

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB367** by Bernal (Relating to donation and distribution of surplus food at public schools and grace period policies for public school students with insufficient balances on prepaid meal cards.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would authorize school districts and charter schools to permit campuses to donate excess food to nonprofits for redistribution on campus. The bill would provide the commissioner with rulemaking authority to implement the donation process.

The bill also requires a school district to establish a grace period determined by the board of trustees of the district for a student whose meal account becomes exhausted, and to make at least one attempt each week of the grace period to obtain overdue payment from parents or guardians of the student. After expiration of the grace period, if the school district was unable to secure repayment, the district would be allowed to permit the student to continue purchasing meals or may provide alternate meals. The bill would establish that negative balances on a student's meal account at the end of a school year may be paid through private donations made for that purpose. The bill would require districts to protect the identities of affected students.

The bill would take effect September 1, 2017, or immediately if passed with the necessary voting margins, and would apply beginning with school year 2017-18.

Local Government Impact

The bill would allow for a voluntary campus food donation program.

The bill would result in some costs to school districts to extend credit and provide free meals to students with overdue meal accounts. The amounts would vary from district to district depending on whether the district offered prepaid meal cards or accounts, the number of students to incur and maintain negative balances, the number of free meals provided by each district, and the amounts of private donations received by school districts for the purpose of reimbursing negative student meal balances.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, SL, SZ, AM, THo, AW