

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 31, 2019**

**TO:** Honorable Drew Springer, Chair, House Committee on Agriculture & Livestock

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB3210** by Martinez (Relating to the establishment of the Thirty Percent Texas Initiative to encourage the use of food produced in this state for school lunches.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3210, As Introduced: a negative impact of (\$50,468,212) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$24,618,640)
2021	(\$25,849,572)
2022	(\$27,142,050)
2023	(\$28,499,153)
2024	(\$29,924,111)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from General Revenue Fund 1</b>
2020	(\$24,618,640)
2021	(\$25,849,572)
2022	(\$27,142,050)
2023	(\$28,499,153)
2024	(\$29,924,111)

## **Fiscal Analysis**

The bill would amend the Agriculture Code to require the Texas Department of Agriculture (TDA) to distribute to school food authorities 24 cents per lunch served under the school lunch program less the amount of any other state funds paid in connection with the lunch. The distribution would only apply if at least 30 percent of the school food authority's total food costs for lunches were attributable to food grown or harvested in Texas.

The bill would take effect September 1, 2019.

## **Methodology**

Based on a recent survey conducted by TDA, 19 percent of school food authorities would meet the 30 percent local food threshold and thus be eligible for the additional 25 cents per lunch served. This would equate to a total of number of eligible lunches as follows: 98,484,560 in FY20, 103,398,288 in fiscal year 2021, 108,568,200 in fiscal year 2022, 113,996,612 in fiscal year 2023, and 119,696,444 in fiscal year 2024. The eligible lunches per year includes anticipated student population growth of 5 percent per year. Based on information provided by TDA, this analysis assumes that administrative costs for TDA's administrative duties associated with implementing the provisions of the bill could be accomplished utilizing existing resources.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 551 Department of Agriculture

**LBB Staff:** WP, SZ, MW, PBO