Provisional Programs webpage.

2. What is the Identified Student Percentage?

Identified students are directly certified students who receive free meals based on their participation in SNAP, TANF, FDPIR, Medicaid, or their status as Migrant, Foster, Homeless/Runaway or Head Start students. Extended Eligible students are included. Students with reduced status are not included. The identified student percentage (ISP) is the number of directly certified students divided to the total number of enrolled students multiplied by 100. For example:

ISP = total enrolled students X 100

3. How do school food authorities determine which schools qualify for the Community Eligibility Provision?

A school, group of schools or district will be eligible for the Community Eligibility Provision if the identified student percentage (ISP) is 25% or greater. The ISP is the number of directly certified students divided by the total number of enrolled students multiplied by 100.

Example: (35 students directly certified for free meals / 60 total enrolled students) x 100 = 58.33% ISP. This school would be eligible for CEP.

4. What does grouping schools for the Community Eligibility Provision mean?

Grouping means combining two or more schools together under CEP to help increase federal funding and reduce paperwork. It's an option used to maximize Federal reimbursements and administrative efficiencies and represents a strategic decision for some school food authorities.

CDE School Nutrition has provided groupings to CEP-eligible sponsors as part of the operating recommendations process. Groupings were identified using an analysis tool that uses ISP data, pupil membership data, and meal counts. The calculator runs thousands of combinations of sites to find the most optimal grouping to maximize the amount of federal funds received.

5. How do school food authorities claim reimbursement at a Community Eligibility Provision school? School food authorities receive reimbursement by counting and claiming the total number of meals served each day. The identified student percentage that establishes eligibility for CEP is also used to determine a free claiming percentage. The FCP is the percentage of total meals served that can be claimed at the free reimbursement rate and paid with federal funds. The FCP is calculated by multiplying the ISP by 1.6.

For example, a school with an ISP of 60% qualifies for a FCP of 96% (60% x 1.6). If they serve and claim 200 meals, 192 meals will be reimbursed using federal funds at the free reimbursement rate. 8 meals will be reimbursed using federal funds at the paid reimbursement rate.

Under the Healthy School Meals for All program, any meals reimbursed using federal funds at the paid rate will receive additional reimbursement from state funds to bring the total schools receive for each meal up to the free reimbursement rate for all meals served.

For example, if a school, district or grouping of schools has an ISP of 45%, they would qualify for a FCP of 72% (45% x 1.6). If 100 meals were served, 72% of the meals would be reimbursed by federal funds at the free reimbursement rate. 28% of the meals would be reimbursed by federal funds at the paid reimbursement rate and state funds under the Healthy School Meals for All program would add additional reimbursement to the 28% of meals to bring the amount of reimbursement up to the free reimbursement rate.

Non-CEP schools will utilize standard meal counting and claiming procedures. Under the Healthy School Meals for All program, sponsors will receive additional reimbursement from state funds for all paid meals claimed. The total amount of reimbursement received will equal the federal free reimbursement rate.

6. What funding sources can be used to cover allowable NSLP/SBP costs when operating CEP, when the state is providing the full HSMA reimbursement (ie, total reimbursement received is equivalent to the federal free reimbursement rate)?

Funds in the Nonprofit School Food Service Account (NSFSA) can be used to support CEP operations. Additionally, non-federal sources can support CEP operations. At CEP sites, non-federal funds are state reimbursements beyond the state match, general fund (or other local fund) transfers, and/or cash donations.

7. What funding sources are available to support a SFA who operates CEP, if the state and federal reimbursements provided do not cover all expenses for operating CEP?

Non-federal funds can support CEP operations if the reimbursements provided do not cover all expenses of operating CEP. Non-federal funds are state reimbursements beyond the state match, general fund (or other local fund) transfers, and/or cash donations, and any profits from nonprogram foods after meeting the minimum percentage in the nonprogram revenue tool. Additionally, non-federal funds can include the remaining balance in your NPFSA after deducting all allowable expenses.

State Funding for Meal Reimbursements

1. What additional state reimbursement will school food authorities receive when implementing the Healthy School Meals for All program?

SFAs participating in Healthy School Meals for All will receive state funding to help cover the cost of providing free meals to all students. The state will pay the difference between what the federal government gives for a free meal and what it gives for a paid meal. Note that the additional state reimbursement for paid students will be the base federal rate for all sponsors, even if the sponsor has a severe need qualification.

Current reimbursement rates can be found on the <u>Reimbursement and Funding webpage</u>.

Note: This could change pending November 2025 election results. Please see the <u>November</u> <u>2025 Election and Program Changes</u> section of this FAQ for more information.

2. Will school food authorities still receive state funding for Reduced-Price meals if implementing Healthy School Meals for All under the Start Smart and Lunch Protection programs? This funding will continue, but not all sponsors and/or sites will receive it. It depends on whether they're participating in the Community Eligibility Provision (CEP). Schools that are not operating CEP will still get extra state funding- \$0.30 for each breakfast and \$0.40 for each lunch served to students who qualify for reduced-price meals. However, schools that are operating CEP won't have a reduced-price category anymore. Under CEP, all meals are counted as either free or paid, so the extra reimbursement for reduced-price meals no longer applies.

3. How will the HSMA state reimbursement for Paid meals be coded?

The funds have a source code of 3000. The paid reimbursement for breakfast will have Grant Code HSMA Breakfast 3163. The paid reimbursement for lunch will have Grant Code HSMA Lunch 3162. For reference, all Grant Codes for School Nutrition Programs can be found here.

Supplemental Grant Programs

1. What types of grant programs were originally part of HSMA?

The original legislation for HSMA included three grant programs:

- Funding for an expansion of the Local Food Program Pilot
- Funding for wage increases and/or stipends for frontline foodservice workers
- Funding for a Technical Assistance grant for a non-profit to support local food initiatives

These grants were originally intended to begin in School Year 2024-25. However, high program participation in the first two years of HSMA implementation led to expenses exceeding available

revenues, which caused the legislature to pause these programs until additional funding was available.

2. What is the status of these grant programs?

Currently, these programs are paused through the 2025-26 school year. Two new laws passed during the 2025 legislative session that will affect how these grants can be used moving forward. If there is extra money left in the HSMA program fund, it will be used in this order:

- Funding for meal reimbursements
- Paying back the State Education Fund for additional funding allocations it provided in the first two years of HSMA implementation
- Funding the grant programs

The amount of funding allocated to each grant program may vary based on the reserve amount in the HSMA fund.

Afterschool Snack Program & Fresh Fruit and Vegetable Program Considerations

1. How will schools qualify for the Afterschool Snack Program if opting into HSMA?

A school's eligibility for the Afterschool Snack Program will stay the same, whether or not the school chooses to participate in the Healthy School Meals for All program. There are two eligibility options for schools to operate ASP:

- a. Area-eligible schools: the school has a student enrollment made up of at least 50% of students eligible for free or reduced-price school meals or is located in the attendance area of a school that has a student enrollment of at least 50% of students eligible to receive free or reduced-price school meals. Area eligible ASP sites serve snacks free to all students and are reimbursed at the free rate.
- b. Non-area eligible schools: the school does not have a student enrollment made up of at least 50% of enrolled students eligible for free or reduced-price meals and is not located within the attendance area of the school that does. Snacks must be counted and claimed based on the student's approved eligibility (free, reduced, or paid) and is reimbursed at the free, reduced, and paid rates. The maximum reduced-price charge is \$0.15.

Sponsors interested in operating the ASP may apply through the <u>Colorado Nutrition Portal</u> at any time throughout the school year and application instructions are available on the <u>Afterschool Snack</u> <u>Program webpage</u>.

2. How do CEP schools qualify for the Afterschool Snack Program?

In the first year of CEP, schools may qualify for ASP using the most recent October Count data to establish area-eligibility or may operate ASP under non-area eligible provisions. After the first year of CEP, LEAs and schools must use the CEP claiming percentage to establish area-eligibility or operate under non-area eligible provisions. A CEP school is area-eligible if:

- a. At least 50% of students are free or reduced-price eligible (a school's individual ISP is at least 31.25%), or
- b. The school is located within the attendance area of another school in which at least 50% of the enrolled children are eligible for free or reduced-price school meals.

