

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 12, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB725** by Miles (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 fiscal implication to the State is anticipated.

The bill would amend the Education Code related to the authority of a school district to donate food to a nonprofit organization to be served to students of the district and the overdue or negative balances on student meal accounts. The bill would authorize school districts to allow campuses to elect to donate excess food to a non-profit organization through an official of the organization who is directly affiliated with the campus.

The bill would require 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. Current law allows for the accumulation of a negative balance or the extension of credit on student meal accounts, and prohibits fees or interest from being charged on overdue accounts.

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

Local Government Impact

Participating school districts may incur minimal costs related to the size of the donation program and the need for campus employees to support the program. However, the provisions of the bill are voluntary.

School districts would also incur costs 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, AW, THo, AM, SZ