

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5882

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5882 (1R).

This bill requires the Department of Agriculture, in consultation with the Department of Education, to develop and administer a summer food service program State supplement to provide an additional reimbursement to certain school districts that participate in the federal summer food service program.

Under the bill, the State would provide a 10-cent per meal supplement to the existing federal reimbursement to operators of the federal summer food service program.

The bill directs the Department of Agriculture, in consultation with the Department of Education, to provide guidance and support to operators of the federal summer food service program, and to prepare and issue an annual report detailing the annual cost of the State supplement per month and the number and percentage of additional students participating in the federal summer food service program.

As amended, the bill specifies that the Legislature is to annually appropriate funds necessary to implement the bill. The bill's effective date is June 1, 2022.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that this bill would result in an annual expenditure increase by the Department of Agriculture from the General Fund of approximately \$300,000. According to a press release from the Department of Agriculture, approximately three million meals were served in New Jersey under the Summer Food Service Program in 2017. Multiplying the number of meals by the \$0.10 supplement per meal, as required under the bill, yields a \$300,000 annual expenditure increase.

The OLS notes that some of the additional sums expended by the State would be transferred to school districts that participate in the Summer Food Service Program, thus the bill would also result in an annual local revenue increase. The OLS cannot quantify this increase, however, because it is unclear what percentage of the funds will go to school districts, as opposed to nonprofit organizations that participate in the program.

The OLS also notes that the bill may result in marginal annual expenditure increases by the Department of Agriculture and the Department of Education to provide guidance and support to operators of the program, and to prepare an annual report required by the bill, but these additional duties can likely be subsumed by existing staff.