

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 18, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1696** by Lucio (Relating to federal lunch programs for public school students, including a study on participation in such programs and school district lunch grace period policies.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Education Code to require the Texas Education Agency (TEA), with assistance from the Department of Agriculture (TDA), to perform a study on the number of school districts and open-enrollment charter schools eligible to provide a universal lunch to all students through participation in the Community Eligibility Provision administered through the United States Department of Agriculture. Each odd-numbered year, the bill would require the TEA to notify eligible districts by May 1 and would require districts and schools notified to perform an analysis and report on that analysis and certain details by November 15. Each even-numbered year, the bill would require the TEA to report to the Legislature and the Governor's office by January 31 a list of districts and schools eligible to participate in the Community Eligibility Provision and the potential cost savings each could achieve through participation.

The bill would amend the Education Code relating to overdue or negative balances on student meal accounts. 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 and would require districts to protect the identities of affected students.

TEA estimates there would be administrative costs associated with performing the eligibility calculations, notifying districts and schools, and compiling the required report. This analysis assumes that TDA would assist TEA with the requirements of the bill and that the agencies could use existing resources to implement the provisions of the bill.

Local Government Impact

School districts and open-enrollment charter school would incur costs to perform a cost savings study of how much each entity would save if it participated in the Community Eligibility Provision program; however, these costs are anticipated to be minimal.

Additionally, 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, 551 Department of Agriculture

LBB Staff: UP, AW, THo, AM