

Multiple Agency Fiscal Note Summary

Bill Number: 1238 HB	Title: Free school meals
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Superintendent of Public Instruction	1.1	197,148,000	197,148,000	197,148,000	1.0	197,054,000	197,054,000	197,054,000	1.0	197,054,000	197,054,000	197,054,000
Total \$	1.1	197,148,000	197,148,000	197,148,000	1.0	197,054,000	197,054,000	197,054,000	1.0	197,054,000	197,054,000	197,054,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary
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Individual State Agency Fiscal Note

Bill Number: 1238 HB	Title: Free school meals	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.0	1.1	1.0	1.0
Account					
General Fund-State 001-1	98,613,000	98,535,000	197,148,000	197,054,000	197,054,000
Total \$	98,613,000	98,535,000	197,148,000	197,054,000	197,054,000

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:

- 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: Ethan Moreno	Phone: 360-786-7386	Date: 01/19/2023
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Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 01/30/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/30/2023

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec. 101 – New

The intent of this bill is to provide breakfast and lunch to all requesting students, without charge, and to include these meals as part of the state's statutory program of basic education by implementing Article IX, section 1 of the state Constitution. The legislature intends to do this without adversely impacting programs that use free and reduced-price meal eligibility information for determining program eligibility, the distribution of financial resources, or both.

Sec. 102 – Amended

(2)(f) Language is added to include free meals as part of basic education, as defined in section 103 of this act.

Sec. 103 – New

(1) Beginning SY 23-24, each public school shall provide one free breakfast and one free lunch during each school day to any student who requests a meal. These meals must comply with United States Department of Agriculture (USDA) National School Lunch Program (NSLP) and School Breakfast Program standards.

(2) The Office of Superintendent of Public Instruction (OSPI) shall reimburse Local Education Agencies (LEA) that participate in the NSLP and the School Breakfast Program on a per-meal reimbursement basis for meals that are not already reimbursed at the USDA's free rate. The additional state reimbursement amount must be the difference between the USDA's free rate and the USDA's paid rate.

(3) Until 25-26 SY, OSPI may exempt schools from the requirements of this section under RCW 28A.235.160.

(4) To maximize federal funding, districts must continue collecting meal applications where applicable and run direct certification at least monthly. Districts must also monitor data for Community Eligibility Provision (CEP) eligibility and apply when eligible as required in RCW 28A.235.300.

(5) Provides definitions for "public school," "school breakfast program," and "school lunch program."

(6) This law applies to charter schools and state-tribal education compact schools in the same way as district schools.

(7) OSPI shall adopt and periodically revise rules to implement the section.

Sec. 104 – Amended

(1)(b) Strikes definition of "lunch copay."

(1)(c) Previously defined by OSPI, this subsection redefines "school lunch program" by the requirements of 42 U.S.C. Sec. 1751.

(2) Current statute requires school districts to implement school lunch programs in public schools serving K-4th grade students in which 25% or more students qualify for free or reduced-price lunch. The eligibility language is removed and now requires all school districts to implement school lunch and breakfast programs regardless of how many students qualify for free or reduced-price meals. Beginning with the 2023-24 school year, all meals must be served to all students at no charge. School districts are no longer required distribute and collect free or reduced-price meal applications. As all schools would now be required to implement breakfast and lunch programs, language is modified or removed that pertains to districts that only have to serve eligible students.

(3) Language is removed allowing waivers for school districts to be exempt from serving meals during summer academic,

enrichment, or remedial services programs.

(4) This section modifies the terms in which schools not offering breakfast or lunch programs can still meet the meal service requirements. Language is stricken that states school lunch, breakfast, or summer nutrition programs are not included in basic education under Article IX of the state Constitution. Language is stricken that requires districts to eliminate lunch copays for students in preK-12th grade who qualify for reduced-price lunches.

(6) School districts may be exempted from the requirements of this section or until school year 2025-26, section 103 of this act by showing good cause why they cannot comply, as long as the exemption does not conflict with federal or state law. OSPI must develop rules and revise, if necessary, with consultation from school directors, food service, community-based organizations, and a state organization of parents and teachers.

Sec. 201 – Amended

(1)(a) Stipulates that all districts not excluded in subsection (2) and that participate in NSLP, School Breakfast Program, or both, must annually distribute and collect applications to all students to determine if students meet federal eligibility for free/reduced-price meals.

Sec. 202 – Amended

Removes language limiting free meals to only those students who qualify for free & reduced-price meals. Removes previous language outlining specific administrative work related to meal debt and managing meal balances.

Sec. 203 – Amended

(1)(a)-(b) Current statute requires OSPI to oversee a statewide electronic repository of household income information that is required for a student's enrollment in NSLP, the School Breakfast Program, or both. Language is removed that references free and reduced-price lunches.

(5) For purposes of this section, "school breakfast program" and "school lunch program" have the same meaning as in RCW 28A.235.160.

Sec. 204 – Amended

(1)(b)(i) Replaces eligibility language with federal eligibility requirements.

Sec. 205 – Amended

(3)(a) Current statute requires institutions of higher education to make fee waivers available for low-income running start students. A student shall be considered eligible for the waiver if the student is qualified to receive free or reduced-price lunch. The language now clarifies the student must meet federal eligibility requirements.

Sec. 301 – Amended

(10)(a)(iii-iv) For the 2024-2025 and 2025-26 school years, section 301(10)(a)(iii-iv) allows schools which are not participating in CEP to base their Learning Assistance Program (LAP) calculation on the school percentage of free and reduced-price meals in school years 2019-20 through 2022-23, or the prior school year, whichever is greatest.

