

Department of Planning and Budget

2020 Special Session I - Fiscal Impact Statement

1. Bill Number: HB5113

House of Origin	☒ Introduced	☐ Substitute	☐ Engrossed
Second House	☐ In Committee	☐ Substitute	☐ Enrolled

2. Patron: Roem

3. Committee: Appropriations

4. Title: Certain school boards; student meals; participation in the Community Eligibility Provision.

5. Summary: Requires each school board that governs a local school division that contains any public elementary or secondary school that is eligible to participate in the Community Eligibility Provision (CEP) administered by the U.S. Department of Agriculture Food and Nutrition Service (FNS) to apply to FNS to participate in CEP for each such school.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: The Department of Education can absorb any administrative costs resulting from the provisions of this bill.

Multiple accounts under Direct Aid to Public Education use school-level or division-level free lunch data to determine school division entitlements. As required by Item 145.A.9 of HB 5005/SB 5015, 2020 Special Session I, entitlements that use school-level or division-level free lunch eligibility percentages to determine the entitlement amounts are based on the most recent data available as of the biennial rebenchmarking calculations made for the current biennium. For schools that participate in the Community Eligibility Provision (CEP) program, such entitlements are based on the most recent free lunch eligibility data available prior to that school's enrollment in the CEP program.

Free lunch data used in Direct Aid to Public Education calculations for the 2020-2022 biennium will not change as a result of additional schools participating in the CEP program. Consequently, there is no state fiscal impact in the 2020-2022 biennium as a result of this legislation. Any impact in future biennia is indeterminate at this time and would be based on the Direct Aid to Public Education budget as rebenchmarked for future biennia.

According to the Department of Education's June 1, 2020, report of local educational agencies and schools eligible and near eligible to participate in CEP, based on current Identified Student Percentages (ISP), 425 schools are eligible for the CEP program but don't participate, and 294 schools are near eligible for the CEP program and don't participate.

The fiscal impact to local school divisions as a result of this legislation is indeterminate. Schools that participate in the CEP program provide school breakfast and lunch meals at no charge to all students. The federal government reimburses local school divisions for these meals at two rates: a free rate and a paid rate. The free rate is greater than the paid rate. The percentage of meals reimbursed at the free rate is determined by multiplying the school's ISP by 1.6. Remaining meals are reimbursed at the paid rate. Schools with higher ISPs receive reimbursements at the free rate for a greater percentage of their meals. Local school divisions absorb any revenue shortfall.

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

10. Technical Amendment Necessary: Yes, on line 22, replace "student" with "students".

11. Other Comments: None