

HB-1132

Local Food

Purchasing Program

2022 Legislative Report



Submitted to:

Education Committee

Rural Affairs and Agricultural Committee

Agriculture and National Resources Committee



COLORADO

Department of Education

School Nutrition

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Submitted By:
Rebecca Boone, Nutrition Consultant
Krista Garand, Grant and Strategy Supervisor

Introduction and Background

In May 2019, the Colorado Legislature passed House Bill 19-1132, The Local School Food Purchasing Program. Shortened in name to the Local Food Program (LFP), this pilot grant program offers eligible Child Nutrition Programs funding for the purchase of Colorado grown, raised, processed and value-added products. The purpose of this grant program is to encourage child nutrition sponsors to procure local products, while in return fostering nutrition education, bolstering Farm to School activities across the state, and supporting Colorado producers, ranchers, and farmers. The Colorado Department of Education's School Nutrition Unit was tasked with administering the LFP. Barring legislative action, the LFP is set to repeal on January 1, 2024.

This grant designated \$500,000 per year to be distributed among selected sponsors for a 4-year pilot program. Sponsors must apply for funding through a competitive process and agree to all program terms before funding is awarded. The amount of funding is determined by multiplying the number of school lunches served in the prior year by \$0.05. The one-time grant payment accrues directly to the sponsor's nonprofit school food account, which can then be used for procurement of appropriate Colorado food. Participating sponsors may only use the funding for the purchase of Colorado grown, raised, processed, and value-added products. The funding's sole restriction is that value-added processed products can only account for up to 25% of the awarded funds. This emphasizes the purchase of Colorado raw fruits, vegetables, dairy, and meat.



Definitions

- **Child Nutrition Programs** refers to any of the following federally funded meal programs: National School Lunch Program, School Breakfast Program, Special Milk Program, Afterschool Snack Program, Child and Adult Care Food Program, Summer Food Service Program and the Fresh Fruit and Vegetable Program.
- **Sponsor** refers to a school district, charter school, Board of Cooperative Services that operates a public school, or Residential Child Care Institution that operates any Child Nutrition Program.
- **Colorado grown, raised or processed product** means all fruits as well as vegetables, grains, meats and dairy products, except liquid milk, grown or raised in Colorado and minimally processed products or value-added products that meet the standards for the Colorado Proud designation.
- **Minimally processed products** means raw or frozen fabricated products that retain their inherent character, such as shredded carrots or diced onions and dried products such as beans. It does not include any products that are heated, cooked or canned.
- **Value added processed products** means products that are altered from their unprocessed or minimally processed state through preservation techniques, including cooking, baking, or canning.
- **Participating Sponsor** means a school district, charter school, Board of Cooperative Services that operates a public school or Residential Child Care Institution that has been selected by the Colorado Department of Education (CDE) to participate in the Local Food Program.
- **Grantee** refers to any sponsor that received funds to participate in the Local Food Program.

In addition to the funding for child nutrition sponsors, HB-1132 also created the Local School Food Purchasing Technical Assistance and Education Grant Program. This portion of the LFP offers funding to one state-wide non-profit organization to assist with the promotion of the program and offer technical assistance to participating sponsors and Colorado producers, farmers, and food aggregators. The selected non-profit organization receives \$150,000 each program year. The funding can be used to offer training, technical assistance, and physical infrastructure to sponsors and partners, support the development and sustainability of local and regional food systems, offer chef and culinary training, and/or help partners implement farm and food safety planning. The selected non-profit organization is awarded the Technical Assistance and Education grant for the entire pilot program.

Shortly after the bill's passage, School Nutrition worked with CDE's Office of Competitive Grants to release a Request for Applications for both Child Nutrition Sponsors and the state-wide non-profit organization in fall of 2019. Per legislation, sponsors are ineligible to participate in the program if, in the prior year, more than 2,150,000 lunches were served. The criteria for a sponsor to be eligible to participate in the LFP included the following:

- A commitment to local purchasing or food and agricultural education.
- A kitchen with the ability to store, prepare, and serve local food products.

Priority was given to sponsors that:

- Had a population with more than 25% of its students eligible for free or reduced-price meals district wide.
- Served fewer than 1,250,000 lunches in the determining school year

As a competitive grant process, CDE used the above criteria in evaluating applications from Sponsors. Child Nutrition Sponsors applied for funding, and one state-wide non-profit organization applied for the technical assistance grant.

All eligible sponsors that applied were awarded the LFP funding to purchase Colorado grown, raised, processed and value-added products and Nourish Colorado was awarded the technical assistance grant. CDE administered the first round of the education grant funding in the amount of \$150,000 to Nourish Colorado in February 2020. Prior to School Nutrition announcing and awarding sponsors in March 2020 for the following school year, the COVID-19 pandemic occurred and funding for this program was suspended. CDE did not award any sponsors during what should have been the first year of the pilot program.

In June of 2021, the LFP budget was included in the long bill and voted on by the Colorado General Assembly. The program was reinstated, and the funding was again available. With guidance from CDE leadership, School Nutrition awarded the original 16 sponsors that applied in 2019. Starting in August 2021, School Nutrition confirmed interest in participating in the LFP from all 16 original sponsors and utilized the funding during SY 21-22. On July 1, 2022, School Nutrition completed the first pilot program year with a full set of data.

Due to the language in the legislation capping the reimbursement rate to \$0.05/school lunch, there was a surplus of \$84,910.05 of funds that was unable to be distributed. Sixteen sponsors were awarded the LFP grant, and a total of \$415,089.95 was distributed according to their specific meal counts from SY 18-19.

Grant Implementation

Grant Activities

The required reporting by participating sponsors consists of tracking purchased Colorado grown, raised, processed and value-added processed products, along with the food cost, product type, quantity, vendor, farmer or producer and invoice date. This reporting tracker was developed and reviewed monthly by CDE's School Nutrition Unit. All Colorado grown, raised, processed and value-added processed products were served only to students participating in Child Nutrition Programs. The food items purchased for the LFP were not utilized outside of the School Breakfast Program, National School Lunch Program, and Afterschool Snack Program.

Given the multiple challenges presented during the COVID-19 pandemic, which are explained at the end of the report, participating sponsors were able to spend the entirety of the allocated funding. Sponsors were required to update their LFP tracker as purchases were made, which School Nutrition could review in real time. Hundreds of qualifying items were purchased for Child Nutrition Programs, including diverse products such as fresh Palisade stone fruit, potatoes grown in the San Luis Valley and cattle raised and processed in Northern Colorado.

School Nutrition requested that sponsors track all Colorado grown, raised, processed and value-added products, including purchases beyond the LFP award amount. With a rise in Farm to School activities across the state, this allowed School Nutrition to evaluate the average amount of money sponsors are spending on local products throughout a fiscal year. This data provided insight on what local purchases came from the LFP funding compared to the true cost of their local procurement efforts. By collecting all the Colorado purchases from the participating sponsors, School Nutrition learned that \$1,462,777 was spent during SY 21-22 by the 16 sponsors, albeit the LFP accounted for \$415,089 of that total spending amount. This additional tracking shows that the sixteen sponsors purchased a total of \$1,047,688 more than the initial funding.



Technical Assistance and Education Grant

The intent of the Technical Assistance and Education Grant is to provide training, technical assistance, and physical infrastructure grants to participating sponsors of the Local Food Program, as well as grower associations or other organizations that aggregate products from producers. As previously stated, Nourish Colorado was awarded the Technical Assistance and Education Grant for the entirety of the LFP pilot. Nourish was awarded their first round of \$150,000 in March 2020 before the rest of the LFP funding was suspended. While Nourish Colorado received their funding to provide technical assistance to LFP sponsors and Colorado producers, the main component of distributing funding for sponsors to purchase Colorado products had been suspended.

Because of the circumstances surrounding the COVID-19 pandemic, Nourish Colorado had to adapt their original statement of work to fulfill the grant requirements for SY 20-21. With the support of CDE, Nourish Colorado was able to:

1. Deliver monthly webinars that focused on Farm to School topics
2. Develop culinary videos using Colorado products
3. Create training content for local procurement workshops, and
4. Offer small equipment grants to sponsors who originally applied for the LFP.

All education content was presented virtually, which allowed anyone to access the materials. Nourish distributed \$18,000 in small grants to 14 of the original sponsors for school food equipment. These funds were used to purchase small pieces of equipment that would help in the preparation of local foods, such as a robo coupe or fruit and vegetable sectionizer.

During the second year of their funding, Nourish Colorado was able to work directly with the SY 21-22 participating sponsors. Nourish Colorado conducted in-depth interviews with 15 of the 16 sponsors. Assessing overall Farm to School efforts allowed Nourish Colorado to prioritize training topics and provide in-person technical assistance to sponsors that requested extra support. According to Nourish Colorado's initial research they found:

- 60% of respondents wanted to serve a locally grown or produced item daily;
- Over 55 different Colorado fruits, vegetables, grains, meats, dairy, and processed products were currently being served in schools;
- 60% of sponsors sourced directly from the producers, 100% had sourced from their prime distributor, and 46% were working with a food hub.

Over the course of the year, Nourish Colorado offered on-site technical assistance to sponsors, focused on menu planning, culinary skills, and farm to school procurement. They visited four districts in person, some multiple times. A portion of the grant funding also went to subcontracts and the collaboration with farmer organizations and Agricultural Consultants. Nourish hired three consultants to build relationships with school districts, food hubs, and rural producers. They attended monthly calls and worked closely with Nourish to identify the key challenges that producers and districts experience in the Colorado food system. Many resources were developed over the course of the year to help both sponsors and producers understand the LFP and the needs of each group. Resources created include:

- School Food Timeline for producers
- K12 Purchasing Planning Worksheet
- A set of one-page flyers on Colorado products to use in schools
- Marketing templates for sponsors, such as press releases and newsletters, to promote the LFP

Sponsor Demographics

Within the scoring criteria, CDE prioritized sponsors that were designated as rural and had a higher free and reduced-price school meal eligibility percentage. The sponsors were given a set number of priority points during the scoring of their applications. The table below shows sponsor demographics, including the total number of students impacted by the program, as well as the free and reduced-price percentage, total number of meals served, and their designation of either a rural or small rural district.

