



FINAL
FISCAL NOTE

Drafting Number: LLS 14-0550
Prime Sponsor(s): Rep. Moreno
Sen. Ulibarri

Date: July 11, 2014
Bill Status: Signed into Law
Fiscal Analyst: Josh Abram (303-866-3561)

SHORT TITLE: ELIGIBILITY AGE SCHOOL LUNCH PROTECTION PROGRAM

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	<u>\$791,471</u>	<u>\$811,258</u>
General Fund	\$791,471	\$811,258
FTE Position Change		
Appropriation Required: \$791,471 General Fund - Colorado Department of Education (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, the Colorado Department of Education (CDE) administers the Child Nutrition School Lunch Protection Program. The protection program provides funding to public and nonprofit elementary schools to eliminate the reduced-price paid by students enrolled in state-subsidized early childhood education centers, and by kindergarten through second grade students participating in the school lunch program under the federal National School Lunch Act. This bill expands eligible grade levels from second to fifth grade.

Background

The National School Lunch Program is a federally assisted meal program operating in public and nonprofit schools. At the state level, the program is administered by the CDE via agreements with school food authorities. Districts and independent schools that choose to take part in the program receive cash subsidies and U.S. Department of Agriculture (USDA) foods for each meal served. In return, schools must serve lunches that meet federal requirements, and offer free or reduced-price lunches to eligible children.

State Expenditures

By expanding program eligibility to students in grades three, four, and five, this bill increases state expenditures by about \$791,471 FY 2014-15. For FY 2015-16, increased expenses are about \$811,258.

Expanded eligibility. Under current law, only students in kindergarten through second grade are eligible for state subsidies to districts through the National School Lunch Program. As of the 2012-13 school year, there were 15,601 eligible students in public kindergarten through second grade. Of this amount, roughly 69.5 percent or 10,850 students participated in the program. The state school lunch protection program served approximately 1,785,307 reduced price meals over 165 days, and reimbursed school lunch authorities approximately \$714,123 (1,785,307 lunches X \$0.40 = \$714,123).

If the state expands eligibility for all students through fifth grade, the state can anticipate approximately 31,630 eligible K-5 students in FY 2014-15. Given annual growth in the program, if 70 percent of these students participate, roughly 22,141 students will receive 3,763,985 reduced price lunches over 170 days, for a total program cost of \$1,505,594 (\$0.40 per meal). Under current law, the state spent about \$714,123 to reimburse school lunches for kindergarten through grade two students. Therefore, this bill increases state expenditures by \$791,471 (\$1,505,594 - \$714,123 = \$791,471).

School District Impact

School districts that participate in the National School Lunch Program will be eligible to receive increased payments from the State Lunch Protection Program.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill was signed into law by the Governor on June 3, 2014, and takes effect August 6, 2014, assuming no referendum petition is filed.

State Appropriations

Consistent with this final fiscal note, for FY 2014-15, this bill contains an appropriation of \$791,471 General Fund to the Colorado Department of Education.

State and Local Government Contacts

Education