

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 22, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB4062 by Miller (Relating to the enforcement and administration of certain programs by the Department of Agriculture.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill provides the Texas Department on Agriculture (TDA) with the authority to administer federal and state nutrition programs including: the commodity supplemental food program; the food distribution program; the emergency food assistance program; the school lunch program; the summer food service program; the child and adult care food program; the special milk program; and the school breakfast program. The bill also amends Chapter 33 of the Human Resources Code to clarify that TDA operates nutritional assistance programs and special nutrition programs, except for the food stamp program.

These provisions provide TDA with statutory authority to administer the National School Breakfast and Lunch programs in public schools. The agency has been administering these programs, which were transferred from the Texas Education Agency, since August 2003 pursuant to a waiver from the U.S. Department of Agriculture (USDA), so no fiscal impact is anticipated associated with these provisions.

The bill would also provide for the transfer of the nutrition programs currently being administered by the Health and Human Services Commission, with the exception of the food stamp program, to TDA, including 99 FTEs and the associated funds to implement and administer these nutrition programs - \$1,719,874 in General Revenue and \$531,769,547 in Federal Funds for the 2008-09 biennium. There would be, however, no significant fiscal impact to the state as the bill simply transfers these funds from one agency to another. Any technological costs associated with the transfer of the programs will be funded with federal State Administrative Expense (SAE) funds.

The bill would require TDA to prepare and submit a report to the governor, lieutenant governor, speaker of the House of Representatives, and appropriate standing committees of the legislature containing information on the department's and the USDA's steps to reduce trans-fatty acids from all school meals and nutrition programs. The agency does not anticipate the cost to do this study to be significant and assumes that any costs associated with it would be paid with federal SAE funds.

The bill would also require TDA to conduct a study and submit a report to the governor, lieutenant governor, and the speaker of the House of Representatives identifying methods for increasing the number of students participating in the national school breakfast program. The report must include: a cost-benefit analysis to determine the impact of providing a free breakfast to students receiving reduced price breakfast as well as all students regardless of income; outline effective programs and practices to increase breakfast participation; and recommend methods to the legislature for increasing breakfast participation. The agency anticipates that the cost to do the study would be a one-time cost of \$250,000 and assumes that these costs would be covered with federal SAE funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 551 Department of Agriculture, 701 Central Education Agency

LBB Staff: JOB, SD, CL, ZS, JF