	District Enrollment	F&R Percentage	Meals Served	Rural Designation **
Boulder Valley School District RE-2	29,011	20.0%	2,396,865	
Colorado Springs School District 11	23,366	54.5%	2,787,532	
Creed School District	78	39.7%	6,789	✓ Small Rural
Division of Youth Services	330 *	100.0%	194,149	
Durango School District 9-R	5,797	22.6%	504,092	✓ Rural
Englewood School District 1	2,440	53.6%	291,336	
Greeley-Evans School District 6	22,170	63.3%	2,326,119	
Gunnison Watershed School District	2,081	17.8%	198,140	✓ Rural
Harrison School District 2	13,002	60.6%	964,209	
Hayden School District RE-1	436	19.0%	27,671	✓ Small Rural
Lake County School District R-1	1,010	47.6%	141,667	✓ Small Rural
North Conejos School District	1,005	53.7%	89,842	✓ Rural
Sangre de Cristo School District RE-22J	246	52.8%	37,787	✓ Small Rural
South Routt School District	229	29.2%	24,832	✓ Small Rural
Thompson School District	15,291	24.9%	1,155,214	
West End School District RE-2	272	51.5%	21,936	✓ Small Rural
*DYS Enrollment from Oct 2021 Claim	116,544	44.0%	11,568,180	56%
** A Colorado school district is determined to be rural, giving consideration to the size of the district, the distance from the nearest large urban/urbanized area and having a student enrollment of 6,500 or less. Small rural districts are those districts meeting these same criteria and having a student population of less than 1,000 students.	Total of Impacted Students	Average F&R Percentage	Total Meals Served (Breakfast & Lunch)	Sponsors have Rural Designations

CDE Staffing

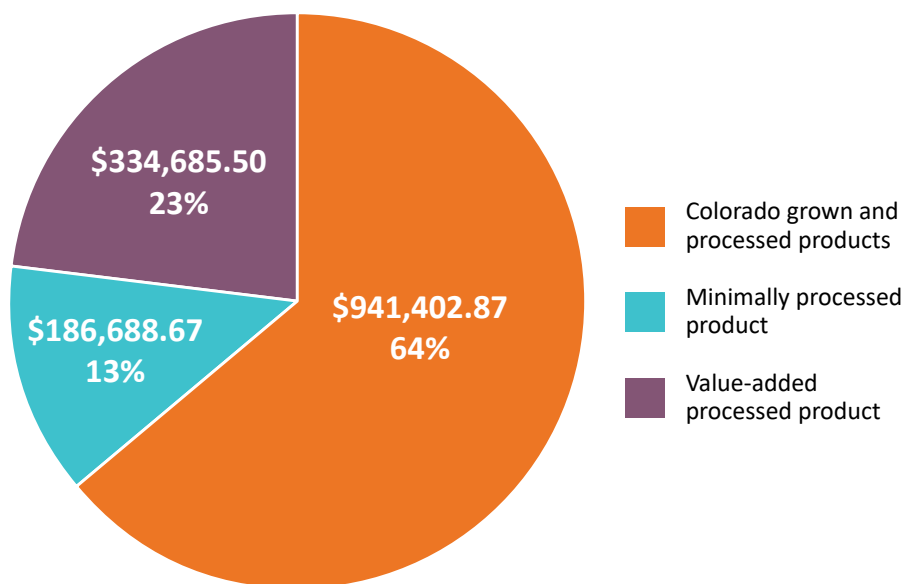
HB-1132 budgeted a .3 full time equivalent (FTE) employee for the first year of the program. The funding increased to a .4 FTE the following year, but the funds were not used because of the budget hold. When the long bill passage reinstated the LFP funding, School Nutrition had one employee dedicated to overseeing and managing the LFP. Approximately 30% of the employees payroll was covered by the LFP during Fiscal Year 21-22.



Grant Outcomes

Dollar Amount Spent and Product Categories

The sponsors completed trackers that collected data by invoice date, vendor, secondary sources (producer or farm), item/product, quantity, unit, food cost, and product identification. The pie graph below breaks down the expenditures by product category and sponsor. The two defined categories, minimally processed products and Colorado grown and processed products, represent most funds spent. Sponsors were limited to a cap of 25% of funding to be used for value-added processed products. The table on the next page shows the total amount of Colorado products purchased beyond the sponsors' award amounts. The data shows that fourteen sponsors continued to procure Colorado products beyond the grant amount.



Total Expenditures on All Colorado Purchases - School Year 2021-22

	Amount Awarded	Extra Spent	Total Spent
Boulder Valley School District RE-2	\$68,701.40	\$850,877.28	\$919,578.68
Colorado Springs School District 11	\$101,243.40	\$3,460.31	\$104,703.71
Creed School District	\$403.35	\$3,101.32	\$3,504.64
Division of Youth Services	\$13,087.20	\$6,079.57	\$19,166.77
Durango School District 9-R	\$15,563.95	\$6,468.27	\$22,032.22
Englewood School District 1	\$9,221.40	\$1,343.23	\$10,564.63
Greeley-Evans School District 6	\$81,406.30	\$156,863.91	\$238,270.21
Gunnison Watershed School District	\$4,488.95	\$960.37	\$5,449.32
Harrison School District 2	\$57,648.10	\$1,264.46	\$58,912.56
Hayden School District RE-1	\$1,162.15	\$0	\$1,162.15
Lake County School District R-1	\$4,650.90	\$13,007.88	\$17,658.78
North Conejos School District	\$3,865.30	\$0	\$3,865.30
Sangre de Cristo School District RE-22J	\$1,377.25	\$2.68	\$1,379.93
South Routt School District	\$1,487.50	\$470.02	\$1,957.52
Thompson School District	\$49,632.10	\$3,900.96	\$53,533.06
West End School District RE-2	\$1,150.70	\$479.30	\$1,630.00

Sponsors were required to submit SY 19-20 estimated local expenditures before participating in the LFP. Due to COVID-19 the program did not operate in SY 20-21. As the table below outlines, 11 sponsors increased their procurement of Colorado grown, raised, processed and value-added processed products over SY 19-20. The reasoning why some sponsors spent less in SY 21-22 than in SY 19-20 was not specifically collected. It can be inferred that the challenges discussed at the end of the report factored into four sponsors spending less overall. These include staffing and labor challenges, supply chain issues, and product availability.

Local Purchase Expenditures Comparison 2019-20 and 2021-22

	2019-20 Sum of Expenditures (estimated)	2021-22 Sum of Expenditures	
Boulder Valley School District RE-2	\$700,000.00	\$919,578.68	+23.88%
Colorado Springs School District 11	\$10,000.00	\$104,703.71	+90.45%
Creed School District	\$6,000.00	\$3,504.67	-71.20%
Division of Youth Services	\$0	\$19,166.77	+100.00%
Durango School District 9-R	\$50,000.00	\$22,032.22	-126.94%
Englewood School District 1	\$0	\$10,564.63	+100.00%
Greeley-Evans School District 6	\$125,000.00	\$238,270.21	+47.54%
Gunnison Watershed School District	\$8,000.00	\$5,449.32	-46.81%
Harrison School District 2	\$0	\$58,912.56	+100.00%
Hayden School District RE-1	\$0	\$1,157.18	+100.00%
Lake County School District R-1	\$10,000.00	\$17,658.78	+43.37%
North Conejos School District	\$5,000.00	\$3,863.32	-29.42%
Sangre de Cristo School District RE-22J	\$1,700.00	\$1,379.93	-23.19%
South Routt School District	\$0	\$1,372.00	+100.00%
Thompson School District	\$17,000.00	\$53,533.06	+68.24%
West End School District RE-2	\$400.00	\$1,630.00	+75.46%

The bill requires CDE to report on local spending the year PRIOR to participation. Sponsors typically do not have a way to pull this data, and therefore it is an estimate.

Producers and Businesses

Sponsors used all allocated funding and purchased products from different vendors across the state. Forty two of these vendors were the primary producers of the products (i.e. they are the farms themselves) while fourteen vendors were paid as a distributor or food aggregator. If possible, sponsors tracked the secondary farm source. In total, sponsors tracked products from over 150 different Colorado producers, farmers, distributors, and food aggregators as part of the LFP.

	Sum of Total Cost		Sum of Total Cost		Sum of Total Cost
Adobe House Farm	\$2,970.00	Farm Runners	\$3,471.72	Honey Acres Farm	\$40.50
Primary Vendor	\$2,970.00	Abundant Life Organic Farm	\$403.33	Primary Vendor	\$40.50
Allegro Coffee Company	\$23,092.95	Austin Family Farm	\$47.25	Kilt Farm	\$1,355.75
Primary Vendor	\$23,092.95	Chamberlain Farms	\$144.13	Primary Vendor	\$1,355.75
American Produce	\$26,560.60	Ela Family Farms	\$47.25	Kinikin Ranch	\$724.00
Hungenburg Produce.	\$19,961.85	Fasset Hay and Cattle	\$175.50	Primary Vendor	\$724.00
Petrocco Farms	\$4,097.50	Fields to Plate Produce	\$18.56	La Casita	\$76,963.80
Star Farms.	\$630.00	Flipside Farm	\$51.84	Primary Vendor	\$76,963.80
Primary Vendor	\$1,871.25	Happy Hogs Farm.	\$164.10	Mill Site	\$4,113.45
Bimbo Bakery	\$77,570.76	Honey Acres Farm	\$81.00	Primary Vendor	\$4,113.45
Primary Vendor	\$77,570.76	La Milpa Tortilla Factory	\$1,177.60	Moe's Broadway Bagel	\$64,929.62
Brothers Meat Packing	\$467.75	Olathe Producers Coop	\$67.51	Primary Vendor	\$64,929.62
Fitch Ranch Artisan Meats	\$344.00	Ozuke Farm Hand.	\$40.10	Mountain Freshies	\$180.00
Primary Vendor	\$123.75	Pantoja Family Farm	\$32.40	Austin Family Farm	\$180.00
Chamberlain Farms	\$108.00	Rocking W Dairy.	\$222.85	Mountain Roots Food	
Primary Vendor	\$108.00	South River Aquaponics	\$392.50	Project	\$375.00
City Market/Kroger	\$630.46	Tortilla La Roca	\$40.50	Barajas Dream Farm	\$375.00
Primary Vendor	\$630.46	Valley Roots Food Hub.	\$67.51	Old Style Sausage.	\$6,825.00
Colo Pac	\$64,627.62	White Mountain Farm.	\$151.20	Primary Vendor	\$6,825.00
Primary Vendor	\$64,627.62	Mattics Orchard	\$54.00	Ollin Farms	\$7,067.50
Colorado Fresh Farms	\$6,150.00	Primary Vendor	\$92.59	Primary Vendor	\$7,067.50
Primary Vendor	\$6,150.00	Fasset Hay and Cattle	\$175.00	Outlaw Apiaries	\$600.00
Colorado Native Foods	\$164,147.69	Primary Vendor	\$175.00	Primary Vendor	\$600.00
Primary Vendor	\$164,147.69	Fields to Plate Produce	\$12,528.38	Rock River Ranches	\$24,367.60
Colorado Tortilla Company	\$15,024.95	Primary Vendor	\$12,528.38	Primary Vendor	\$24,367.60
Primary Vendor	\$15,024.95	Flipside Farm	\$51.84	Rogers Mesa Fruit	
Creation Gardens	\$29,385.02	Primary Vendor	\$51.84	Company	\$111,058.44
Primary Vendor	\$29,385.02	Flowers Foods		Primary Vendor	\$111,058.44
Falafel King	\$6,484.80	Specialty Group	\$3,326.40	Romes Sausage	\$5,400.00
Primary Vendor	\$6,484.80	Primary Vendor	\$3,326.40	Primary Vendor	\$5,400.00
		GoFresh 365	\$111.38	Salazar Meat	\$3,490.00
		Primary Vendor	\$111.38	Primary Vendor	\$3,490.00
		Goldstar Foods	\$2,530.71	Sara Sausage	\$2,668.00
		Mission	\$1,531.60	Sara Sausage	\$2,668.00
		Tico's	\$606.14		
		UDI's	\$392.97		
		Healthy Harvest Productions	\$14,941.80		
		Primary Vendor	\$14,941.80		
		Hoffman Farms	\$48,583.30		
		Primary Vendor	\$48,583.30		

