

Multiple Agency Fiscal Note Summary

Bill Number: 1508 E S HB AMS EDU S2393.1	Title: Student meals & nutrition
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Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Superintendent of Public Instruction	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Joint Legislative Audit and Review Committee	.1	22,600	22,600	.2	54,600	54,600	.0	13,000	13,000
Superintendent of Public Instruction	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Agriculture	2.0	517,700	517,700	2.0	517,000	517,000	2.0	517,000	517,000
Total	2.1	\$540,300	\$540,300	2.2	\$571,600	\$571,600	2.0	\$530,000	\$530,000

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

Estimated Capital Budget Impact

NONE

Prepared by: Kate Davis, OFM	Phone: (360) 902-0570	Date Published: Final 4/ 4/2017
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 48593

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1508 E S HB AMS EDU S2393.1	Title: Student meals & nutrition	Agency: 014-Joint Legislative Audit and Review Committee
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	0.0	0.1	0.2	0.0
Account					
General Fund-State 001-1	16,100	6,500	22,600	54,600	13,000
Total \$	16,100	6,500	22,600	54,600	13,000

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.

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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: Jeffrey Mitchell	Phone: 360-786-7438	Date: 03/29/2017
Agency Preparation: John Woolley	Phone: 360 786-5184	Date: 03/31/2017
Agency Approval: Keenan Konopaski	Phone: 360-786-5187	Date: 03/31/2017
OFM Review: Derek Rutter	Phone: (360) 902-0409	Date: 03/31/2017

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.

BILL SUMMARY

The striking amendment states the Legislature intends to improve student outcomes by expanding opportunities for students to have a healthy breakfast and increase support for school-related farm programs. Improved outcomes sought by the Legislature include reductions in tardiness, absenteeism, suspensions, and reported illnesses and visits to nurses' offices. The Legislature also intends to conduct analysis of the Breakfast After the Bell programs established by the bill.

Beginning in the 2018-19 school year, each high-needs school is to offer a Breakfast After the Bell program to each student and provide adequate time for students to consume their food. Service model options include breakfast in the classroom, grab and go breakfast, and second chance breakfast.

The bill includes directions to OSPI related to implementing the programs, with procedures and guidelines distributed by January 2018. The bill includes a section stating that if specific funding for the purposes of the bill is not provided in the budget, the act is null and void.

JLARC ANALYSIS

By December 2025, JLARC is to conduct an analysis of the Breakfast After the Bell Programs. JLARC's review is to include changes in student:

- Tardiness and absenteeism
- Suspensions
- Reported illnesses and visits to nurses' offices
- Results in standardized tests
- Graduation rates

In addition, the analysis is to include a review of outcomes of similar programs or efforts in other states.

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 study required by the striking amendment in 2025 is outside of the period covered by this fiscal note.

This fiscal note covers the work required of JLARC to coordinate with OSPI, OFM, and implementing school districts to make certain the data necessary to complete the analysis in 2025 is available. JLARC will work with them, as programs are developed to implement the requirements of the bill.

In addition, JLARC staff anticipate providing the Legislature with an interim report in 2020, noting points such as how many school districts are participating and any implementation issues found through conversations with

OSPI, OFM, and school districts.

Preparing for the 2025 study and providing an interim report in 2020 will require 6 audit months.

JLARC ASSUMES THAT THE ASSIGNMENT IN THIS PROPOSED BILL MAY REQUIRE ADDITIONAL RESOURCES. JLARC WILL ASSESS ALL OF THE ASSIGNMENTS MANDATED IN THE 2017 LEGISLATIVE SESSION. BASED ON ALL LEGISLATION THAT IS PASSED, JLARC MAY SUBSEQUENTLY DETERMINE THAT IT CAN ABSORB THE COSTS FOR THIS PROPOSED BILL IN ITS BASE BUDGET, IF THE WORKLOAD OF OTHER ENACTED LEGISLATION DOES NOT EXCEED CURRENT STAFFING LEVELS.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2017-19 costs are calculated at approximately \$16,000 per audit month.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1		0.1	0.2	
A-Salaries and Wages	10,700	4,300	15,000	36,300	8,600
B-Employee Benefits	3,400	1,400	4,800	11,500	2,800
C-Professional Service Contracts					
E-Goods and Other Services	1,800	700	2,500	6,100	1,400
G-Travel	200	100	300	700	200
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$16,100	\$6,500	\$22,600	\$54,600	\$13,000