3. How do area-eligible CEP schools claim ASP?

Area-eligible CEP schools claim all snacks at the Federal free rate. Current reimbursement rates can be found on the <u>Reimbursement and Funding webpage</u>.

4. How do non-area eligible CEP schools claim ASP?

Non-area eligible CEP schools claim snacks under their CEP claiming percentages. For example: if 84 percent of snacks are reimbursed at the free rate, then 100 percent minus 84 equals the percentage of snacks reimbursed at the paid rate (i.e. 16% of snacks will be reimbursed at the paid rate).

5. How do CEP schools qualify for the Fresh Fruit & Vegetable Program?

CEP elementary schools may qualify for FFVP by using the individual school's ISP multiplied by 1.6. A school's individual ISP must be at least 31.25% to qualify for FFVP. Specific application instructions are available on the <u>FFVP webpage</u>.

Free and Reduced Lunch Application Requirements

1. Why is it important that families continue to fill out a form?

While meals will be provided for free to all students in participating schools, it's important for districts to continue gathering this information in order to receive full access to federal funding and other benefits that may be available to qualifying families, such as discounted school fees or Summer EBT. More information and talking points can be found in the <u>HSMA Outreach Toolkit</u>.

2. What application should I have families fill out at my sites?

The application used will depend on what operating recommendation you're implementing at your sites. SFAs with all CEP sites may use the combo form or the FEDS form. SFAs with a mix of CEP and non-CEP sites should use the combo form. SFAs with no CEP sites should use the combo form or household income application form. All school meal eligibility templates can be found on the <u>Determine Program Eligibility webpage</u>.

3. May school food authorities require households to complete and submit a free and reduced lunch application?

No. Schools implementing the School Breakfast and National School Lunch Programs may not require households to complete and submit a free and reduced lunch application (or combo form, at non-CEP schools). It is the household's choice to complete and submit an application for meal benefits. However, a school food authority with non-Community Eligibility Provision schools is required to follow CDE's <u>HSMA Application Collection policy</u>, which outlines specific activities SFAs must complete to stay in compliance with HSMA program requirements.

CEP sites which use the combo form or FEDS form may require the form to be submitted as the form is not used to establish meal eligibility at CEP sites.

4. Who is responsible for processing a combo form and/or FEDS form and how is it funded? Districts opting to use a comb form must be able to distinguish between forms from students attending CEP vs. non-CEP schools so the district can comply with program requirements related to household applications. For example, only non-CEP forms are used for selecting the verification sample, conducting an independent review of applications, and the Certification and Benefit Issuance portion of the Administrative Review.

School food service staff have expertise collecting household income forms. If a district decides it is necessary to collect alternate income forms (i.e. combo form or FEDS form) to allocate education funding, school food service staff may process the forms, but the cost of alternate income form processing may not be paid from the non-profit school food service account and the forms may not be associated with school meals. The district must pay for (or reimburse the non-profit school food service account) for the cost of processing forms at CEP schools.

Additionally, the district must cost-allocate expenses for form processing. Costs for processing forms for students attending CEP schools may not be paid from the nonprofit school food service account. Non-federal funding sources that may be utilized include, but are not limited to;

- Cash donations; and
- In-kind contribution funds from outside sources, such as volunteer services
- General fund transfer
- 5. May school food authorities require or incentivize households to complete a combo form or FEDS form at Community Eligibility Provision schools?

Yes. If the form is not used to establish meal eligibility, a school food authority may require and incentivize families to complete a combo or other form at CEP schools.

6. May school food authorities incentivize households to complete an application at non-CEP schools?

While you cannot require families to return applications at non-CEP schools, it is allowable to incentivize application return. However, there are some considerations you must to take into account:

- Clarification must be provided that completing an application for school meals is optional and is not a requirement.
- Households must be made aware that completion of an application is not a guarantee that a household is eligible for school meal benefits.
- The incentive system potentially establishes concerns for those households that do not have to complete an application to receive free meals for example, households determined eligible for free meals through categorical eligibility and therefore can't be required to submit an application. These households would not receive an incentive unless they completed an unnecessary application.
- The use of incentives may also lead to confusion among applicants and certifying officials. The certification process may be duplicated by certifying officials, which could add burden to program staff trying to compare direct certification rosters to applications received. School officials cannot restrict students who are determined to be categorically eligible from completing an application, as any restriction on submitting paper applications could be considered overt identification of eligible students and may make the requirements of certification unclear to households applying for benefits.

