

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2536 HB	<b>Title:</b> Breakfast after the bell
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## Estimated Cash Receipts

NONE

## Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Superintendent of Public Instruction	.5	101,000	101,000	1.0	192,000	192,000	1.0	192,000	192,000
<b>Total</b>	<b>0.5</b>	<b>\$101,000</b>	<b>\$101,000</b>	<b>1.0</b>	<b>\$192,000</b>	<b>\$192,000</b>	<b>1.0</b>	<b>\$192,000</b>	<b>\$192,000</b>

Local Gov. Courts *									
Loc School dist-SPI	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Other **									
Local Gov. Total									

## Estimated Capital Budget Impact

NONE

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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2536 HB	<b>Title:</b> Breakfast after the bell	<b>Agency:</b> 350-Supt of Public Instruction
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	1.0	0.5	1.0	1.0
<b>Account</b>					
General Fund-State 001-1	0	101,000	101,000	192,000	192,000
<b>Total \$</b>	0	101,000	101,000	192,000	192,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Barbara McLain	Phone: 360-786-7383	Date: 01/28/2014
Agency Preparation: Beth Stultz	Phone: (360) 725-6230	Date: 01/30/2014
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 01/30/2014
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 01/30/2014

Request # HB 2536-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill establishes a three-year, phased-in process for providing breakfast after the bell in high needs schools. Breakfast after the bell means a breakfast that is offered to students after the beginning of the school day.

Section 3 (1)(a) Beginning in the 2014-15 school year, OSPI shall dedicate staff to assist all high needs schools that are interested in offering breakfast after the bell to make the change from their current breakfast model. OSPI staff shall also encourage all interested high needs schools to explore options for providing universal breakfast after the bell.

Section 3 (2)(a) OSPI, in consultation with community food and nutrition experts, shall issue guidelines for calculating school breakfast participation rates.

Section 4 (1) Before August 1, 2014, OSPI shall develop and distribute procedures and guidelines for the implementation of section 3 of this act, which must be in compliance with the school breakfast program and the school lunch program.

Section 4 (2) OSPI shall dedicate staff to offer technical assistance to all public schools and school districts related to offering breakfast after the bell, including assistance with various available funding mechanisms to support breakfast after the bell programs such as universal breakfast, the community eligibility option under 42 U.S.C. Sec. 1759a, programs under provision two of the national school lunch act, and claims for reimbursement under the school breakfast program.

Section 4 (3) OSPI shall collaborate with nonprofit organizations knowledgeable on hunger and food security issues and best practices for improving student access to school breakfast. OSPI shall also seek partnerships with philanthropic organizations interested in supporting breakfast after the bell in high needs schools.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The intent of the Legislature is to "work with schools to identify funding mechanisms to institute universal breakfast" (Section 1). The section implies, but does not explicitly require future appropriations to provide funding for breakfast programs. Therefore this note assumes no projected impact on the state budget at this time.

Section 3 and 4 - Establish a three-year, phased-in process for providing breakfast after the bell in high needs schools through dedicated staff to successfully implement the model, as well as assistance through local public-private partnerships between OSPI and nonprofit organizations knowledgeable about hunger and food security issues.

Staffing needs:

1.0 FTE - Admin Prog Specialist 1 - to develop and distribute procedures, provide technical assistance, training, promotion, and outreach to schools regarding the breakfast program and different service models.

Standard costs (compensation, goods & services, one time capital outlay) = \$96,450 in FY15 and \$91,450/yr thereafter.

Travel costs = \$3300/yr to work with advocates, community partners, provide training, technical assistance and attend the annual Washington Association of School Business Officials (WASBO) and Washington School Nutrition Association (WSNA) meetings.

Training and printing costs for promotion and outreach (included in obj e) = \$1250/yr.

This position is assumed to be on-going to implement and administer the program, and continue to provide technical assistance and training.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		58,700	58,700	117,400	117,400
B-Employee Benefits		29,400	29,400	58,800	58,800
C-Professional Service Contracts					
E-Goods and Other Services		4,600	4,600	9,200	9,200
G-Travel		3,300	3,300	6,600	6,600
J-Capital Outlays		5,000	5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$101,000	\$101,000	\$192,000	\$192,000

#### III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2014	FY 2015	2013-15	2015-17	2017-19
Admin Prog Spec 1	58,656		1.0	0.5	1.0	1.0
<b>Total FTE's</b>	58,656		1.0	0.5	1.0	1.0

### Part IV: Capital Budget Impact

NONE

### Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2536 HB	<b>Title:</b> Breakfast after the bell	<b>Agency:</b> SDF-School District Fiscal Note - SPI
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Barbara McLain	Phone: 360-786-7383	Date: 01/28/2014
Agency Preparation: JoLynn Berge	Phone: 360 725-6292	Date: 02/04/2014
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 02/04/2014
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/04/2014

Request # HB 2536-2

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill establishes a three-year, phased-in process for providing breakfast after the bell in high needs schools. Breakfast after the bell means a breakfast that is offered to students after the beginning of the school day.