	Sum of Total Cost		Sum of Total Cost		Sum of Total Cost
Scanga Meat Company	\$17,658.78	Valley Roots Food Hub	\$56,962.29	Wal-Mart	\$21.52
Primary Vendor	\$17,658.78	AB Yoder Family Farm	\$195.37	Primary Vendor	\$21.52
Serious Texas BBQ	\$5,425.00	Adobe Milling Co.	\$237.01	What Chefs Want	\$1,144.58
Primary Vendor	\$5,425.00	Blue Range Ranch	\$7,960.86	Primary Vendor	\$1,144.58
Shamrock	\$89.04	Bow & Arrow	\$89.75	Tap Root Cooperative	\$8,033.92
Canyon Bakehouse	\$89.04	Burns Cattle : Bountiful	\$260.20	Colorado Mushroom Farm	\$440.02
Stuart Kramer	\$376.68	Colorado Mills	\$3,452.24	Conner Orchards	\$1,563.05
Primary Vendor	\$376.68	Colorado Mushroom Farm	\$198.26	Devries Farm	\$184.60
The Summer House	\$160.00	Conner Orchards	\$132.23	Disanti Farms	\$225.32
Primary Vendor	\$160.00	Devries Farm	\$36.00	Fields to Plate Produce	\$180.00
Tigges Farms	\$310.00	Disanti Farms	\$37.33	Grabber's Produce	\$138.47
Tigges Farms	\$310.00	Ela Family Farms	\$332.32	Hobbs Family Farm	\$23.08
Tuxedo Corn Company	\$1,995.00	Epic Valley :Salida	\$18.46	Honey Rock Landing	\$516.95
Primary Vendor	\$1,995.00	Fagerberg Farms	\$17.24	Larga Vista Ranch	\$53.85
US Foods	\$35,607.42	Fields to Plate Produce	\$26.00	Meadows Edge Farm	\$221.52
Cattleman's Selection	\$65.00	Gosar Natural Foods	\$1,217.37	Poncha Creek Gardens	\$301.30
Con Arra Mills	\$18.50	Grabber's Produce	\$80.01	White Mountain Farm	\$274.24
Franklin Farms	\$13.90	Haefeli's Honey	\$167.93	Milberger Farms	\$278.80
Glenview	\$112.80	Happy Hogs Farm	\$81.80	Tierra Sana	\$377.20
Mission	\$23,345.50	Heartland Mills	\$30.77	Sweet Cheeks Organic	
Packer	\$30.80	Hobbs Family Farm	\$114.69	Peaches	\$1,855.44
Red Bird Farms	\$10,662.65	Honey Rock Landing	\$64.00	Mattics Orchard	\$475.41
Primary Vendor	\$1,358.27	Larga Vista Ranch	\$472.81	Charma River Produce	\$592.35
		Mama Milling	\$105.48	Rogers Mesa Fruit	
		Meadows Edge Farm	\$99.99	Company	\$332.32
		New Roots Farm	\$51.32	Ray Domenico Farms 2	\$3,757.00
		Parker Pastures	\$56.00	Primary Vendor	\$3,757.00
		Poncha Creek Gardens	\$177.00	Julius Van Thuyne	\$20,000.00
		Red Bird Farms	\$15,757.38	Primary Vendor	\$20,000.00
		Roots On The Range	\$100.00	Legacy Meats 2	\$348,419.07
		Sangres Best	\$76.44	Primary Vendor	\$348,419.07
		Sawatch Artisan Foods	\$1,076.92	Rancho Largo Cattle	\$223.20
		Seed Ranch Flavor	\$313.84	Primary Vendor	\$223.20
		Springside Cheese	\$54.00	Sisters Pantry	\$25,365.00
		The Summer House	\$36.00	Primary Vendor	\$25,365.00
		Timeless Natural Foods	\$53.27	Fresh Foundation 2	\$1,394.50
		Tortilleria la Unica	\$127.02	Primary Vendor	\$1,394.50
		Tucmari Mountain cheese	\$90.56	Wild Gals Nucla Market	\$126.60
		Valley Roots Food Hub	\$54.81	Primary Vendor	\$126.60
		White Mountain Farm	\$335.98	Front Range Wholesale	\$122,607.65
		Worth the Drive Bakery	\$820.14	Colorado Tortilla Company	\$7,392.00
		Delicious Orchards	\$1,113.25	Castle Rock Meats	\$79,179.65
		Laz Ewe 2 Bar Goat Dairy	\$1,242.61	Primary Vendor	\$36,036.00
		Milberger Farms	\$1,688.51	Grand Total	\$1,462,777.04
		Tierra Sana	\$125.34		
		Ring a Ding Farms	\$80.01		
		Jones Farm Organics	\$66.67		
		White Rock Specialties	\$16,168.61		
		Rio Grande Farm Park	\$58.33		
		Big River Bison	\$169.46		
		Rogers Mesa Fruit			
		Company	\$1,542.38		
		Primary Vendor	\$98.32		

Total Primary
Vendors

40+

Total Distributors
and Food Hubs

10+

Economic Impact

In total, \$1,462,777 was spent on Colorado grown, raised, processed and value-added processed products during School Year 21-22 by the 16 participating sponsors, with \$415,089 of that total accounting to the LFP. There are several large districts that have been continuously committed to procure Colorado products but were not eligible to participate in the LFP. The economic impact of the LFP coincides with the larger statewide research that is being conducted. According to the Colorado Food Systems Advisory Council's "Institutional Procurement Brief" from 2019:

The 2017 Census of Agriculture therefore provides the most timely state level data. In 2017 across the state of Colorado, an estimated 492 farms sold \$91,315,000 in local or regionally branded products directly to retail markets, institutions, and food hubs (an average of \$185,600 per participating farm). A more specific example of the potential for institution purchasing comes from the "USDA Farm to School Census: Colorado Snapshot" which highlights that Colorado school districts spent an estimated \$17,854,400 on locally sourced foods (or 4% of their total food budgets).¹

The brief also outlines potential impacts of HB-1132 and cites researchers that:

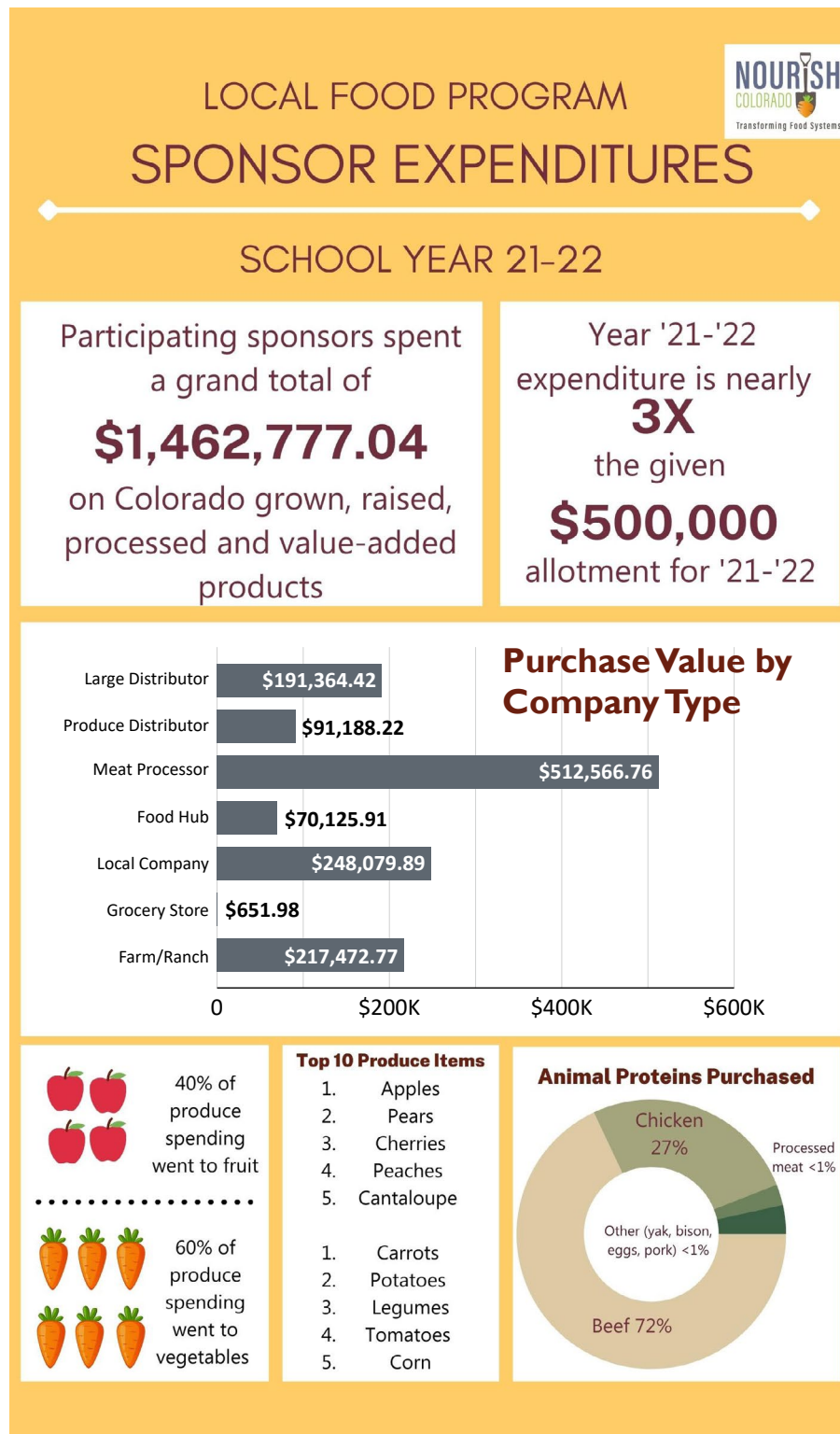
"worked with three Northern Colorado school districts and used data to calibrate an optimization model mimicking decisions made by Food Service Directors (FSDs), and then simulate the impacts of Colorado House Bill 19-1132: School Incentives to Use Colorado Food and Producers, on FSDs' FFV (Fresh Fruit and Vegetable) procurement behavior. Results help to inform policymakers' understanding of whether different levels of subsidy change the composition of school FFV purchases, and by how much. The authors found that, assuming 2017 and 2018 purchasing behavior, at \$0.05 per meal reimbursement, FSDs would increase fresh fruit and vegetable purchasing by 11-12% in August-October, but by only 0-1% in November-December, likely due to seasonality constraints. The authors note that "an increase in FTS procurement was expected, but the magnitude of the potential increase when aligned with the Colorado growing season is notable. This work underscores that adequately funded reimbursement-based FTS policies can increase FTS procurement without disrupting normal cost-minimizing purchasing behavior."²

To date, there is no collection of data on Colorado purchases from all child nutrition sponsors around the state. While School Nutrition has taken steps to encourage sponsors to use a local purchasing code in their accounting records, it is not required that sponsors delineate these local purchases. The 16 sponsors that were required to track local purchases in the LFP have shown that there is significant local purchasing in child nutrition programs. CDE School Nutrition continues to develop local food procurement metrics and is hopeful there will be baseline data collected from sponsors in the future.