7. How should school food authorities communicate the collection of free and reduced lunch applications and/or a combo form to their families?

CDE School Nutrition has developed a <u>communications toolkit</u> that includes letter templates, social media posts, and handouts for communication to families. Additionally, the communications toolkit includes newsletter write ups, robocall scripts, and copy for your district website.

The following chart summarizes the program eligibility activity options for various scenarios:

ii	i			
		NSLP/SBP	NSLP/SBP with	NSLP/SBP with
	NSLP/SBP	with HSMA	HSMA	HSMA
	without	(no CEP	(some CEP	(all CEP
	HSMA	schools)	schools)	schools)
Must collect and			Х	
process	Х	Х	(only for non-CEP	
applications as			schools)	
part of normal				
operations				
Must follow	Х	Х	Х	Х
disclosure	~~			
requirements				
Must complete				
direct certification	х	Х	х	х
	~	χ.		~~~~
Must complete	Ň	V	X	
verification	Х	Х	(only for non-CEP	
			schools)	
May collect a				
combo form at all		Х	Х	Х
sites				
May use a				
student's	х	Х	Х	
eligibility status			(only for non-CEP	
from prior school			schools)	
year for 1 st 30 days				
of new school year				
(carryover)				

Title I Funding and At-Risk Student Identification

1. What is Title I funding?

Title I is a federal program that provides financial assistance to school districts and schools with high numbers or high percentages of children from low-income families to help ensure all children meet challenging state academic standards. The state's Title I allocation is based on census data, not free and reduced lunch (FRL) application data. The only impact would be on a district's use of FRL for ranking and serving schools for the grant process. Districts may use other indicators of poverty other than FRL (e.g., federal census data or average per-capita income) when they rank and serve.

The Colorado Department of Education uses the FRL data from Student October Count to prepopulate the poverty rates for each school; however, districts may change the poverty rate based on other data. Districts must be consistent in the data set used across all schools.

Additionally, only Community Eligibility Provision eligible schools will not be required to collect FRL applications. Schools not eligible to implement CEP will still be required to collect FRL applications for their meal programs.

Resources:

- Information on within-State Title I and Title II allocations (pages 2-10 and 17-18)
- <u>Title I Guidance Memo for CEP</u>
- <u>CEP and Title I Guidance</u> (pages 9-11)
- <u>CDE's Title I webpage</u>
- 2. How will school districts document eligibility for Title I funding if they are opting into the Healthy School Meals for All program, all schools are implementing the Community Eligibility Provision and not collecting free and reduced lunch applications?

In the absence of free and reduced lunch (FRL) data in a Community Eligibility Provision (CEP) district, a district may use:

- Direct certification counts adjusted by 1.6 in CEP schools or in CEP and non-CEP schools
- Direct certification counts adjusted by 1.6 in CEP schools and direct certification counts plus counts from household applications in non-CEP schools
- May use other indicators of poverty other than FRL (e.g., federal census data or average per-capita income)
- Medicaid data, TANF data, Census data, average per capita income or a combination

Districts operating CEP at all sites will not collect FRL applications.

3. How will school districts document eligibility for Title I funding if they are opting into the Healthy School Meals for All program and have some Community Eligibility Provision schools (i.e. not collecting FRL applications) and some non - Community Eligibility Provision sites (i.e. collecting FRL applications)?

Districts may use a combo form if the district includes CEP and non-CEP schools. You should continue marketing your application as normal.

Districts may use other data for CEP schools, including:

- Direct certification counts adjusted by 1.6 in CEP schools or in CEP and non-CEP schools
- Direct certification counts adjusted by 1.6 in CEP schools and direct certification counts plus counts from household applications in non-CEP schools
- May use other indicators of poverty other than FRL (e.g., federal census data or average per-capita income)
- Medicaid data, TANF data, Census data, average per capita income or a combination

4. How will school districts document eligibility for Title I funding if they are opting into the Healthy School Meals for All program and have no Community Eligibility Provision sites (i.e. collecting FRL applications)?

Districts will continue to collect and process FRL applications and complete direct certification matches as normal. A district may use FRL applications or the combo form.

