

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE January 24, 2024
SUBJECT Education R8 Request – Consider for Supplemental Packet

The Governor’s budget request for the Department of Education includes R8, a request to include residential child care institutions in the Healthy School Meals for All program. This will require new legislation, and Sen. Zenzinger has expressed interest in moving this forward in the supplemental bill package.

R8 FACILITY SCHOOLS & RCCI INCLUSION IN HEALTHY SCHOOL MEALS [LEGISLATION REQUIRED]: The Department requests legislation to include facility schools and residential child care institutions in the Healthy School Meals for All Program. The request states that no additional appropriation is required but estimates the additional cost to be between \$258,793 and \$487,002. The request states that the additional cost can be absorbed within the existing \$115.0 million General Fund Exempt appropriation for the Healthy School Meals for All Program. The proposed legislation would add facility schools to the statutory definition of “school food authority”, thus aligning state statute with the related federal regulations.

STAFF RECOMMENDATION: Staff believes the proposed change is reasonable and appropriate. However, the Committee should at this point assume that the additional cost of \$248,793 to \$487,002 will likely need to be borne by the General Fund.

ADDITIONAL BACKGROUND: As discussed during the staff Department of Education supplemental presentation, the Department’s S2 supplemental request indicated that the Healthy School Meals for All program was currently projected to cost at least \$30.0 million more than the original projection for FY 2023-24. The current appropriation is \$115.0 million, consistent with the blue book for 2022 Proposition FF. Current Department estimates are that the actual costs will be between \$145.0 million and \$155.0 million, and out-year costs are also likely to greatly exceed the amounts in the Proposition FF blue book. Based on recent conversations with the Department, total annual program costs are likely to substantially exceed the approximately \$100 million per year in General Fund Exempt revenue that is generated by the Proposition FF changes to the tax code (limiting income tax deductions for households with incomes of \$300,000 or more). Members and staff have asked the Department to identify statutory options for modifying the program to bring revenues and expenses into better alignment. Staff will provide additional detail at figure setting.