

OFFICE OF FISCAL ANALYSIS

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SB-929

AN ACT EXPANDING SCHOOL MEAL PROGRAMS TO PROVIDE
FREE SCHOOL MEALS TO ALL STUDENTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Education, Dept.	GF - Cost	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Local and Regional School Districts	STATE MANDATE ¹ - Revenue Loss/Cost	Potential Significant	Potential Significant

Explanation

The bill makes changes regarding school breakfast and lunch programs, which will result in potentially significant annual costs beginning in FY 24 to the State Department of Education and to various local and regional school districts.

Section 1 requires local and regional school districts to operate school breakfast and lunch programs and prohibits districts from charging students for meals provided through such programs. The impact to

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

districts generally depends on their current participation in the federal National School Lunch Program (NSLP).

For districts that participate in the National School Lunch Program currently, the impact will vary based on their current level of federal reimbursement. The federal reimbursement level is affected by student populations and district participation in a program within the NSLP. Federal reimbursement on a per-meal basis is significantly higher for a meal provided to a student that qualifies (mainly due to low income) for free meals (\$4.33 per lunch in FY 23), or reduced-price lunch (\$3.93 per lunch), compared to a student who does not qualify for either (\$0.77 per lunch).

- Districts that participate in the Community Eligibility Provision (CEP) program of the NSLP will incur no revenue loss, as the districts already do not charge for student meals. There are 18 such districts in Connecticut, including the Connecticut Technical Education and Career System.
- Districts that administer individual schools that participate in the CEP program will incur no revenue loss associated with those schools (which already do not charge for student meals). There are 12 such districts in Connecticut. They will incur a revenue loss in schools that are not part of the CEP program, as those schools do charge for meals. This revenue loss will vary based on the number of students in those schools that currently pay full or reduced price for meals.
- Districts that do not participate in the CEP program at the district-wide or school level will incur a revenue loss associated with providing meals to students in all schools in those districts at no cost to the students. The revenue loss will vary based on the number of students that currently pay full or reduced price for meals. Districts with a high percentage of students that currently pay full price will incur significant a significant revenue loss.

To the extent that the bill results in more students opting to receive school meals, districts that participate in the NSLP will incur increased costs to provide those meals, in addition to the revenue loss associated with providing meals at no cost to students.

Districts that do not currently participate in the National School Lunch Program will likely incur significant costs to create a school meals program (if they do not have one) and provide free meals to all students with no federal reimbursement. It is not known how many public school districts operate school meals programs outside the NSLP, or do not operate school meals programs at all.

Section 2 requires the State Department of Education (SDE) to provide grants to districts that participate in the NSLP and operate a school meals program, including CEP districts and schools. These grants must be equal to at least 10 cents per lunch served in the prior school year, regardless of any federal reimbursement received (e.g., for students eligible for free meals within the NSLP). The cost to SDE to provide these grants is potentially significant and will vary based on: (1) the number of lunches provided by districts that participate in the NSLP, and (2) the per meal reimbursement SDE uses. The bill does not provide funding for these grants.

Any grants provided to districts under the bill's provisions would at least partially offset any cost incurred as a result of the requirement to provide free meals to all students. Costs may also be partially offset by donations, which the bill allows.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of meals served by school districts, the level of federal reimbursement those districts receive, and the funding level provided for the SDE-administered grant the bill establishes.