5. Are there any At-Risk updates for School Year 2025-26?

Pursuant to HB25-1320 (School Finance Act), for the 2025-26 school year, students in grades K-12 who are eligible for per-pupil funding and reported as eligible for free or reduced-price lunch in the Student October Count, will be included in the district's at-risk count.

CDE's School Auditing Office has provided the following guidance related to At-Risk counts: In preparation for the upcoming school year, the following actions should be taken- regardless if your district or schools are participating in CEP, have opted into HSMA, or do not participate in the NSLP:

- Distribute, collect, and process income forms for ALL students (Applications, FEDS forms, Combo forms)
- Directly certifying students at all sites
- Maintain categorical eligibility designations and lists for students at all sites
- Collect student-level census block data (addresses) for students at all sites

CDE's School Auditing Office hosts training and office hours regarding <u>FRL reporting</u> and <u>student-level</u> <u>census block data</u> related to October Count reporting. The <u>2025-26 At-Risk Count Resource Guide</u> is also available to provide more information.

Unpaid Meal Charges, Paid Lunch Equity, and Nonprogram Revenue

Note that this section reflects operations through December 2025. Please see the <u>Offboarding from</u> <u>Universal Free Meals</u> section below for details related to potential program changes related to the November 2025 election.

1. How will school food authorities handle unpaid meal charges?

School food authorities should follow their unpaid meal charge policy for balances accrued prior to opting into the program. The food service fund cannot absorb unpaid meals charges and must follow their district policy if <u>writing off bad debt</u>. For resources, including Unpaid Meal Price Policy Checklists, visit the <u>Manage Program Finances webpage</u>.

If a SFA opts into the Healthy School Meals for All program, unpaid meal charges will no longer accrue. SFAs operating an a la carte program should consider how to address student balances as it relates to a la carte purchases. It is not recommended to allow students to charge for a la carte items.

If SFAs do not opt into the Healthy School Meals for All program, they must continue to follow their district's unpaid meal charge policy.

2. Are school food authorities operating the Healthy School Meals for All program required to have an unpaid meal charge policy?

No, because the SFA would not be charging any students for meals, they are not required to have an unpaid meal charge policy.

- 3. Are school food authorities operating the Healthy School Meals for All program required to complete the Paid Lunch Equity tool? No, because the SFA would not be charging any students for meals, they are not required to complete the paid lunch equity tool.
- 4. Are school food authorities who offer nonprogram foods (a la carte, vending, adult meals, catering) required to complete a Nonprogram Revenue Tool?

Yes, SFAs are required to assess revenue from nonprogram foods annually. This can be done by completing either the USDA nonprogram revenue tool or the simplified approach tool, which would

be collected by CDE School Nutrition during an Administrative Review. More information on nonprogram revenue, including the nonprogram revenue tool, can be found here.

Special Dietary Needs

1. Are school food authorities required to accommodate children with disabilities in school meal programs?

Yes. SFAs are required to continue to accommodate special dietary needs when due to a disability and supported by the appropriate documentation regardless of the meal service model. Best practices to consider include:

- Assess the district's special dietary needs policy to ensure it still meets the needs of the sponsor and families. For example, if you did not allow special dietary needs forms to roll over from year to year previously, you could consider allowing it to streamline paperwork.
- Post the district's meal accommodation policies and forms on the website to increase household awareness and improve access.
- Use a consistent process to separate and identify special dietary meals and communicate to all who will be involved with meal service; for example, teachers serving meals in the classroom or those assisting younger students in the serving line. Be sure to only share students' personal information with those who must know for meal service.
- Assess menus to make sure accommodations can be made within a modified cycle menu, if applicable. For example, substituting similar gluten free grains for the grains included on the cycle menu. If you have a large number of accommodations, consider developing a special dietary needs menu that contains as few allergens as possible in order to accommodate a variety of requests with one menu.
- If you are operating CEP and using tally sheets in place of an electronic point of service, consider having students pick up a card prior to meal service that they can turn in at the point of sale. These cards could be specific to each student and discreetly identify special dietary needs. Additionally, if not using an electronic point of sale to alert staff to special dietary needs, all staff should receive regular updates on menu ingredients and students with special dietary needs.
- Identify communication needs with school administrators, teachers, and parents. Resources can be found on the <u>Plan Meals webpage</u>.

