

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$400,000		\$400,000	
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$400,000		\$400,000	

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

LB 834 requires for the State Department of Education (NDE) to provide grants to school districts with school breakfast programs that agree to implement alternative flexible models of school breakfast. School districts must submit data on the number of breakfasts served and average participation rates and agree to increase participation rates through the use of alternative models in order to be eligible for a grant.

The bill provides for one-time grants to school districts based on enrollment as follows: \$1,000 for schools with fewer than 200 students; \$3,000 for schools with 200 to 500 students; and, \$5,000 for schools with more than 500 students. Schools which have already implemented alternative breakfast models are not eligible for grants.

The bill provides for the Legislature to appropriate funds from a newly established Student Wellness Fund for the grants. The fund is created to receive funds appropriated by the Legislature and from private sources to expand school breakfast participation. NDE is to contract with an outside entity to administer the fund. No more than 10% of the fund may be used for administration. No grants may be made after May 1, 2017, or when the funds are depleted, whichever occurs first. If more schools qualify than there are funds available, priority is given to schools in which at least 50% of the students are eligible for free or reduced price lunch.

Grants for Breakfast Programs: The bill requires the Legislature to appropriate money from the Student Wellness Fund to carry out the bill. However, it does not appear to require the Legislature to appropriate any specific level of funding to the fund. The outside entity managing the fund may use up to 10% for administration.

There are 962 school buildings in the state which could be eligible for grants pursuant to the bill. Using data on the number of children in each school building, the maximum amount that could be allocated as grants pursuant to the bill is \$2,727,000. This estimate may be slightly high because it includes schools which currently have alternative breakfast programs which would not be eligible for a grant. The number of schools with these programs is unknown.

The actual fiscal impact of the bill depends upon the number of schools which opt to offer an alternative school breakfast program. About 74% of schools offer school breakfast programs currently. This fiscal note assumes that all schools with greater than 500 students have a breakfast program, 90% of schools with 200 – 500 students have a program and 50% of schools with less than 200 students offer school breakfast programs. If it is assumed that 75% of the schools with 200 students or more and 50% of the schools with less than 200 students will try an alternative model breakfast program, the fiscal impact of the bill will be \$1,080,000. It is assumed the impact will occur over a three year period, so \$360,000 of grants will be provided in FY15, FY16 and FY17.

Administration: NDE indicates the agency will contract with Hunger Free Heartland to manage the grant program. The department does not project any fiscal impact for activities related to the bill. The bill allows grant recipient to spend up to 10% for administration. Using the estimate of \$360,000 of grants per year, the bill provides for up to \$40,000 to be allocated for administration.

Technical Note: A direct general fund appropriation can be made to NDE for the program. The department can contract with the entity to manage the program and provide the grants. A separate cash fund appropriation does not need to be set up to implement the bill.

LB834
DAS ANALYST COMMENTS

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 834	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Matthew Eash	DATE: 2/20/2014	PHONE: 402-471-4175
<p>COMMENTS: LB 834 intends to provide one-time grants to any school district that meets certain criteria for its school breakfast program. The total amount of state aid to be made available, the original funding source for the aid, and the time frame for the aid to be paid are all undefined in the Bill. Individual award amounts are defined and would be based on school enrollment. To determine a maximum fiscal impact, this analysis assumes that General Funds would be the fund source, all aid would be paid in one fiscal year, and every school district would qualify for a grant. In that scenario, the maximum one-time appropriation could be approximately \$860,000.</p>		

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2014

LB⁽¹⁾ 834

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Bev Benes

Date Prepared: ⁽⁴⁾ 1/23/2014

Phone: ⁽⁵⁾ 402-471-3566

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

NDE will not have any additional expenses for management of the activities described in the Bill.

Nutrition Services will contract with Hunger Free Heartland for management of the Grant. Nutrition Services has an existing, productive partner relationship with Hunger Free Heartland.

Other activities associated with the Breakfast Grant will be performed by Nutrition Services and considered as part of routine staff job duties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____