Sec. 302 – Amended

(10)(a)(iii-iv) For the 2024-2025 and 2025-26 school years, section 301(10)(a)(iii-iv) allows schools which are not participating in CEP to base their Learning Assistance Program (LAP) calculation on the school percentage of free and reduced-price meals in school years 2019-20 through 2022-23, or the prior school year, whichever is greatest.

Sec. 303 – Amended

(2)(c) For the 2024-25 and 2025-26 school years, individuals are eligible for bonuses under this subsection if they are in an instructional assignment in a high poverty school during the 2022-23 school year.

Sec. 304 – New

(1) OSPI will convene a work group by September 1, 2023, to:

- (a) Identify and examine actual and potential impacts to education programs funded by the state resulting from the free meals program; and
- (b) recommend actions for avoiding or mitigating impacts of section (a) of this subsection (1).

(2) The workgroup, at minimum, must include representatives of school districts and persons with relevant expertise in state-funded education programs.

(3) OSPI must provide support staff for the work group.

(4) Work group shall meet at least monthly and provide a report of findings and recommendations to the Education and Fiscal Committees of the House of Representatives by June 30, 2024.

(5) This section expires August 31, 2024.

Sec. 401 – New

(1) Repeals RCW 28A.235.140 (school breakfast programs) and 1993 c 333 s 1 and 1989 c 239 s 2.

(2) Repeals RCW 28A.235.260 (free or reduced-price meals student assistance) and 2018 271 s 3.

Sec. 402 – New

Section 301 expires September 1, 2024.

Sec. 403 – New

Section 302 takes effect September 1, 2024.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 103(1) requires one-time funding to update the Washington Integrated Nutrition System (WINS), OSPI's child nutrition data system. The estimated cost to accomplish this work is \$34,000 in FY24.

Section 103(2) OSPI calculated the cost of this bill by taking the predicted total of breakfasts and lunches served per non-CEP school per year. Each was multiplied by the difference between the price of the meal and the reimbursement rate from USDA. The estimated cost to implement this section of the bill is \$98,383,000 beginning in FY24 and annually thereafter.

Section 103(3) will require a 1.0 FTE Administrative Program Specialist 2 to provide technical assistance to support implementation of sections 103(3), 103(7), 104(6), 203(1)(a)-(b), and 304. The estimated cost to hire this position is \$156,000 in FY24 and \$144,000 annually thereafter.

Section 103(7) directs OSPI to adopt and periodically revise rules to implement the section. OSPI projects that the Executive Director of Child Nutrition will contribute 17 hours, an Executive Assistant will contribute 21 hours, and a Rules

Coordinator will contribute 75 hours to the rulemaking process for reviewing and approval. The total estimated cost to accomplish this work is \$10,000 in FY24.

Section 104(6) directs OSPI to adopt and periodically revise rules to implement the section. OSPI projects that the Executive Director of Child Nutrition will contribute 17 hours, an Executive Assistant will contribute 21 hours, and a Rules Coordinator will contribute 75 hours to the rulemaking process for reviewing and approval. The total estimated cost to accomplish this work is \$10,000 in FY24.

Sections 301 - 303, the LAP program, Hi-Poverty LAP program, and the national board high-poverty bonus program, OSPI estimates there will be no additional cost to implement this bill. OSPI assumes the hold harmless language in the bill for school year 2024-25 & school year 2025-26 will maintain funding at current maintenance levels.

Section 304(1), OSPI assumes cross-collaboration efforts will be needed to address potential impacts to education programs. OSPI projects 12 virtual meetings will be needed in FY24 and 2 meetings in FY25 to address implementation. The projected cost to accomplish this work is \$9,000 FY24 and \$3,000 in FY25 for staff participation in the workgroup.

Section 304(2) would require the Executive Director of Child Nutrition to contribute 60 hours in FY24 and 20 hours in FY25 to work group participation. OSPI estimates the cost to be \$7,000 in FY24 and \$3,000 in FY25. OSPI assumes workgroup meetings will be held virtually to allow statewide participation of school district personnel.

Section 304(3) would require the Executive Assistant to contribute 60 hours in FY24 and 20 hours in FY25 to support the work group. OSPI estimates the cost to be \$4,000 in FY24 and \$2,000 in FY25.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	98,613,000	98,535,000	197,148,000	197,054,000	197,054,000
Total \$			98,613,000	98,535,000	197,148,000	197,054,000	197,054,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.0	1.1	1.0	1.0
A-Salaries and Wages	107,000	89,000	196,000	170,000	170,000
B-Employee Benefits	59,000	49,000	108,000	90,000	90,000
C-Professional Service Contracts	34,000		34,000		
E-Goods and Other Services	8,000	7,000	15,000	14,000	14,000
G-Travel	8,000	7,000	15,000	14,000	14,000
J-Capital Outlays	14,000		14,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	98,383,000	98,383,000	196,766,000	196,766,000	196,766,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	98,613,000	98,535,000	197,148,000	197,054,000	197,054,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Program Specialist 2	85,020	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	146,268	0.0	0.0	0.0		
Chief Nutrition Officer	146,268	0.0	0.0	0.0		
Executive Assistant	67,512	0.1	0.0	0.0		
Rules Coordinator	85,020	0.1		0.0		
Total FTEs		1.2	1.0	1.1	1.0	1.0

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No capital budget impact.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.