

FISCAL NOTE
SENATE, No. 334
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JULY 2, 2018

SUMMARY

Synopsis: Establishes “breakfast after the bell” incentive fund.

Type of Impact: Expenditure increase to the General Fund.

Agencies Affected: Department of Agriculture and Department of Education.

Executive Estimate

Fiscal Impact	
Annual State Expenditure Increase	At least \$5.5 million

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate. The OLS agrees that the bill would produce an annual State expenditure increase of at least \$5.5 million to the General Fund to administer a “breakfast after the bell” incentive fund to provide an additional 10-cent per breakfast supplement to certain school districts that participate in the federal School Breakfast Program. The OLS notes that the annual expenditure could increase or decrease to the extent that more or less students participate in the “breakfast after the bell” program in the future.
- The OLS notes that it is likely the State will be responsible for paying for the 10-cent per breakfast supplement for every student that is provided a school breakfast because: 1) school districts use several different breakfast programs to serve school breakfast in each individual school; 2) school districts can only self-report one type of breakfast program; and 3) recently enacted legislation requires additional schools to serve “breakfast after the bell.”

BILL DESCRIPTION

This bill requires the Department of Agriculture, in consultation with the Department of Education, to develop and administer a “breakfast after the bell” incentive fund to provide an additional reimbursement to certain school districts that participate in the federal School Breakfast Program.

Under the bill, the incentive fund will provide a 10-cent per breakfast supplement to the existing federal reimbursement to a school district with schools that participate in the federal school breakfast program that serve “breakfast after the bell” with 20 to 100 percent of its students eligible for free or reduced price breakfast.

The bill directs the Department of Agriculture, in consultation with the Department of Education, to provide guidance and support to school districts, and to prepare and issue an annual report detailing the annual cost of the incentive fund and the number and percentage of additional students participating in the “breakfast after the bell” program for each school district.

The bill specifies that the Legislature is to annually appropriate funds necessary to implement the bill.

The purpose of the fund is to provide an incentive to school districts in the State to move to a school breakfast model that has the capacity to reach more hungry students since low to middle income school districts face greater challenges in covering the costs of an effective School Breakfast Program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Executive estimate, the administrative costs associated with implementation of the bill would be \$100,000 for the first year for salaries, employee fringe benefits, and other indirect costs of one information technology (IT) consultant.

The Executive estimates that there will be an annual cost of at least \$5.5 million to pay for the \$0.10 subsidy for school breakfasts. In order to arrive at this estimate, the Executive branch multiplied the total number of students that participated in school breakfast as of October 2017, which was 308,000, by the total number of days in a school year, which is 180 days. This number was then multiplied by \$0.10 to produce the figure of \$5.5 million.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive estimate. The OLS agrees that the bill would produce an annual State expenditure increase of at least \$5.5 million to the General Fund to administer a “breakfast after the bell” incentive fund to provide an additional 10-cent per breakfast supplement to certain school districts that participate in the federal School Breakfast Program. The OLS notes that the annual expenditure could increase or decrease to the extent that more or less students participate in the “breakfast after the bell” program in the future.

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According to informal information provided by the Executive branch, they are unable to accurately track how many students receive breakfast specifically through the “breakfast after the bell” program. Each school district may utilize several different breakfast programs for each of their schools. For example, a school district’s elementary school may serve breakfast through a breakfast before the bell program while the high school may use a breakfast after the bell program. However, each school district is only able to report one type of breakfast program to

the Executive branch. Due to the manner in which breakfast programs are reported to the Executive branch, the whole school district would qualify for the 10-cent per breakfast supplement if they report that they use the “breakfast after the bell” program.

The OLS also notes that recent legislation (C.18A:33-11.2 et seq.) requires every public school to establish a school "breakfast after the bell" program if 70 percent or more of the students enrolled in the school are eligible for free or reduced price meals under the National School Lunch Program or the federal School Breakfast Program. The OLS determines that this law will require more schools to participate in the “breakfast after the bell” program.

Section: Environment, Agriculture, Energy and Natural Resources

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