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 2018	FY 2019	2017-19	2019-21	2021-23
Research Analyst	95,283	0.1		0.1	0.2	
Support staff	65,053				0.1	
Total FTE's	160,336	0.1		0.1	0.2	0.0

Part IV: Capital Budget Impact

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

Bill Number: 1508 E S HB AMS EDU S2393.1	Title: Student meals & nutrition	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

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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:

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☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Mitchell	Phone: 360-786-7438	Date: 03/29/2017
Agency Preparation: Jami Marcott	Phone: (360) 725-6230	Date: 04/03/2017
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 04/03/2017
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 04/04/2017

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.

Changes in this version compared to ESHB 1508:

This version strikes all previous bill language and inserts language similar to the previous version with one exception: Section 3(4) removes the requirement that breakfast foods must not have more than 25% added sugar by weight. This version requires OSPI to develop and distribute best practices and provide technical assistance to schools for selecting food items that are low in added sugar.

Summary of this version of ESHB 1508:

Section 1 outlines legislative intent.

Section 2 defines BAB and provides example models including, but not limited to: Grab and go, Second Chance breakfast, and Breakfast in the classroom. This section also defines High-needs school as any public school that has enrollment of seventy percent or more students eligible for free or reduced-price meals in the prior school year.

Section 3(1)(a) Beginning in the 2018-19 school year, each high-needs school shall offer BAB to each student and provide adequate time for students to consume the offered food. (b) Public schools that are not obligated by this section to offer BAB are encouraged to do so.

Section 3(3) Each high-needs school may determine the BAB service model that best suits its students.

Section 3(4) All breakfasts served in a BAB program must comply with federal meal patterns and nutrition standards for school breakfast programs under the federal healthy, hunger-free kids act of 2010. OSPI must develop and distribute best practices and provide technical assistance to school districts on strategies for selecting food items that are low in added sugar. When choosing foods to serve in a BAB program, schools must give foods that are healthful, fresh, and if feasible, give preference to Washington grown food.

Section 3(5), subject to appropriation, OSPI shall administer one-time start-up allocation grants to each high-needs school implementing a BAB program. Grant funds must be used for costs including but not limited to equipment purchases, training, additional staff costs, and janitorial services.

Section 3(6) The legislature does not intend to include the programs under this section within the state's obligation for basic education.

Section 4(1) Before January 2, 2018, OSPI shall develop and distribute procedures and guidelines for the implementation of a BAB program that complies with federal regulations governing the school breakfast program. The guidelines and procedures must include recommendations and best practices for designing, implementing and operating a BAB program based on experiences of schools of differing sizes and from different geographic regions.

Section 4(2) OSPI shall offer training, technical, and marketing assistance to all school districts related to offering BAB, including assistance with various funding options available to high-needs schools such as the

community eligibility provision, 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 about equity, the opportunity gap, hunger and food security issues and best practices for improving student access to school breakfast.

Section 4(4) OSPI shall incorporate the annual collection of information about BAB delivery models into existing data systems and make the information publically available.

Section 5 adds If students are provided the opportunity to engage in educational activity concurrently with the consumption of breakfast, and the provision of breakfast allows the regular instructional program to continue functioning, the period of time designated for student participation in breakfast after the bell must be considered instructional hours.

Section 6 OSPI shall implement sections 1-4 only in years where funding is specifically provided.

Section 7 Promotes innovative school-based programs, including but not limited to developing organic gardens that provide produce used in school breakfast or lunch programs.

Section 8(1) provides more information surrounding farm to school programs.

Section 8(2) subject to the availability of amounts appropriated for this specific purpose, the regional markets programs of the department of agriculture must be a centralized connection point for schools and other institutions for accessing and sharing information, tools, ideas, and best practices for purchasing Washington-grown, food.

Section 8(3) Subject to the availability of amounts appropriated for this specific purpose, the regional markets programs of the department of agriculture may support school districts in establishing or expanding farm-to-school initiatives by providing information and guidance to overcome barriers to purchasing Washington-grown food.

