
MEMORANDUM

Legislative Fiscal Office
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To: Members of the Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office
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Date: June 19, 2015

Subject: HB 2545 Work Session Recommendations

Background Information

HB 2545 provides that if a student is eligible under federal guidelines to receive a reduced price lunch through a school lunch or nutrition program the school district serving the lunch shall provide the lunch free of charge. The Oregon Department of Education (ODE) must reimburse the agency for the costs of those lunches.

The State School Fund bill provided a \$2,395,593 carve-out or distribution from the State School Fund for the 2015-17 biennium to pay for the costs of the program. The ODE budget will also include the necessary Other Funds expenditure limitation to reimburse the districts for this program.

Recommended Changes to the Bill:

There are no amendments for this bill at this time.

HB 2545 Final Subcommittee Action:

Final Motion:

Sen./Rep. _____ moves HB 2545 to the full committee with a "do pass" recommendation.

STAFF MEASURE SUMMARY

House Committee On Education

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 02/11/15

Action: Do Pass And Be Referred To Ways And Means By Prior Reference

Meeting Dates: 02/06, 02/11

House

Yeas: 9 - Barreto, Doherty, Frederick, Hack, Wilson, Piluso, Reardon, Sprenger, McLain

Prepared By: Richard Donovan, Committee Administrator

WHAT THE MEASURE DOES:

Requires school district to provide lunch free of charge to students who are eligible for reduced price lunches. Directs Department of Education to reimburse school district for actual amount student would have been required to pay. Declares emergency, effective July 1, 2015.

ISSUES DISCUSSED:

- Positive impact of school nutrition on students
- Extra cost of "special," non-conforming meals
- The stigma of the cheese "scarlet sandwich"
- No potential to jeopardize current federal funds for school nutrition

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Department of Education (ODE) administers school nutrition programs in schools, including free and reduced meal programs. Free and reduced price meals are available for eligible students. Qualifying students receive meals or milk without charge or may pay a reduced price of no more than 40 cents for lunch. The Oregon Legislature provided funding to eliminate the reduced price payment for School Breakfast. Normally, breakfast is also accessible at no charge to students who qualify for reduced price meals.

Eligibility is determined by household size and income. Children in households receiving Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), or Food Distribution Program on Indian Reservations (FDPIR) are also eligible for free meals.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2545

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Krista McDowell
Reviewed by: Doug Wilson
Date: 6/18/2015**Measure Description:**

Requires school district to provide lunch free of charge to students who are eligible for reduced price lunches.

Government Unit(s) Affected:

Department of Education, School Districts

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
General Fund	\$2,395,593	\$2,395,593
Total Funds	\$2,395,593	\$2,395,593

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:

House Bill 2545 directs school districts to provide lunches free of charge to students who are eligible for reduced price lunches. The bill directs the Oregon Department of Education (ODE) to reimburse school districts for what students would have paid for the reduced price lunches.

Revisions resulting from this bill to databases, reporting procedures, payment protocol and staffing workflows are assumed to be minimal and absorbable within the existing parameters of the ODE budget. Total reduced price lunches affect by the bill are assumed to be 5,988,982 per biennium at reimbursement cost of \$0.40 per lunch, resulting in an additional cost of \$2,395,593 General Fund.

HB 2017, the State School Fund bill, provides the funding for the bill from a distribution or carve-out from the State School Fund. The budget bill for the Department of Education will provide the necessary Other Funds expenditure authority.