November 2025 Election and Program Changes

1. What measures related to Healthy School Meals for All will be on the ballot?

Two measures will be on the ballot in the November election related to HSMA based on <u>HB 25-1274</u> passing in the 2025 legislative session.

• Proposition LL would let the state keep \$12 million in extra funds raised by Proposition FF in its first year of implementation. Normally, TABOR laws would require that money to be returned to taxpayers making \$300,000 or more per year. If this fails, the HSMA funding formula would also be adjusted so less is collected in future years.

- Proposition MM would increase funding for HSMA by lowering the tax deduction limits for people making \$300,000 or more per year. This change would bring in more money for the program by adjusting how Proposition FF is funded.
- 2. Are resources available to support advocacy efforts prior to the November election? If you're interested in learning more about advocacy around the HSMA ballot measures, contact <u>Hunger Free Colorado</u> or the <u>Colorado Blueprint to End Hunger</u>.

3. What happens after the November election?

Program changes will be dependent on whether the raise measure (Proposition MM) passes. If it does pass, then HSMA will continue at all sites pending available revenue (see question #3 below for more detail).

If the raise measure does not pass, then HSMA will be limited to only CEP-eligible sites starting in January 2026 and pending available revenue (see question #3 below for more detail). CEP-eligible sites are defined as those currently participating in CEP, those with a validated ISP that is at/above 25% but does not serve both breakfast and lunch, and Residential Child Care Institutions.

4. What does "pending available revenue" mean?

Prior to School Year 2025-26, HSMA operated as an entitlement program, which meant that if the program expenses exceeded available revenue, the legislature would allocate additional funds to cover the difference. However, <u>SB 25-214</u> changed the way over expenditures are handled with the program. Moving forward, if program expenses exceed available revenue, CDE can still ask for an additional allocation, but the Joint Budget Committee now has the ability to deny that request. If the request is denied, HSMA reimbursements will be reduced to stay within available revenues for the remainder of the school year.

If HSMA reimbursements are reduced, CDE will contact SFAs in advance so they could plan for the change. At this time, we anticipate that reduced reimbursements would only impact meals served in the last quarter of the school year.

5. What are the options for sites that are not CEP-eligible if HSMA is limited to CEP-eligible sites in January 2026?

SFAs will need to determine how they wish to operate sites that do not qualify as CEP-eligible. Two options are available:

- 1. Continue to offer meals universally free and cover the cost with allowable funding sources. Please see the section <u>Universal Free Meals outside of HSMA</u> for more information.
- Return to standard meal counting and claiming, and charge paid students for meals. Students
 who qualify for reduced-price meals will continue to receive meals for free under the <u>Start</u>
 <u>Smart and Lunch Protection programs</u>. CDE School Nutrition will provide a process for opting
 out of the HSMA program if the program is limited to only CEP-eligible sites. Additional
 guidance on reverting back to standard meal counting and claiming can be found in the
 section <u>Offboarding from Universal Free Meals</u>.

Universal Free Meals outside of HSMA

If HSMA is limited to CEP-eligible sites starting in January 2026, SFAs will have the option to opt out of HSMA. The following guidance is available to support sponsors who wish to continue offering meals universally free to students if the site no longer qualifies for HSMA (ie, the site is not CEP-eligible).

1. What funding sources are available to support a SFA or site that continues to offer meals universally free to their students?

For breakfast, funds from the nonprofit foodservice account can be used to support universal breakfast programs (ie, cover the cost of the meals that would normally be charged to paid students); non-federal funds can also be used.

For lunch, non-federal funds must be used to support universal lunch programs. Non-federal funds are state reimbursements beyond the state match, general fund (or other local fund) transfers, and/or cash donations.

2. Why is it allowable to use the Nonprofit Foodservice Account to cover the cost of universal free breakfast, but not lunch?

The discrepancy between the allowance of universal lunches and breakfasts comes from the regulations surrounding <u>Paid Lunch Equity</u>. Due to the pricing requirements outlined in the Paid Lunch Equity regulations, the nonprofit school food service account may not be used to offset the cost of paid lunch meals.