Section 8(4) Subject to the availability of amounts appropriated for this specific purpose, school districts and other institutions may coordinate with the department of agriculture to promote and facilitate new and existing farm-to-school initiatives. School district representatives involved in these initiatives may include but not limited to, school nutrition staff, purchasing staff, student representatives, and parent organizations.

Section 8(5) allows OSPI to award grants to school districts, subject to appropriation, to collaborate with community based organizations, food banks, and farms or gardens for the purpose of reducing high school dropout occurrences through farm engagement projects.

Section 9(1) The Joint Legislative Audit and Review Committee (JLARC) shall conduct and analysis of breakfast after the bell programs established in schools in accordance with section 3 of this act. The analysis of the schools establishing BAB programs shall include a review of any changes in student:

- (a) Tardiness and absenteeism
- (b) Suspensions
- (c) Reported illnesses and visits to nurses' offices
- (d) Results on standardized tests
- (e) Graduation rates

Section 9(2) The analysis shall also include a review of the outcomes of similar programs or efforts in other states.

Section 9(3) OSPI and education and research data center of the office of financial management shall assist in providing any data required to conduct the analysis. The analysis, including any findings and recommendations, must be completed and submitted to OSPI, in accordance with RCW 43.01.036, the education committees of the House of Representatives and the senate by December 1, 2025.

Section 10 Sections 3, 4, and 6 of this act expire June 30, 2017

Section 11 Names this bill the Washington kids ready to learn act of 2017.

Section 12 null and void clause.

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.

OSPI receives federal funds from the U.S. Department of Agriculture based on the number meals served in schools. The increase in the number of meals served by the school districts implementing this bill cannot be projected. Therefore the impact on federal child nutrition revenues to OSPI (funds that would be expended by OSPI as Object N grants to districts, commonly referred to as "reimbursements") cannot be determined.

OSPI receives annual State Administrative Expenditure (SAE) funds from the U.S. Department of Agriculture for administrative expenses associated with Child Nutrition programs. The SAE amounts are based on number of meals served. Because we cannot estimate the increase in meals served, we cannot estimate the increase in SAE funds.

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.

Section 3(4) Additional staff will be needed to distribute best practices and provided technical assistance to school districts on strategies for selecting food items that are low in added sugar. This work can be accomplished by the FTE requested in Section 4.

Section 3(5) requires OSPI to administer one-time start up grants to each high-needs school to implement a BAB program. Since no maximum grant award per school is identified, costs are indeterminate. Based on E3SHB 1295 from the 2016 session which would have provided \$6,000 grants, the total cost could be \$2,478,000 (413 schools x \$6,000). This is a change from the previous version of the fiscal note to reflect more current data.

Section 4 would require the addition of an Administrative Program Specialist 1 to develop guidelines and procedures, technical and marketing assistance to school districts, collaborate with non-profit organizations and solicit best practices from schools that have already implemented a BAB program. Costs are projected to be \$111,000 in FY18 for compensation, standard goods, services and travel and one time office set up costs of \$5,000. The ongoing annual costs will be \$111,000.

Section 4(4) The cost for OSPI to incorporate the annual collection of information about BAB delivery models

into existing data systems would cost approximately \$4,000. This is calculating 40 hours of development work to have the web based application system updated to collect information on delivery models.

Section 7(1) allows OSPI to award grants, to the extent funds are provided, for school districts to promote and improve school lunch programs, equipment and facilities. The cost of administering a competitive grant is unknown. It will depend upon available funding, the number of grant applicants and the performance period of the grants.

Section 7(2) requires OSPI to increase the state support for school breakfasts and lunches, including BAB programs. This would require modification to the current web based claiming system. To make these modifications it will take an estimated 10 hours of development, 5 hours of design and 5 hours of testing for a total cost of \$2,000.

Section 8(1-4) contains permissive language that allows OSPI to work with Washington State Department of Agriculture (AGR) to implement AGR programs. No impact to OSPI.

Section 8(5) subject to the amounts appropriated, OSPI may award grants to school districts to collaborate with community based organizations, food banks, and farms or gardens for the purpose of reducing high school dropout occurrences through farm engagement projects. The cost to implement these grants are unknown and are dependent upon the number and value of the grants to be awarded, and the performance period of the grants. Based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program, a cost of \$100,000 is estimated.

Section 9 requires JLARC to conduct an analysis of BAB programs. OSPI is to assist in providing any data required to conduct the analysis. Currently OSPI collects all data identified in the bill except data on tardiness and reported illnesses and visits to nurses' offices. There will be no fiscal impact to OSPI to provide data that is already collected. The bill does not make clear who is responsible for collecting data that is not currently available therefore the cost is indeterminate. If OSPI is responsible for collecting the unavailable data, OSPI would need to develop a reporting and collection method and tool. The cost to do so are indeterminate but could be significant. For example, there are approximately 1.1 million kids in school. The number of reported illnesses and visits to nurses' offices could result in a significant number of data points.

As a result of this bill, OSPI expects the number of meals served by districts to increase. Therefore, OSPI's expenditures of federal child nutrition funds to school districts in the form of meal reimbursements will increase. The amount is indeterminate because we cannot project the increase in the total number of meals served.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

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.

ESHB 1508 Impact Summary

OSPI

Indeterminate Federal Revenue

OSPI assumes federal revenue from the U.S. Department of Agriculture for payments to districts will increase, but OSPI cannot predict the increase in the number of meals served.

OSPI receives annual State Administrative Expenditure (SAE) federal funds from the U.S. Department of Agriculture for administrative expenses associated with Child Nutrition programs. The SAE amounts are based on number of meals served. Because we cannot estimate the increase in the number of meals served, we cannot estimate in the increase in SAE funds.

OSPI

Indeterminate Federal Revenue

OSPI assumes federal revenue from the U.S. Department of Agriculture for payments to districts will increase, but OSPI cannot predict the increase in the number of meals served.

OSPI receives annual State Administrative Expenditure (SAE) federal funds from the U.S. Department of Agriculture for administrative expenses associated with Child Nutrition programs. The SAE amounts are based on number of meals served. Because we cannot estimate the increase in the number of meals served, we cannot estimate in the increase in SAE funds.

Schools

FY18 Impact of Start Up Grants = Indeterminate

(Could be \$2,478,000 in FY18 based on October 2016 data)

Indeterminate

Federal revenues from OSPI for meals would increase if the number of meals served increased. OSPI cannot predict the increase in the number of meals served.

Grant Award Revenue = \$100,000 annually

OSPI assumes districts would receive \$100,000 annually in grant funds to carry out the requirements of Section 8(5). This is based on a one-time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Cash Receipts

Expenditures

State Funded Staff Costs - FY18 = \$116,000, FY19 and ongoing= \$111,000

State Funded Grants to Schools = Indeterminate

(Could be \$2,478,000 in FY18 based on October 2016 data.)

Data System Modification

The cost for OSPI to incorporate the annual collection of information about BAB delivery models into existing data systems would cost approximately \$4,000. (40 hours of development x \$100 per hour)
The cost to modify the current web based caliming system to include BAB is \$2,000. (20 hours of development x \$100 per hour)

Indeterminate Federal Funds

Payment of federal funds to districts will increase an indeterminate amount based on an increase in the number of meals served.

Grant Award Costs = \$100,000 annually

The assumed cost to carry out the requirements of Section 8(5) is \$100,000. This is based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Analysis of BAB Programs

OSPI is to assist in providing data to JLARC for analysis of BAB programs. OSPI collects most of the data identified in the bill. The cost to collect the unavailable data from school districts is indeterminate but could be significant due to the number of data points generated by 1.1 million students.

FY18 Impact Start Up Grants = Indeterminate

(Expenditures for the one-time start up grants could be \$2,478,000 in FY18 based on October 2016 data.)

Indeterminate School District Expenditures

BAB costs will be indeterminate as we cannot predict the model that will be chosen by schools.
Total meal costs are indeterminate. We assume the total number of meals served will increase, but cannot estimate the increase.

Grant Award Costs = \$100,000 annually

The assumed cost to carry out the requirements of Section 8(5) is \$100,000. This is based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Individual State Agency Fiscal Note

Bill Number: 1508 E S HB AMS EDU S2393.1	Title: Student meals & nutrition	Agency: 495-Department of Agriculture
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
General Fund-State 001-1	259,200	258,500	517,700	517,000	517,000
Total \$	259,200	258,500	517,700	517,000	517,000

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.

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Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Mitchell	Phone: 360-786-7438	Date: 03/29/2017
Agency Preparation: Kim Eads	Phone: 360-725-5651	Date: 03/31/2017
Agency Approval: Walter Hamilton	Phone: (360) 902-1989	Date: 03/31/2017
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 03/31/2017

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 amendment to Engrossed Substitute House Bill 1508 does not change the fiscal impact to the Washington State Department of Agriculture (WSDA).

Section 8(1) states the Office of the Superintendent of Public Instruction (OSPI) may coordinate with the WSDA to promote and facilitate new and existing regional marketing programs, including farm-to-school initiatives and small and direct marketing assistance.

Section 8(2) requires the regional markets programs of the WSDA to be a centralized connection point for schools and other institutions for accessing and sharing information, tools, ideas, and best practices for purchasing Washington-grown food. This subsection also lists several services the regional markets programs may provide.

Section 8(3) lists several services the regional markets programs of the WSDA may provide to school districts in establishing or expanding farm-to-school initiatives by providing information and guidance to overcome barriers to purchasing Washington-grown food.

Section 8(4) allows school districts and other institutions to coordinate with the WSDA to facilitate new and existing farm-to-school initiatives.

All of Section 8 is subject to the availability of amounts, appropriated for the specific purpose, provided by June 30, 2017 in the omnibus appropriations act.

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.

The WSDA will have no cash receipt impact because of this amended substitute legislation.

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 expenditure impact to comply with the services listed in Section 8 of this amended Engrossed Substitute House Bill 1508 would require the following additional WSDA staff support and associated expenditures:

* Commerce Specialist 3 – 2.0 FTE for FY18 and ongoing to serve as the centralized connection point of contact for schools and other institutions for accessing and sharing information, tools, ideas, and best practices for purchasing Washington-grown food.

Salary and benefit increases included in the Governor's 2017-19 Operating Budget proposal are included in these expenditure impacts.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	138,500	144,000	282,500	288,000	288,000
B-Employee Benefits	52,200	54,700	106,900	109,400	109,400
C-Professional Service Contracts					
E-Goods and Other Services	24,200	24,200	48,400	48,400	48,400
G-Travel	1,800	1,800	3,600	3,600	3,600
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	1,200	1,200	2,400	2,400	2,400
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	31,300	32,600	63,900	65,200	65,200
9-					
Total:	\$259,200	\$258,500	\$517,700	\$517,000	\$517,000

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 2018	FY 2019	2017-19	2019-21	2021-23
Commerce Specialist 3	67,884	2.0	2.0	2.0	2.0	2.0
Total FTE's	67,884	2.0	2.0	2.0	2.0	2.0

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.

The WSDA would not require any new rule making because of this amended legislation.

Individual State Agency Fiscal Note

Bill Number: 1508 E S HB AMS EDU S2393.1	Title: Student meals & nutrition	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

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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:

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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.

Changes in this version compared to ESHB 1508:

This version strikes all previous bill language and inserts language similar to the previous version with one exception: Section 3(4) removes the requirement that breakfast foods must not have more than 25% added sugar by weight. This version requires OSPI to develop and distribute best practices and provide technical assistance to schools for selecting food items that are low in added sugar.

Summary of this version of ESHB 1508:

Section 1 outlines legislative intent.

Section 2 defines BAB and provides example models including, but not limited to: Grab and go, Second Chance breakfast, and Breakfast in the classroom. This section also defines High-needs school as any public school that has enrollment of seventy percent or more students eligible for free or reduced-price meals in the prior school year.

Section 3(1)(a) Beginning in the 2018-19 school year, each high-needs school shall offer BAB to each student and provide adequate time for students to consume the offered food. (b) Public schools that are not obligated by this section to offer BAB are encouraged to do so.

Section 3(3) Each high-needs school may determine the BAB service model that best suits its students.

Section 3(4) All breakfasts served in a BAB program must comply with federal meal patterns and nutrition standards for school breakfast programs under the federal healthy, hunger-free kids act of 2010. OSPI must develop and distribute best practices and provide technical assistance to school districts on strategies for selecting food items that are low in added sugar. When choosing foods to serve in a BAB program, schools must give foods that are healthful, fresh, and if feasible, give preference to Washington grown food.

Section 3(5), subject to appropriation, OSPI shall administer one-time start –up allocation grants to each high-needs school implementing a BAB program. Grant funds must be used for costs including but not limited to equipment purchases, training, additional staff costs, and janitorial services.

Section 3(6) The legislature does not intend to include the programs under this section within the state's obligation for basic education.

Section 4(1) Before January 2, 2018, OSPI shall develop and distribute procedures and guidelines for the implementation of a BAB program that complies with federal regulations governing the school breakfast program. The guidelines and procedures must include recommendations and best practices for designing, implementing and operating a BAB program based on experiences of schools of differing sizes and from different geographic regions.

Section 4(2) OSPI shall offer training, technical, and marketing assistance to all school districts related to offering BAB, including assistance with various funding options available to high-needs schools such as the

community eligibility provision, 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 about equity, the opportunity gap, hunger and food security issues and best practices for improving student access to school breakfast.

Section 4(4) OSPI shall incorporate the annual collection of information about BAB delivery models into existing data systems and make the information publically available.

Section 5 adds If students are provided the opportunity to engage in educational activity concurrently with the consumption of breakfast, and the provision of breakfast allows the regular instructional program to continue functioning, the period of time designated for student participation in breakfast after the bell must be considered instructional hours.

Section 6 OSPI shall implement sections 1-4 only in years where funding is specifically provided.

Section 7 Promotes innovative school-based programs, including but not limited to developing organic gardens that provide produce used in school breakfast or lunch programs.

Section 8(1) provides more information surrounding farm to school programs.

Section 8(2) subject to the availability of amounts appropriated for this specific purpose, the regional markets programs of the department of agriculture must be a centralized connection point for schools and other institutions for accessing and sharing information, tools, ideas, and best practices for purchasing Washington-grown, food.

Section 8(3) Subject to the availability of amounts appropriated for this specific purpose, the regional markets programs of the department of agriculture may support school districts in establishing or expanding farm-to-school initiatives by providing information and guidance to overcome barriers to purchasing Washington-grown food.

Section 8(4) Subject to the availability of amounts appropriated for this specific purpose, school districts and other institutions may coordinate with the department of agriculture to promote and facilitate new and existing farm-to-school initiatives. School district representatives involved in these initiatives may include but not limited to, school nutrition staff, purchasing staff, student representatives, and parent organizations.

Section 8(5) allows OSPI to award grants to school districts, subject to appropriation, to collaborate with community based organizations, food banks, and farms or gardens for the purpose of reducing high school dropout occurrences through farm engagement projects.

Section 9(1) The Joint Legislative Audit and Review Committee (JLARC) shall conduct and analysis of breakfast after the bell programs established in schools in accordance with section 3 of this act. The analysis of the schools establishing BAB programs shall include a review of any changes in student:

- (a) Tardiness and absenteeism
- (b) Suspensions
- (c) Reported illnesses and visits to nurses' offices
- (d) Results on standardized tests
- (e) Graduation rates

Section 9(2) The analysis shall also include a review of the outcomes of similar programs or efforts in other states.

Section 9(3) OSPI and education and research data center of the office of financial management shall assist in providing any data required to conduct the analysis. The analysis, including any findings and recommendations, must be completed and submitted to OSPI, in accordance with RCW 43.01.036, the education committees of the House of Representatives and the senate by December 1, 2025.

Section 10 Sections 3, 4, and 6 of this act expire June 30, 2017

Section 11 Names this bill the Washington kids ready to learn act of 2017.

Section 12 null and void clause.

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.

Section 3(5) Subject to the amount appropriated, one-time start up grants could be issued for high-needs school to implement a BAB program. Since no maximum grant award per school is identified, the impact to cash receipts is indeterminate. Based on E3SHB 1295 from the 2016 session which would have provided \$6,000 per grant, the impact to cash receipts could be \$2,478,000 (413 schools x \$6,000).

