

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$90,845,000		\$90,825,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$90,845,000		\$90,825,000	

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

LB14 amends §79-10, 137 to adopt the Hunger-Free Schools Act.

To comply with the Hunger-Free Schools Program, a qualified school will:

- Offer eligible breakfasts & eligible lunches at no cost to all students for any school breakfast program or school lunch program operated by that school during the school day
- Submit information regarding the number of eligible breakfasts & eligible lunches served in a manner prescribed by the Nebraska Department of Education (NDE)
- Maximize federal reimbursement for eligible breakfasts & eligible lunches by operating under the community eligibility provision if that school has an identified student percentage greater than or equal to sixty-two & one-half percent

NDE will reimburse each qualified school a portion of the cost of each eligible breakfast & eligible lunch served by that school during the second preceding school fiscal year in an amount intended to offset the cost of providing the eligible breakfasts & lunches at no cost to all students.

NDE will make disbursements annually to each qualified school that complies with the requirements of the Hunger-Free Schools Program in the amount of:

- For each qualified school that has adopted the community eligibility provision for the school fiscal year during which the eligible breakfasts & eligible lunches were served:
 - 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
- For each qualified school that has not adopted the community eligibility provision in the school fiscal year during which the eligible breakfasts and eligible 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

FISCAL IMPACT:

There is intent stated that the Legislature is to appropriate money from the General Fund to carry out the Hunger-Free Schools Act.

NDE estimates that the total breakfast reimbursement would be \$5,500,000 & the total lunch reimbursement would be \$85,325,000. They also estimate an expense of \$20,000 for operating costs to update the current claim processing system.

School districts could experience additional expenditures depending on how LB14 effects them, which could factor into the calculation of the Tax Equity & Educational Opportunities Support Act (TEEOSA) & those expenditures or changes in TEEOSA cannot be determined at this time.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: **14** AM: AGENCY/POLT. SUB: **Nebraska Department of Education**

REVIEWED BY: Kimberly Burns DATE: 02/20/2025 PHONE: (402) 471-4171

COMMENTS: No basis to disagree with the Nebraska Department of Education's estimate of fiscal impact from LB 14.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: **14** AM: AGENCY/POLT. SUB: **Omaha Public Schools**

REVIEWED BY: Kimberly Burns DATE: 01/24/2025 PHONE: (402) 471-4171

COMMENTS: No basis to disagree with Omaha Public School's estimate of fiscal impact from LB 14.

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

2025

LB⁽¹⁾ 14

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/22/25 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$90,845,000</u>	<u> </u>	<u>\$90,825,000</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>\$90,845,000</u>	<u> </u>	<u>\$90,825,000</u>	<u> </u>

Explanation of Estimate:

Establishes the Hunger-Free Schools Act by extending community eligibility provisions to qualified schools.

- Qualified schools include:
 - A public or private school participating in the school breakfast program or the national school lunch program under the federal Child Nutrition Act of 1966 or the federal Richard B. Russell National School Lunch Act.
 - Submit information regarding the number of eligible breakfasts and eligible lunches served in a manner prescribed by the department.
 - Required to maximize federal reimbursement.

The State is required to reimburse schools a portion intended to cover the cost of all students receiving free meals in non-CEP schools. For CEP schools the State will reimburse the portion that is not funded by Federal reimbursement.

The estimated State reimbursement required for Lunch would be \$85,325,000 and the State reimbursement required for breakfast would be \$5,500,000 for a total of \$90,825,000. Additionally, NDE would need \$20,000 to update systems used for making nutrition payments.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26 EXPENDITURES</u>	<u>2026-27 EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
Benefits.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating.....	<u> </u>	<u> </u>	<u>\$20,000</u>	<u> </u>
Travel.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u>\$90,825,000</u>	<u>\$90,825,000</u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>\$90,845,000</u>	<u>\$90,825,000</u>

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

2025

LB⁽¹⁾ 14

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Omaha Public Schools

Prepared by: ⁽³⁾ Shane Rhian Date Prepared: ⁽⁴⁾ 1/22/2025 Phone: ⁽⁵⁾ 531-299-9430

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$8,000,000		\$8,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Omaha Public Schools (OPS) is currently a Community Eligibility Provision District but anticipates it will lose that designation for the 2025-26 school year. LB 14 would require OPS to cover the anticipated costs of providing free meals to all students for two school years, 2025-26 and 2026-27, before beginning to receive State funding in school year 2027-28 to offset this new expense. Based on current students that are Directly Certified as being eligible for free lunches, OPS estimates that it would cost at least \$8,000,000 annually from the General Fund to offset lost revenue in the Nutrition Fund in the two years before receiving State funding under LB 14.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$8,000,000	\$8,000,000
Capital improvements.....				
TOTAL.....				