



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 236** SLS 22RS 531
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 13, 2022	8:02 AM	Author: JACKSON
Dept./Agy.: Education		
Subject: Reduced Price Lunch Copayments		Analyst: Garrett Ordner

NUTRITION EG INCREASE GF EX See Note Page 1 of 1
 Removes the reduced-price copayment for school meals. (gov sig)

Proposed legislation provides that beginning with the 2022-2023 school year, breakfast and lunch shall be provided free of charge to each eligible student. An eligible student is a student who meets the federal eligibility guidelines for reduced price meals by household size and income levels pursuant to the national school breakfast and school lunch programs. Proposed legislation also provides that for each breakfast or lunch served free of charge in accordance with proposed legislation, the Louisiana Department of Education shall reimburse the governing authority of a nutrition program provider for the meal an amount equal to the difference between the reimbursement rates provided by the United States Department of Agriculture for a free meal and a reduced-price meal.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be increased costs to the Louisiana Department of Education (LDE) to reimburse governing authorities of nutrition program providers an amount equal to the difference between the reimbursement rates provided by the United States Department of Agriculture for a free meal and a reduced-price meal. The cost of this reimbursement is indeterminable, but the LDE estimates the cost at \$1,636,710 per year.

The LDE used data from the 2015-16 school year to derive its estimate of the reimbursement cost because the 2016 flooding led to an increase in students that qualify for free lunches. As a result, many school systems became eligible for the Community Eligibility Provision (CEP) of the USDA Child Nutrition Programs, allowing all children in those systems to eat meals for free. Such school systems may become ineligible during the next few years; therefore, more recent data may not reflect future cost trends. In addition, the COVID-19 pandemic led to a further drop in the number of reduced-price meals due to school closures and USDA waivers, further distorting the data from recent years.

The difference between reimbursement rates for free meals and reduced-price meals is \$0.30 for breakfast and \$0.40 for lunch. In the 2015-16 school year, 35,331 students were eligible for reduced-price meals, equivalent to approximately 4.9% of total enrollment. Districts served a total of 84,052 reduced-price breakfasts and 3,833,889 reduced-price lunches, equaling \$1,558,771 in copayments. The LDE conservatively added a 5% overage rate to arrive at its estimate of \$1,636,710 per year. However, the timing of these costs depends upon whether the USDA waivers are allowed to expire. In addition, costs will change each year based upon enrollment levels and the household incomes of enrolled students.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer