

LEGISLATIVE FISCAL ESTIMATE
[Second Reprint]
ASSEMBLY, No. 3506
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: APRIL 16, 2018

SUMMARY

- Synopsis:** Requires “breakfast after the bell” program in all schools with 70% or more of students eligible for free or reduced price meals.
- Types of Impact:** Annual State Revenue and Expenditure Increases.
Annual School District Revenue and Expenditure Increases.
- Agencies Affected:** Department of Agriculture and certain school districts.

Office of Legislative Services Estimate

Fiscal Impact	
Annual School District Expenditure Increase	Indeterminate
Annual School District Revenue Increase	Indeterminate
Annual State Expenditure Increase	Indeterminate
Annual State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will have several indeterminate annual fiscal impacts as the cost of the required “breakfast after the bell” programs will be incurred by affected school districts with the State serving as a conduit for federal cost reimbursements. The OLS cannot quantify the several annual fiscal impacts because of a lack of information on the number of schools that the bill will cause to newly operate “breakfast after the bell” programs.
- The bill will increase the annual expenditures of certain school districts by an indeterminate amount. The bill requires the establishment of “breakfast after the bell” programs in schools in which at least 70 percent of the students in the prior school year were eligible for free or reduced price meals under the National School Lunch Program or the federal School Breakfast Program. The cost of the requirement will be mitigated to the extent that concerned schools are already operating “breakfast after the bell” programs and that affected schools that do not already operate “breakfast after the bell” programs expend resources on other programs that provide breakfast to eligible students.

- The bill will increase by indeterminate amounts the annual revenue of school districts that because of the bill will newly operate “breakfast after the bell” programs. The increase will be in the form of federal cost reimbursements under the federal Community Eligibility Provision, which covers 100 percent of qualified expenditures of high-poverty schools to provide free meals to all students while eliminating the traditional school meal application process.
- The OLS notes that the federal government provides the cost reimbursements to the State for allocation to school districts. Consequently, the State will experience an indeterminate annual revenue and expenditure increase equal to the amount of federal cost reimbursements for which school districts will newly qualify because of the bill.
- The bill will result in an indeterminate increase in annual State and school district administrative expenditures from implementing and administering the provisions of the bill.
- There may be additional State expenditures in years in which the federal government will not pay for the full cost of the bill’s mandated “breakfast after the bell” programs.

BILL DESCRIPTION

This bill requires a public school to establish a “breakfast after the bell” program if 70 percent or more of the students enrolled in the school on or before the last school day before October 16 of the preceding school year were eligible for free or reduced price meals under the National School Lunch Program or the federal School Breakfast Program.

The bill requires that within six months after its effective date, every school district must submit a plan for the establishment of a “breakfast after the bell” program for all grades at each school subject to the provisions of the bill. The plan is required to comply with the provisions of the School Breakfast Program administered by the Department of Agriculture. No later than the first full school year after submission of its plan, a school district must establish a “breakfast after the bell” program in accordance with the plan. The bill permits affected school districts to request a waiver from the “breakfast after the bell” requirement.

Under current law, a school must have a school breakfast program if at least 20 percent of its students qualify for free or reduced price meals. Current law does not specify whether the breakfast should be served before or after the start of the school day.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will have several indeterminate annual fiscal impacts as the cost of the required “breakfast after the bell” programs will be incurred by affected school districts with the State serving as a conduit for federal cost reimbursements. Although there are

452 school districts that will be affected under this bill, the OLS cannot quantify the several annual fiscal impacts because of a lack of information on the number of schools that the bill will cause to newly operate “breakfast after the bell” programs.

The bill will increase the annual expenditures of certain school districts by an indeterminate amount. The bill requires the establishment of “breakfast after the bell” programs in schools in which at least 70 percent of the students in the prior school year were eligible for free or reduced price meals under the National School Lunch Program or the federal School Breakfast Program. The cost of the requirement will be mitigated to the extent that concerned schools are already operating “breakfast after the bell” programs and that affected schools that do not already operate such programs expend resources on other programs that provide breakfast to eligible students.

School district costs for food, labor, and supplies can vary depending on the use of donated foods, the number of students served, the type and scale of food preparation required, or local pay scales. In many cases, federal reimbursements will cover all of these costs. Any costs not covered by federal or State funding would be the responsibility of the districts. School districts can reduce program expenditures by hiring workers from federally subsidized programs, senior citizen associations, or other volunteer groups.

The bill will also increase by indeterminate amounts the annual revenue of school districts that because of the bill will newly operate “breakfast after the bell” programs. The increase will be in the form of federal cost reimbursements under the federal Community Eligibility Provision, which covers 100 percent of qualified expenditures of high-poverty schools to provide free meals to all students while eliminating the traditional school meal application process.

The bill will result in an indeterminate increase in annual State and school district administrative expenditures from implementing and administering the provisions of the bill. For example, the bill’s provision that permits a school district to request a waiver for a school under certain circumstances may result in the Department of Agriculture incurring some marginal administrative costs each year to process an indeterminate number of these requests. The OLS notes that the bill does not limit the number of years a school district may be granted a waiver.

The OLS notes further that school districts serving a higher percentage of low-income students, with at least 40 percent of the children receiving free or reduced price lunch, are considered “severe need” schools and therefore are eligible for additional federal reimbursement. Under this bill, participating school districts would be considered “severe need” and would qualify for additional federal reimbursements. According to the United States Food and Nutrition Service, in school year 2017-2018, school breakfast reimbursement rates for schools in “severe need” were \$2.09 for a free breakfast and \$1.79 for a reduced price breakfast.

The OLS also states that there may be additional State expenditures in years in which the federal government will not pay for the full cost of the bill’s mandated “breakfast after the bell” programs.

Section: Environment, Agriculture, Energy and Natural Resources

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).