

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 695

STATUS: Original

SUBJECT: Reimbursement to school districts by the Department of Education for costs of making breakfast accessible to qualified students at no charge

GOVERNMENT UNIT AFFECTED: Department of Education, Local Education Agencies (school districts)

PREPARED BY: Erica Kleiner

REVIEWED BY: Monica Brown

DATE: April 14, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
Expenditures:		
Special Payments - General Fund	\$ 2,295,000	Indeterminate

EFFECTIVE DATE: July 1, 2009

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

The measure requires a school district that offers breakfast to make it accessible free of charge to all students who are eligible for free or reduced price lunches under the United State Department of Agriculture's (USDA) Income Eligibility Guidelines. The measure requires the Department of Education (ODE) to reimburse school districts for the costs of providing the free breakfasts. The measure contains a \$2,295,000 General Fund appropriation for ODE to reimburse a school district for the costs to make breakfast accessible at no charge to students who qualify for reduced price lunches.

The fiscal impact to the Department of Education is indeterminate. Currently school districts are receiving a basic cash reimbursement from the federal USDA of \$1.10 for providing breakfast to students who are considered non-severe need and \$1.38 to kids who are considered severe need. The Portland School District currently has 3,243 students who qualify for reduced price lunches under the USDA's Income Eligibility Guidelines. The Portland School District expects a 6% increase or an additional 193 reduced-price lunch students would eat breakfast if it were provided for free. This assumption is based on the difference between the current percentage of students who qualify for free lunch (46%) who actually eat breakfast and the current percentage of students who qualify for reduce price lunch (40%) who actually eat breakfast. Currently the co-pay for students who qualify for reduced price meals to eat breakfast is 30 cents. Based on these assumptions, it could cost ODE an estimated \$160,380 biennially to reimburse the Portland School District for any amounts paid by the district to make breakfast available at no charge to qualified students. On the statewide level it is not known how many students currently qualified for reduced price meals will participate in the free breakfast programs.

ODE estimates the impact on current staffing as a result of this measure for the 2009-11 biennium to be minimal. Multiple ODE staff within the Child Nutrition program and the accounting unit would be involved in the process of providing these reimbursements to school districts. ODE would not need to hire additional staff to support the grant award process, only to re-prioritize duties and responsibilities of existing staff. ODE's electronic Grant Management System contains the necessary application to calculate for the reimbursement to school districts for the costs of providing the free breakfasts.