However, this concept of paid lunch equity does not apply to breakfasts. The exclusion allows for the nonprofit school food service account funds to be utilized for the purpose of universal school breakfasts. There is no requirement for PLE for breakfasts according to 7 CFR 220.6. This option is at the SFA's discretion. However, the SFA must consider how this will impact the nonprofit school food service account and whether they have sufficient funding.

3. Are sites required to offer both breakfast and lunch for free if the site no longer qualifies for HSMA?

Sites that do not participate in provisional programs (CEP or Provision 2) are not required to offer breakfast and/or lunch for free. The SFA can choose to offer one or both of these meals free if that is their preference. If they choose to offer breakfast and/or lunch free to all students, they must use allowable funding sources as outlined earlier in this section.

Sites that participate in CEP or Provision 2 are required to offer both breakfast and lunch for free per federal rules for these provisional programs.

Offboarding from Universal Free Meals

If HSMA is limited to CEP-eligible sites starting in January 2026, SFAs will have the option to opt out of HSMA. The following guidance is available to support sponsors in the transition back to standard meal counting and claiming.

1. How does returning to standard meal counting and claiming impact applications received and processed prior to January 2026?

Eligibility that was established using the combo form or the household income application form can be carried forward when the site returns to standard meal counting and claiming. If the site was previously on CEP and used the FEDS form prior to January 2026, this eligibility cannot be carried forward and the family would need to submit the combo form or the household income application form to establish eligibility for the school year for school nutrition purposes.

2. Can we use carryover eligibility from the prior school year when we revert to standard meal counting and claiming in January 2026?

For sites that were not previously implementing CEP, you cannot use carryover eligibility from the prior school year when reverting to standard meal counting and claiming mid-year. Carryover eligibility is only allowed for the first 30 days of a new school year or until a new application is received.

For sites that previously implemented CEP prior to January 2026, the SFA must offer all students reimbursable, free meals for a period of at least 30 operating days following the date of restoration of standard meal counting and claiming or until a new eligibility determination is made. If a combo form was used earlier in the school year, the eligibility determined through the combo form should be used when reverting to standard meal counting and claiming; an additional application is not required.

3. What are the communication requirements for transitioning to standard meal counting and claiming?

For sites operating CEP, prior to the change taking place, SFAs must notify CDE of the intention to stop participating in CEP.

For any site returning to standard meal counting and claiming, notify the public of the change in your school nutrition program at least 30 days in advance. CDE will have templates available to support these efforts. We recommend notifying families well in advance of the change so they have time to prepare and complete an application, if they have not already.

4. What impacts may SFAs expect to unpaid meal charges on/after January 2026?

Anticipate increases in unpaid meal charges and have a plan for how to handle student debt. Review and update your unpaid meal charge policy. Resources can be found on the <u>Manage Program Finances</u> <u>webpage</u>.

If you provide courtesy meals to students, note that these must still meet federal meal pattern requirements in order to be claimed for reimbursement and funded from your nonprofit food service account. If the courtesy meals do not meet federal meal pattern requirements, they must be funded from non-federal sources. Courtesy meals that do not meet federal meal pattern requirements cannot be claimed for reimbursement.

5. How does a mid-year change to standard meal counting and claiming impact Paid Lunch Equity requirements?

SFAs that had a negative balance in their nonprofit foodservice account as of June 30, 2024 must follow PLE requirements when establishing paid lunch prices using the <u>PLE tool</u>. SFAs with a positive or zero balance in their nonprofit foodservice account as of June 30, 2024 are exempt from PLE

pricing requirements. SFAs may still use the PLE tool if desired to determine their target paid lunch price.

For any SFA required to use the PLE tool, the tool must be completed and submitted to CDE prior to any site returning to standard meal counting & claiming. Additional resources can be found on the <u>Manage Program Finances webpage</u>.

6. Will we be required to verify applications if we transition off universal free meals as of January 2026?

Verification is always required for sites that are not operating provisional programs (CEP or Provision 2), even if the site is participating in HSMA.

For CEP sites, verification will not be required for sites transitioning off universal free meal programs as of January 2026 (or later in the school year). For Provision 2 sites, verification is only required in the base year when establishing Provision 2 claiming percentages.