

Commission on Local Government

Estimate of Local Fiscal Impact

2020 General Assembly Session

Bill: HB5113

Special Session: 1

Patron: Roem

Date: 9/2/2020

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

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

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### Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$49,000.00. Almost all localities responded that the bill would not impact them because they are already participating in CEP program or they are towns and not responsible for schools. One locality noted that the bill would impact them positively because the federal reimbursement would be higher with the CEP claiming formula than the traditional method. Locality that responded with a cost noted that fiscal impact would be substantial for their school divisions' Food & Nutrition Service (FNS) department, and the estimate they provided is only for one school not for the school division. But, it is possible that a recent amendment to the bill that reported out of the House Appropriations Committee could address their concerns.

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### Local Analysis:

**Locality:** City of Manassas

**Estimated Fiscal Impact:** \$0.00

There will be no fiscal impact to the City of Manassas.

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Locality: City of Martinsville

Estimated Fiscal Impact: \$0.00

Am thinking no financial impact since we are already participating in CEP. All of our schools have been approved for another 4-year cycle.

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**Locality:** City of Norfolk

**Estimated Fiscal Impact:** \$0.00

Norfolk Public Schools will be positively impacted financially and otherwise by expanding CEP. Monthly federal reimbursements will be higher with the CEP claiming formula than they would be with the traditional method. Student payments, student meal debt, and uncollected bad debt will be eliminated.

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Locality: City of Virginia Beach

Estimated Fiscal Impact: \$0.00

The City of Virginia Beach Public Schools (VBCPS) already participates in the CEP program on a school by school basis (the entire division does not qualify). This year, VBCPS will expand the number of schools that participate in the CEP program due to enhanced identified students as a result of the changing conditions related to the pandemic. This expansion was already approved by VDOE. As a result, nearly all of VBCPS' eligible schools, as shown on the VDOE CEP annual report for last year, are now enrolled into the program.

As to fiscal impact, VBCPS operates Food Service through a special revenue fund that is dependent upon receipts and outside financial assistance. The Food Service special revenue fund does not use VBCPS General Fund revenue or City resources. Therefore, the fiscal impact will not impact overall resources. Moreover, within the fund, additional outside reimbursement generally offset reduced receipts from making the meals free for the student. Therefore, the fiscal impact of participation is negligible, and this bill's requirement will be as well.

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**Locality:** Prince George County

**Estimated Fiscal Impact:** \$0.00

Prince George County has one elementary school that would be eligible under CEP. According to the School Division's School Nutrition Coordinator, that elementary school barely qualified during the 2019-2020 school year. She further indicated they recently received guidance from USDA (8/31/2020 memo) that all students will be free through December 31, 2020. They await additional guidance from the Virginia Department of Education. Due to school division staff workload (and scheduled time out), they were unable to assist with a fiscal impact of CEP proposal. The estimated fiscal impact has been entered as \$0.00.

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Locality: Rockingham County

Estimated Fiscal Impact: \$49,000.00

The RCPS FNS dept. would suffer substantial financial loss if this bill were enacted, and it remains the position of the Director of Food and Nutrition Services that we would be opposed to this bill as proposed. Further, it is suggested that the VA House of Delegates should not institute an unfunded state mandate pertaining to a federal program. The estimated fiscal impact would be \$49,000 for one school and possibly much more if this would be required district wide to all of our schools.

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**Locality:** Town of Blacksburg

**Estimated Fiscal Impact:** \$0.00

Does not apply to towns.

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Locality: Town of Luray

Estimated Fiscal Impact: \$0.00

Towns do not fund schools

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**Locality:** Town of Marion.

**Estimated Fiscal Impact:** \$0.00

Schools expenses are county, not town

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Locality: Wise County

Estimated Fiscal Impact: \$0.00

Beginning this school year all of our students are now eligible to receive free breakfasts and lunches. This will be a great thing for our families.

Unfortunately, it indicates the needs in our community are increasing.

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