Section 8(5) school districts may receive grants to collaborate with community based organizations, food banks, and farms or gardens for the purpose of reducing high school dropout occurrences through farm engagement projects. The grant funds received to implement these grants are unknown and are dependent upon the number and value of the grants to be awarded, and the performance period of the grants. OSPI assumes it would provide \$100,000 annually in grant funds to districts. This is based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Federal revenues from OSPI for meals would increase if the number of meals served increased. OSPI cannot predict the increase in the number of meals served.

OSPI receives annual State Administrative Expenditure (SAE) funds from the U.S. Department of Agriculture for administrative expenses associated with Child Nutrition programs. The SAE amounts are based on number of meals served. Because we cannot estimate the increase in meals served, we cannot estimate the increase in SAE funds.

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.

Section 3(5) Based on October 2016 data, there are 413 schools that would qualify as BAB schools. Costs to these schools include: set up a breakfast after the bell model of their choosing, staffing to make additional meals, cashier, supervising the children, equipment/small wares needed, and training of staff and teachers to take point of service meal counts. These costs are indeterminate as we cannot predict the model that will be chosen by schools. Expenditures for the initial startup costs could be \$2,478,000 in FY18 if assumptions from E3SHB 1295, 2016 Session are used (413 x \$6,000).

Section 8(5) Subject to appropriation, allows school districts to collaborate with community based organizations, food banks, and farms or gardens for the purpose of reducing high school dropout occurrences through farm engagement projects. Districts would incur \$100,000 in costs annually to implement the grant program. Our estimate is based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

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.

ESHB 1508 Impact Summary

Cash Receipts

OSPI

Indeterminate Federal Revenue

OSPI assumes federal revenue from the U.S. Department of Agriculture for payments to districts will increase, but OSPI cannot predict the increase in the number of meals served.

OSPI receives annual State Administrative Expenditure (SAE) federal funds from the U.S. Department of Agriculture for administrative expenses associated with Child Nutrition programs. The SAE amounts are based on number of meals served. Because we cannot estimate the increase in the number of meals served, we cannot estimate in the increase in SAE funds.

Schools

FY18 Impact of Start Up Grants = Indeterminate

(Could be \$2,478,000 in FY18 based on October 2016 data)

Indeterminate

Federal revenues from OSPI for meals would increase if the number of meals served increased. OSPI cannot predict the increase in the number of meals served.

Grant Award Revenue = \$100,000 annually

OSPI assumes districts would receive \$100,000 annually in grant funds to carry out the requirements of Section 8(5). This is based on a one-time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Expenditures

State Funded Staff Costs - FY18 = \$116,000, FY19 and ongoing= \$111,000

State Funded Grants to Schools = Indeterminate

(Could be \$2,478,000 in FY18 based on October 2016 data.)

Data System Modification

The cost for OSPI to incorporate the annual collection of information about BAB delivery models into existing data systems would cost approximately \$4,000. (40 hours of development x \$100 per hour)
The cost to modify the current web based caliming system to include BAB is \$2,000. (20 hours of development x \$100 per hour)

Indeterminate Federal Funds

Payment of federal funds to districts will increase an indeterminate amount based on an increase in the number of meals served.

Grant Award Costs = \$100,000 annually

The assumed cost to carry out the requirements of Section 8(5) is \$100,000. This is based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.

Analysis of BAB Programs

OSPI is to assist in providing data to JLARC for analysis of BAB programs. OSPI collects most of the data identified in the bill. The cost to collect the unavailable data from school districts is indeterminate but could be significant due to the number of data points generated by 1.1 million students.

FY18 Impact Start Up Grants = Indeterminate

(Expenditures for the one-time start up grants could be \$2,478,000 in FY18 based on October 2016 data.)

Indeterminate School District Expenditures

BAB costs will be indeterminate as we cannot predict the model that will be chosen by schools.
Total meal costs are indeterminate. We assume the total number of meals served will increase, but cannot estimate the increase.

Grant Award Costs = \$100,000 annually

The assumed cost to carry out the requirements of Section 8(5) is \$100,000. This is based on a one time appropriation in the 2016 budget, section 513(19) of ESSB 6052 for a similar program.