Section 3(1)(a) Beginning in the 2014-15 school year, the office of the superintendent of public instruction shall dedicate staff within the office to assist all high needs schools that are interested in offering breakfast after the bell to make the change from their current breakfast model. The staff shall also encourage all interested high needs schools to explore options for providing universal breakfast after the bell.

Section 3(1)(b) Beginning in the 2015-16 school year, each high needs school that has an enrollment of eighty-five percent or more students eligible for free or reduced price meals in the prior school year must offer breakfast after the bell to each student in the school, except high needs schools with participation rates in school breakfast of seventy percent or more of the students eligible for free or reduced price meals.

Section 3(1)(c) Beginning in the 2016-17 school year, each high needs school must offer breakfast after the bell to each student in the school, except high needs schools with participation rates in school breakfast of seventy percent or more of the students eligible for free or reduced price meals.

Section 3(1)(d) All public schools are encouraged to offer breakfast after the bell even if not required to do so under this section.

Section 3 (2)(b)A school district or charter school may apply to OSPI for a one-year waiver of the requirements under section 3 (1) by demonstrating that providing breakfast after the bell in a particular high needs school will result in undue financial hardship for the district or charter school. School districts or charter schools may annually reapply no more than twice for such a waiver based on the same criteria as the initial waiver.

Section 3(3)(a) Each high needs school may determine the breakfast after the bell service model that best suits its students. Service models include, but are not limited to, breakfast in the classroom, grab and go breakfast, or a breakfast after first period.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Cash receipts are indeterminate, as this amount is based on participation and OSPI can't predict how many additional kids would participate in Breakfast After the Bell.

Since school districts are reimbursed on a per meal basis, it is reasonable to assume that the cash receipts received would increase.

School districts are reimbursed for the 2013-14 year at the following rates:

- Federal - \$1.58, free status, \$1.28, reduced status, and \$.28, paid status.

- State - \$.17, free and reduced status, except for reduced status which receives an additional \$.30 per breakfast.

## II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The impact of this bill is indeterminate.

In school year 2015-16, all schools with 85% or more students on free and reduced lunch must offer breakfast after the bell to each student in the school. For schools with breakfast participation rates of 70% or more, this is optional.

In school year 2016-17, all schools with 70% (bill defines “high need school”, as 70% or more free and reduced lunch rates) or more students on free and reduced lunch must offer breakfast after the bell to each student in the school. For schools with breakfast participation rates of 70% or more, this is optional.

School districts may apply to OSPI for a one-year waiver from these requirements, if it would result in an undue financial hardship

OSPI does not know how many districts that meet the exception criteria of 70% breakfast participation rates would opt out from serving all students breakfast, nor can the number of districts that would apply and be granted a financial hardship waiver be determined.

There are 130 schools that have a poverty rate of 85% or more, and of these 15 would be exempt based on school year 2013-14 data. In the 16-17 school year, an additional 270 (282 total, less 12 meeting exemption requirement = 270) schools would be required to participate. See Table 1.

Assuming no schools opt for an exemption, a total of 161,398 students would be eligible to receive a free breakfast. In the 412 high need schools that would qualify for this program, average daily participation in those schools is 39.6% (63,980 students already eat breakfast in these schools). There are only 4 schools with an enrollment of 197 students that don’t currently offer a breakfast program.

Schools will incur additional costs associated with the need for increase hours for food service workers and custodial staff (due to the possibility of breakfasts being served in classrooms). The average compensation rate (salary and benefits) for food service workers is \$23.64 per hour; for custodial staff \$26.37 per hour. OSPI can’t estimate the additional staffing costs that would be incurred.

According to the Report 1800 Series – Analysis of Food Service Operations for FY 2011–12, 243 school districts lost money on their food service program, while 38 districts made money (some districts don’t provide a food service program).

Of the 412 schools that would be impacted, 308 lose money on the breakfast program, 10 break even and 80 make money on the breakfast program. The average gain (loss) per breakfast is (\$.47), per October 2013 data. The average monthly loss for breakfast is (\$477), per October 2013 data.

OSPI assumes that if the breakfast program increased by 60% to serve 100% of the students enrolled in required schools, that the profit/(loss) for each of these schools would follow the same trend. However, estimated expenditures can't be predicted.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

NONE

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*



**Participation Projections Based on School Year 2013-14 Data (October 2013 Actuals)**

<b>Number of Schools</b>	<b>2015-16 / 85% or more</b>	<b>2016-17 / 70% or more</b>	<b>Total High needs</b>
Enrollment eligible for free or reduced	130	282	412
Breakfast participation 70% or more - exempt	-15	-12	-27
Number of schools required to participate	115	270	385

**School Year 2013-14 data - 412 High Need Schools**

Total Enrollment		161,398
Total average daily participation		63,980
Current participation		39.6%
Average daily loss per breakfast	\$	(0.47)
Average breakfast gain (loss)	\$	(477.00)

**School Year 2016-17 projected data - 412 High Need Schools**

Total Enrollment		161,398
Total average daily participation		161,398
Percent of participation		100%
Average daily loss per breakfast	\$	(0.47)