

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$55,179,521		\$55,179,521	
CASH FUNDS				
FEDERAL FUNDS	\$40,000			
OTHER FUNDS				
TOTAL FUNDS	\$55,219,521		\$55,179,521	

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

LB627 creates the Free Student Meals Act & eliminate provisions relating to reimbursement for school breakfast programs.

The Nebraska Department of Education (NDE) will create & administer a grant program to reimburse a qualified school for a portion of the cost of each breakfast & each lunch served by the school during the second preceding school year in an amount intended to offset the cost of providing breakfasts & lunches at no cost to all students. NDE will make disbursements annually to each school that applies for the grant & complies with the requirements of the Free Student Meals Act in the amount of:

- For each qualified school that has adopted the community eligibility provision for the school year that such breakfasts & lunches were served:
 - The difference between the federal reimbursement rate for a free breakfast & the federal reimbursement rate for fully paid breakfast for each fully paid breakfast served
 - The difference between the federal reimbursement rate for a free lunch & the federal reimbursement rate for a fully paid lunch for each fully paid lunch served
- For each qualified school that has not adopted the community eligibility provision in the year that the breakfasts & lunches were served:
 - Thirty cents for each eligible breakfast served to a student eligible for a reduced-price breakfast
 - Forty cents for each eligible lunch served to a student eligible for a reduced-price lunch
 - The difference between the federal reimbursement rate for a free breakfast & the federal reimbursement rate for a fully paid breakfast for each fully paid breakfast served
 - The difference between the federal reimbursement rate for a free lunch & the federal reimbursement rate for a fully paid lunch for each fully paid lunch served

EXPENDITURES:

LB627 states the intent to appropriate money from the General Fund to carry out the provisions of the bill but does not clarify the amount to be appropriated.

NDE estimates the need for \$40,000 of Federal Funds to update their current claim processing system to include the state reimbursement.

Based off of the 2018-19 public school meal counts, NDE estimates that reimbursements for breakfast will be \$5,835,897 & reimbursements for lunches will be \$49,343,624. Non-public schools & all CEP eligible schools are not included in this estimate.

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 627

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 3.13.23 Phone: ⁽⁵⁾ 4024193012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$55,179,521		\$55,179,521	
CASH FUNDS				
FEDERAL FUNDS	\$40,000			
OTHER FUNDS				
TOTAL FUNDS	<u>\$55,219,521</u>	<u>0</u>	<u>\$55,179,521</u>	<u>0</u>

Explanation of Estimate:

LB627 amends §79-10,137 to create the Free Student Meals Act so that each public school district will be able to serve breakfast and lunch to all students at no cost to the student.

Due to school closings in 2019-20, and all schools having access to community eligibility in the 2020-21 and 2021-22 school years, the NDE is using 2018-19 meal counts to get a more accurate estimation of the cost to reimburse the school. The NDE estimates total breakfast reimbursement would be \$5,835,897 and lunch would be \$49,343,624. All CEP eligible schools were removed from the calculations.

The NDE also estimates a cost of approximately \$40,000 to update the current claim processing system to include the state reimbursement. This cost would be paid out of the School Nutrition federal funds.

The estimated cost included here only accounts for public schools. LB627 includes non-public schools participating in school lunch programming, however those amounts cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$40,000	
Travel.....				
Capital outlay.....				
Aid.....			\$55,19,521	\$55,179,521
Capital improvements.....				
TOTAL.....			<u>\$55,219,521</u>	<u>\$55,179,521</u>