

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2800 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Date: 4-12-2011

Measure Description:

Directs Department of Education to provide reimbursements to school districts that serve Oregon food products as part of United States Department of Agriculture's National School Lunch Program or School Breakfast Program.

Government Unit(s) Affected:

Department of Education, Department of Agriculture, School Districts

Summary of Expenditure Impact:

	2011-13 Biennium	2013-15 Biennium
Lottery Funds	\$2,000,000	\$0

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.

Analysis:

The measure allows school districts to apply for a grant from the Oregon Department of Education (ODE) for reimbursement for costs incurred to purchase Oregon food products and to fund certain educational activities. The measure requires that 87.5% of grant moneys must be used for reimbursements and 12.5% of grant moneys for educational activities. The measure places certain requirements on the type of costs to purchase Oregon food products that can be reimbursed through the grants and the amount. The measure requires ODE to consult with the Oregon Department of Agriculture (ODA) to develop rules and standards for the grants and to determine grant recipients and award amounts. The measure requires that at least three grants be awarded per biennium and limits the amount of administrative expenses for ODE and ODA to no more than 2% of all moneys received by the departments for the grant program.

The measure allocates \$2 million from the Administrative Services Economic Development Fund to be allocated to the Department of Agriculture. Amounts will then be transferred to ODE for reimbursement of expenses and distribution of grants.

The measure requires that the portion of grants for reimbursement must be the lesser of the amount paid per meal by the district to purchase Oregon food products or \$0.15 for every school lunch. ODE anticipates the additional workload required to validate the purchase costs of Oregon food products to be allocated to the existing Farm-to-School Coordinator position. Additionally, ODE anticipates the need for a part-time Administrative Specialist to administer the grants process and approve payments. The measure provides for a minimum number of three grants to be awarded per biennium but does not indicate a maximum. ODE states that the total costs and FTE to administer the program would depend on the number of grants to be awarded and may exceed the 2% limit depending on the demand for grants and complexity of the validation process.

LFO notes that the demand for individual grants to be awarded is indeterminate and that moderate or excessive demand may impact staffing levels to administer the program. The measure does not specify

if the intent of the \$2 million Lottery Fund is one-time or on-going, and does not specify the source of additional grant funds if the initial appropriation is expended.

ODA anticipates the additional workload required developing rules and standards, and distribution of funds and ongoing consultation with ODE for grant awards to be allocated to existing staff at an estimated cost of \$15,150 Lottery Funds in the 2011-13 biennium.