¹ Colorado Food Systems Advisory Council, "A 50-State Policy Scan on the Role of State Procurement Policy," Updated June 10th, 2021. (p.8)

² Colorado Food Systems Advisory Council, "A 50-State Policy Scan on the Role of State Procurement Policy," Updated June 10th, 2021. (p.17)

Below is an infographic that Nourish Colorado created to highlight sponsor expenditures and further economic impact.



Participant and Producer Surveys

As per legislation, School Nutrition conducted qualitative surveys from sponsors and producers. School Nutrition released these surveys in August 2022. Fifteen out of the 16 participating sponsors responded. With a high response rate from sponsors, School Nutrition aggregated prevalent challenges and successes during the LFP's first program year. Sponsors that completed the survey were able to choose from a list of common themed successes. Fourteen of the respondents noted that they would apply to this program again and only 2 noted that the tracking requirements were a burden. Sponsors reported that the LFP assisted with the following accomplishments and barriers:

Accomplishments:

- Forming new relationships with producers (11 respondents)
- Increased student engagement (11 respondents)
- Creation of new menu items (7 respondents)
- Opportunities for nutrition and agricultural education (8 respondents)

Barriers:

- Product availability (11 respondents)
- Staffing and labor shortages (8 respondents)
- Connecting with producers (7 respondents)

School Nutrition and Nourish Colorado worked to send the producer survey out to as many farmers, ranchers, and processors that sponsors purchased from. School Nutrition had contact information for 42 producers and 5 responded. While the response rate was low, those that did take the time to respond thoroughly explained their challenges and successes. All respondents confirmed they would like to continue selling to sponsors in the future. One producer noted that 30% of their total food sales were from the LFP sponsors from August 2021 to July 2022. Two food hubs and one producer estimated that less than 5% of total food sales were from the LFP sponsors.

One producer that responded has been selling to child nutrition sponsors for over 10 years and said that his company did not experience any barriers. For the food hubs, producers, and distributors that are new to Farm to School efforts, their experience was different and they faced more barriers. One respondent noted that there was a "big disconnect between what schools needs are versus the company's product availability." Two other respondents said that timing the delivery and other logistics were a barrier.

