

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$1,912,587		\$1,936,769	
CASH FUNDS				
FEDERAL FUNDS	\$10,000			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$1,922,587</b>		<b>\$1,936,769</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 251 is the Child Hunger and Workforce Readiness Act. The bill requires that each public school participating in the National School Lunch or the School Breakfast Program shall provide each student who is eligible for a reduced-price lunch or reduced-price breakfast with such meals at no cost to the student. The State Department of Education (NDE) is required to reimburse schools the amount that would have been charged for the meals. Intent language provides that general funds shall be provided to carry out the bill.

**Operations:** There will be one-time administrative expenses for NDE to provide the meal reimbursements to schools. The department will use approximately \$10,000 of federal funds to upgrade the claiming system to provide tracking and payment processes for the required reimbursements.

**State Aid:** NDE indicates that schools can charge students \$.40 for a reduced-price lunch and \$.30 for a reduced price breakfast. NDE provided data showing there has been no growth in the number of reduced-price lunches served in the last six years and about a 3.3% increase in the number of reduced-price breakfasts.

Using the number of reduced-price breakfasts and lunches served in FY2017-18 and inflating the numbers by 3% and less than 1% respectively, the estimated amount of general funds needed to reimburse schools for reduced-price breakfasts is \$423,993 in FY2019-20 and \$436,713 in FY2020-21. The estimated amount to reimburse schools for reduced-price lunches is \$1,488,594 in FY20 and \$1,500,056 in FY21. The total estimated fiscal impact of the bill to reimburse for both reduced-price breakfasts and lunches is \$1,912,587 in FY20 and \$1,936,769 in FY21.

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**2019**

**LB<sup>(1)</sup> 251**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Education

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**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,912,586.79		\$1,936,768.75	
CASH FUNDS				
FEDERAL FUNDS	\$10,000.00			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$1,922,586.79</u>		<u>\$1,936,768.75</u>	

**Explanation of Estimate:** The last three school years' (2017-18, 2016-17, 2015-16) meal counts for reduced lunch and reduced breakfasts for the public schools were used to estimate the cost of LB 251. The meal counts were averaged and multiplied by the maximum amount schools can charge students for the reduced priced meals (\$.30 for breakfast and \$.40 for lunch).

Over the last 6 years, growth has been minimal for lunch and about 3% increase for breakfast. Based on the historical numbers and using the average yearly increase in meals served, the total estimated cost for school year 2020-2021 would be \$1,936,768.75 (Breakfast \$436,712.72 and Lunch \$1,500,056.03).

Estimated federal funds are to upgrade the NDE's online claiming system to automate tracking and payment processes for the additional reimbursement.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$10,000	
Travel.....				
Capital outlay.....				
Aid.....			\$1,912,586.79	\$1,936,768.75
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$1,922,586.79</u>	<u>\$1,936,768.75</u>