

Multiple Agency Fiscal Note Summary

Bill Number: 2660 E S HB	Title: School meals at no cost
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Estimated Cash Receipts

NONE

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
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 Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Superintendent of Public Instruction	.3	57,471	57,471	.5	109,276	109,276	.5	109,276	109,276
Superintendent of Public Instruction	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0.3	57,471	57,471	0.5	109,276	109,276	0.5	109,276	109,276

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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 Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Superintendent of Public Instruction	Non-zero but indeterminate cost and/or savings. Please see discussion.								
School District Fiscal Note - SPI	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Superintendent of Public Instruction	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Cynthia Hollimon, OFM	Phone: (360) 902-0562	Date Published: Final 2/25/2020
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Individual State Agency Fiscal Note

Bill Number: 2660 E S HB	Title: School meals at no cost	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.5	0.3	0.5	0.5
Account					
General Fund-State 001-1	0	57,471	57,471	109,276	109,276
Total \$	0	57,471	57,471	109,276	109,276

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Ailey Kato	Phone: 786-7434	Date: 02/19/2020
Agency Preparation: Jami Marcott	Phone: (360) 725-6230	Date: 02/25/2020
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 02/25/2020
OFM Review: Cynthia Hollimon	Phone: (360) 902-0562	Date: 02/25/2020

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 ESHB 2660 compared to SHB 2660:

Section 3(2) is added; Schools that, through an arrangement with a local entity, provide meals to all students and at no costs to the students are exempt from the requirements of this section.

Summary:

Section 1 cites this as the hunger-free schools act.

Section 2 works to increase the number of schools participating in CEP. OSPI must examine the impacts participation has on individual schools and school districts and identify approaches to addressing those impacts.

Section 3 requires each school with students in or below grade eight that has an ISP of at least 62.5%, as determined annually by April 1st, to participate in CEP in the subsequent school year and throughout the four-year cycle. Section 3(2) adds an exemption to this requirement for schools that, through an arrangement with a local entity, provide meals to all students and at no costs to the students.

Section 4 adds a district's CEP participation as part of the funding formula for LAP.

Section 5 includes a district's CEP participation in the criteria for which a National Board certified teacher may receive an additional bonus for teaching in a high poverty school.

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.

No impact to cash receipts.

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.

For purposes of this fiscal note, OSPI assumes the mandate in Section 3 to begin in the 2021-22 school year. Given the lack of an effective date in the bill, the bill would become law 90 days after the adjournment of the legislative session. The mandate would then take effect in June. This is already past the April 1st deadline to notify impacted schools of the participation requirement. This would not give schools enough time to meet the June 30th application deadline to the USDA for CEP participation in the 2020-21 school year.

Additional staff would be needed to assist with compiling data to determine CEP mandated schools and validating new CEP schools as required by the USDA. A full time Fiscal Analyst 2 would be needed for up to 6 months each year to assist with the additional workload. The cost is \$47,200 in FY21 and \$44,700 annually thereafter.

There would be training and technical assistance costs to support the schools and school districts that would be required to participate in CEP. OSPI anticipates the need for five trainings per year for the new CEP participants at an estimated cost \$4,500 per year. Travel for ten site visits per year to provide technical assistance to new CEP schools would cost an estimated \$4,000 per year.

HB 2610, Laws of 2018 c 271 s 6, sought to increase school district participation in CEP to the national average. Funding was provided for OSPI to identify and recruit eligible schools, provide comprehensive outreach and technical assistance, support Breakfast after the Bell programs, and work with school districts to group schools in order to maximize the number of schools implementing CEP. SHB 2660 requires schools with grade eight and below that have an ISP of at least 62.5% to participate in CEP. It also requires these schools be identified by April 1st of each year for participation in the subsequent school year. This mandate will require OSPI to evaluate all schools in Washington not currently participating in CEP to determine their eligibility. Schools that meet the new mandate must then apply to CEP and be validated by OSPI. This work must be completed between April 1st and the beginning of the following school year. Training and technical assistance must be provided to these schools in this timeframe as well. Current ongoing funding supports 1.0 FTE to do this work. Additional staff is needed to meet the timeframe of this mandate between April and September each year. Additional funding would be needed for training and technical assistance as this mandate will increase the number of schools that need support and site visits.

Sections 4 and 5 have an indeterminant non-zero cost impact. Funding impacts in these sections are contingent upon future fluctuations in school or district level poverty percentages. OSPI cannot reasonably project poverty percentages and the impact of a school or district's participation in the community eligibility provision program.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	57,471	57,471	109,276	109,276
Total \$			0	57,471	57,471	109,276	109,276

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.5	0.3	0.5	0.5
A-Salaries and Wages		27,054	27,054	54,108	54,108
B-Employee Benefits		17,917	17,917	35,168	35,168
C-Professional Service Contracts					
E-Goods and Other Services		3,000	3,000	6,000	6,000
G-Travel		7,000	7,000	14,000	14,000
J-Capital Outlays		2,500	2,500		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	57,471	57,471	109,276	109,276

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Fiscal Analyst	52,536		0.5	0.3	0.5	0.5
Total FTEs			0.5	0.3	0.5	0.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Non-zero but indeterminate cost and/or savings. Please see discussion.

OSPI anticipates this bill would result in a significant increase in the number of meals served to students. An increase in meals served could cause schools to need additional refrigerator/freezer space, additional kitchen space to prepare meals, and additional cafeteria space to serve these students, especially at the high school level. The cost is indeterminate as OSPI does not have a way to predict the needs of individual schools.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2660 E S HB	Title: School meals at no cost	Agency: 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 and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. 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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Ailey Kato	Phone: 786-7434	Date: 02/19/2020
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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 ESHB 2660 compared to previous version:

Section 3(2) is added; Schools that, through an arrangement with a local entity, provide meals to all students and at no costs to the students are exempt from the requirements of this section.

Summary:

Section 1 cites this as the hunger-free schools act.

Section 2 works to increase the number of schools participating in CEP. OSPI must examine the impacts participation has on individual schools and school districts and identify approaches to addressing those impacts.

Section 3 requires each school with students in or below grade eight that has an ISP of at least 62.5%, as determined annually by April 1st, to participate in CEP in the subsequent school year and throughout the four-year cycle. Section 3(2) adds an exemption to this requirement for schools that, through an arrangement with a local entity, provide meals to all students and at no costs to the students.

Section 4 adds a district's CEP participation as part of the funding formula for LAP.

Section 5 includes a district's CEP participation in the criteria for which a National Board certified teacher may receive an additional bonus for teaching in a high poverty school.

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.

Federal revenue would increase if more schools participate in CEP. The impact is indeterminate as it is unknown at this time how many more schools would benefit from CEP participation.

Sections 4 and 5 have an indeterminant non-zero fiscal impact. Funding impacts in these sections are contingent upon future fluctuations in school or district level poverty percentages. OSPI cannot reasonably project poverty percentages and the impact of a school or district's participation in the community eligibility provision program.

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.

For purposes of this fiscal note, OSPI assumes the mandate in Section 3 to begin in the 2021-22 school year. Given the lack of an effective date in the bill, the bill would become law 90 days after the adjournment of the legislative session. The mandate would then take effect in June. This is already past the April 1st deadline to notify impacted schools of the participation requirement. This would not give schools enough time to meet the

June 30th application deadline to the USDA for CEP participation in the 2020-21 school year.

The cost for schools to increase their participation in CEP is indeterminate. OSPI does not have a method of identifying which schools or school districts will need additional staffing resulting from the increased participation and training requirements. There is no way to predict if schools will need additional facilities or equipment to accommodate the unknown increase in student meals.

Sections 4 and 5 have an indeterminant non-zero cost impact. Funding impacts in these sections are contingent upon future fluctuations in school or district level poverty percentages. OSPI cannot reasonably project poverty percentages and the impact of a school or district's participation in the community eligibility provision program.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required