



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 282** HLS 23RS 775
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---|---------|-----------------------------|
| Date: June 8, 2023 | 7:17 AM | Author: GREEN |
| Dept./Agy.: Education | | |
| Subject: Free breakfast and lunch for students who receive reduced price meals | | Analyst: Julie Silva |

SCHOOLS/FOOD PROGRAMS EN +\$859,454 GF EX See Note Page 1 of 1
 Provides for free school breakfast and lunch for certain students

Proposed legislation requires any eligible student, defined for the purposes of this legislation as a student who meets the federal eligibility guidelines for reduced price meals pursuant to the national school breakfast and lunch programs, be provided free breakfast and lunch, beginning with the 2023-2024 school year. Proposed legislation further requires the Louisiana Department of Education to reimburse the governing authority of a nutrition program provider for each meal in an amount equal to the difference between the reimbursement rates provided by the U.S. Department of Agriculture for a free meal and a reduced-price meal. Effective upon appropriation of funds by the legislature.

| EXPENDITURES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 5 -YEAR TOTAL |
|---------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| State Gen. Fd. | \$859,454 | \$859,454 | \$859,454 | \$859,454 | \$859,454 | \$4,297,270 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$859,454 | \$859,454 | \$859,454 | \$859,454 | \$859,454 | \$4,297,270 |

| REVENUES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed legislation will lead to an increase in SGF expenditures in order to provide eligible students in grades kindergarten through 12 breakfast and lunch at no cost. Eligible students, as defined in proposed legislation, are those who meet the federal eligibility guidelines for reduced price meals by household size and income levels established by the school breakfast program and national school lunch program. Under these programs, students are able to purchase meals for a set, reduced price of forty cents (\$0.40) for lunch and thirty cents (\$0.30) for breakfast. Proposed legislation would require the Louisiana Department of Education (LDE) to reimburse these costs.

NOTE: The expenditures included in the table above reflect a static level of participation through the 5-year forecast period; however, the LFO assumes there are likely to be year-to-year changes in the cost to implement proposed legislation. Such changes are indeterminable and will be based on the number of students eligible for reduced price meals each year.

Based on the language in proposed legislation, the LFO assumes all school food authorities (172 systems representing 1,477 school sites) are intended to be included in this new requirement. In this case, LDE would be responsible for paying approximately \$859,454 to cover the delta between the federal reimbursement rate for free meals and the federal reimbursement rate for reduced meals. This number is estimated using data from the 2018-2019 school year, when 1,698,149 lunches and 600,648 breakfasts were provided to students in public, charter, parochial, and private schools at a reduced rate. Based on these counts, at the current rates provided by the national school lunch and breakfast programs, LDE would be responsible for an estimated \$679,260 annually (1,698,149 x \$0.40) for free lunches and an additional \$180,194 (600,648 x \$0.30) for free breakfasts, for qualifying students.

NOTE: 2018-2019 school breakfast and lunch reimbursement data is used for this estimate, as it was the last full year of data collected prior to the pandemic. LDE reports they have incomplete claims data from the 2022-2023 school year and are unable to derive accurate estimates and data from years during the pandemic due to out of the norm utilization of the program as special provisions were allowed during that time period.

LDE reports that participation generally increases when free meals are offered; however there has been an overall decrease in meals served which could correlate to the decrease in school student enrollment over the last few years. Due to this, the estimated costs included in this fiscal note could greatly increase or decrease depending on future circumstances and subsequently change the amount of SGF necessary to reimburse school systems.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer