

## Department of Planning and Budget

### 2018 Fiscal Impact Statement

**1. Bill Number:** HB1477

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Roem

**3. Committee:** Education

**4. Title:** School boards; school meals; practices.

**5. Summary:** Establishes several requirements relating to school meals, including requiring each school board to (i) require each public elementary and secondary school in the local school division to participate in the federal National School Lunch Program and the federal School Breakfast Program administered by the U.S. Department of Agriculture and to make meals available pursuant to such programs to any student who requests such a meal, regardless of such student's family income or whether such student has the money to pay for the meal or owes money for meals previously provided, unless the student's parent has provided written permission to the school board to withhold such a meal from the student, and (ii) adopt policies prohibiting any school employee from (a) requiring a student to throw away a meal after the meal has been served because the student does not have the money to pay for the meal or owes money for a meal previously provided and (b) requiring a student who does not have the money to pay for a meal or who owes money for a meal previously provided to do chores or other work to pay for the meal. This bill also requires each school board to absorb each unpaid meal debt that remains at the end of each school year.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Indeterminate. See Item 8.

**8. Fiscal Implications:** Federal regulations require states to appropriate a minimum level of state funds to be paid as reimbursement to school divisions that participate in the National School Lunch Program. The required minimum funding level for Virginia is \$5.8 million each year. The Department of Education (DOE) calculates the state-funded per meal reimbursement rate by dividing this funding level by the total number of lunches claimed for reimbursement in the previous school year. If participation in the National School Lunch Program increases, the state-funded per meal reimbursement rate paid to local school divisions will decrease, but the state appropriation for this program is not impacted.

Additionally, Virginia administers a school breakfast incentive program that provides state funding as an incentive to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school

division as a reimbursement for breakfast meals served that are in excess of the baseline established by DOE in school year 2003-2004. Each school division's baseline is unique to its base year breakfast participation. Based on DOE's fall 2017 projections for the 2018-2020 biennium program participation, HB30, 2018 General Assembly Session, includes \$6.7 million in FY 2019 and \$8.0 million in FY 2020 for these state-supported school breakfast payments. Increased participation in the National School Breakfast Program could increase state reimbursements under this program; however, DOE is authorized, but not required, to reduce the reimbursement amount proportionately in the event that the actual number of meals to be reimbursed exceeds the program appropriation. If additional program growth results from this legislation, a policy decision would need to be made whether or not to increase state support.

Any fiscal impact to local school divisions is indeterminate.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** This bill should not have any impact on state funding for the Breakfast-After-the-Bell program.