

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,795,000		\$1,795,000	
CASH FUNDS				
FEDERAL FUNDS	\$10,321			
OTHER FUNDS				
TOTAL FUNDS	\$1,805,321		\$1,795,000	

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

LB 771 is the Child Hunger and Workforce Readiness Act. The bill requires public schools which are participating in the National School Lunch Program and School Lunch Breakfast Program to provide free meals to all students who are eligible for reduced-price lunches and reduced-price breakfasts. The State Department of Education (NDE) is required to reimburse school districts the amount that would be charged for each meal provided to a student who qualifies for a reduced-price lunch or reduced-price breakfast. The bill provides language stating the intent of the Legislature is to appropriate general funds to NDE for this purpose.

NDE indicates that federal law allows schools to charge up to \$.40 for a reduced price lunch and up to \$.30 for a reduced price breakfast. The following table shows the fiscal impact of the bill if it had been in effect for FY16 or FY17 based upon data provided by NDE and assuming schools charge the amount allowed for a reduced-price meal. Using an average of the two fiscal years, the general fund fiscal impact of LB 771 is estimated to be approximately \$1,795,000 in FY19 and FY20.

	# of Reduced-Price Breakfasts	# of Reduced-Price Lunches	Total Fiscal Impact
FY 2015-16			
Breakfasts/Lunches	1,301,400	3,626,041	
Amt. Reimbursed per LB 771	<u>0.30</u>	<u>0.40</u>	
Fiscal Impact	\$390,420	\$1,450,416	\$1,840,836

	# of Reduced-Price Breakfasts	# of Reduced-Price Lunches	Total Fiscal Impact
FY 2016-17			
Breakfasts/Lunches	1,243,667	3,432,641	
Amt. Reimbursed per LB 771	<u>0.30</u>	<u>0.40</u>	
Fiscal Impact	\$373,100	\$1,373,056	\$1,746,156

NDE indicates a one-time expenditure of \$10,321 of federal funds will be needed to implement the bill. The funds will be used to upgrade the school meals on-line claiming system to automate the payment process for the additional reimbursement to schools.

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2018

LB⁽¹⁾ 771

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,800,000		\$1,800,000	
CASH FUNDS				
FEDERAL FUNDS	\$10,321.37			
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,810,321.13</u>			

Explanation of Estimate:

General Funds: 7CFR 245 defines "reduced price meal" as a meal which is 1) less than the full price of the meal and 2) the price does not exceed 40 cents for a lunch and 30 cents for a breakfast. The dollar value for the general funds expenditures are based on the total number of reduced breakfasts and lunches claimed for reimbursement for school year 2017, multiplied by the federally mandated price of \$.30/per reduced price breakfast and \$.40/per reduced price lunch.

Federal Funds: Cost associated with upgrading NDE's school meals on-line claiming system to automate the payment process. Estimate 10 hours staff time to develop business rules and system requirements and estimate \$10,000 for the software company to write the code and upgrade the system.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Steve Bauers (10 hrs)			198.28	
Benefits.....			123.09	
Operating.....			10,000	
Travel.....				
Capital outlay.....				
Aid.....			1,800,000	1,800,000
Capital improvements.....				
TOTAL.....			<u>\$1,810,321.13</u>	<u>1,800,000</u>