Conclusion

Areas of Opportunity and Lessons Learned

After the first full pilot year concluded, CDE School Nutrition determined several areas of opportunity and process improvements that could further develop the administration of the LFP. Working within the confines of the legislative language, the funding formula for the sponsors' award amounts is set at exactly \$0.05 per meal served under the National School Lunch Program (NSLP) during the prior school year. Because of the COVID-19 pandemic, sponsors had not been operating the National School Lunch Program since March 2020. Instead, for the past two school years, sponsors operated the Summer Food Service Program and the Seamless Summer Option, which allows for non-enrolled children to receive meals. Because of the complexity of the meal counting and claiming process, CDE School Nutrition used the only verified and audited set of NSLP meal counts from SY 2018-2019. Due to the legislated award amount of \$0.05 per meal, alongside the sponsor's meal counts from SY 18-19, and the size of the sponsors that applied, not all the \$500,000 was able to be dispersed to sponsors. Based on the language in the legislation, CDE does not have the authority to redistribute any unused funding. School Nutrition realized that promotion of the Request for Application was critical to encourage more sponsors to apply. With a higher number of applicants, School Nutrition awarded the full entitlement of the LFP during the second year of funding.

Another lesson learned was that the category of value-added processed product was not accurately understood by the sponsors. While these products must meet the Colorado Proud standards, the products are not required to have the Colorado Proud designation. For most buyers, it is extremely difficult to know what can qualify as a Colorado Proud product without the certification. Sponsors tracked purchases that they thought were Colorado Proud products due to misunderstandings in this category. With technical assistance and guidance from the Colorado Department of Agriculture, CDE School Nutrition is now confident that this category will be better understood in future program years.

Staffing shortages created an additional challenge for program implementation. Because of the pandemic, staffing shortages were, and continue to be, an existing problem within the food service industry. Seven sponsors specifically noted that staffing and labor shortages were their biggest challenge to operating the program. Based on feedback from districts, sponsors that struggled with staffing shortages have a more difficult time utilizing unprocessed and minimally processed food items. Since the original application submission in 2019, over 50% of the food service directors initially committed to running the program have left their positions at their districts. New food service directors and the added struggle of finding staffing have led to challenges implementing the program. The Local Food Program allows 25% of funds to be spent on value added product, which can be easier for districts to utilize in their meal programs because they require less labor. Colorado Springs School District and South Routt School District were two sponsors that found value-added processed products easier to utilize and spent more than the allotted 25% in this category.



Accomplishments

Even though it took several years after the passage of the initial bill to fully implement the LFP, in addition to the compounding effects of the COVID-19 pandemic, 11 sponsors participating in the LFP were able to increase Colorado purchases compared to SY 19-20 and feed their students high quality Colorado products. Sponsors received targeted technical assistance from both School Nutrition and Nourish Colorado. Responses from Nourish Colorado's program survey show that throughout the year, sponsors became more familiar with procurement procedures, incorporated fresh menu items, and promoted Farm to School efforts. Sponsors who purchased Colorado products were able to shorten their supply chain and had confidence in their local producers, farmers, and ranchers. Nine sponsors reported new relationships with producers and five sponsors noted

the positive outcome of a shortened supply chain. The biggest challenge reported was that sponsors had to overcome the unique challenges of the COVID-19 pandemic, which left their kitchens understaffed.

Overall, CDE saw an increased understanding of local procurement through the programming with Nourish and the technical assistance provided. There was a reported 63% increase in Colorado foods served from SY 19-20 to SY 21-22 for those sponsors that participated in the LFP. Through collaboration with partners like Nourish Colorado, School Nutrition can work closely alongside to promote and market farm to school efforts. With their network of producers and farmers, as well as agricultural experts across the state, Nourish Colorado was vital in the success of the LFP.



Next Steps

Request for Applications for sponsors to participate for SY 22-23 was released in Spring 2022. There was an increase from 16 applicants the first year to 26 applicants for School Year 22-23. Twenty sponsors were selected to receive LFP funding in September 2022. This will be the second round of participating sponsors for the pilot program. Because of an increase in sponsor applications, CDE was able to award the full \$500,000 for the LFP for SY 22-23.

Bayfield School District 10JT-R	\$4,193.10
Boulder Valley School District RE-2	\$68,701.40
Calhan School District RJ-1	\$1,350.50
Colorado Springs School District 11	\$101,243.40
Creede School District	\$403.35
Durango School District 9-R	\$15,563.95
Englewood School District 1	\$9,221.40
Greeley-Evans School District 6	\$81,406.30
Gunnison Watershed School District RE-1J	\$4,488.95
Lake County School District R-1	\$4,650.90
Mancos School District RE-1	\$2,058.40
Mapleton School District 1	\$29,893.15
Pueblo City School District 60	\$25,333.55
Sangre de Cristo School District RE-22J	\$1,377.25
South Routt School District RE-3	\$1,487.50
St.Vrain Valley School District RE-1J	\$96,123.20
Swink School District 33	\$1,424.50
Thompson School District R2-J	\$49,632.10
Vilas School District RE-5	\$296.85
West End School District RE-2	\$1,150.70
TOTAL	\$500,000.00