

Multiple Agency Fiscal Note Summary

Bill Number: 1238 E 2S 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	1.0	23,828,000	23,828,000	23,828,000	1.0	32,374,000	32,374,000	32,374,000	1.0	32,374,000	32,374,000	32,374,000
Superintendent of Public Instruction	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	1.0	23,828,000	23,828,000	23,828,000	1.0	32,374,000	32,374,000	32,374,000	1.0	32,374,000	32,374,000	32,374,000

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 4/ 3/2023
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Individual State Agency Fiscal Note

Bill Number: 1238 E 2S 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	1.1	1.0	1.1	1.0	1.0
Account					
General Fund-State 001-1	7,641,000	16,187,000	23,828,000	32,374,000	32,374,000
Total \$	7,641,000	16,187,000	23,828,000	32,374,000	32,374,000

In addition to the estimates above, there are additional indeterminate costs 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.

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.

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Agency Approval: Amy Kollar	Phone: 360 725-6420	Date: 04/02/2023
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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.

Differences from 2SHB 1238 compared to E2SHB 1238:

- Section 2(2) has additional language which requires OSPI to reimburse school districts which are not participating in school lunch or breakfast programs, but which do provide meals to students in the 2023-2024 school year. The reimbursement will be at a rate equivalent to the per-meal reimbursement they would have received if they had been participating.
- Inserts a new section 3, encouraging school districts to buy Washington produced food whenever practicable and when the cost is comparable to food produced outside of the state. The numbering for the remaining sections has been adjusted for this insertion.

E2SHB 1238 Detail:

Section 1 (New) - Summarizes the intent of the bill as follows:

- (1) The Legislature acknowledges that adequate childhood nutrition is critical for proper development, but that many Washington families face economic and other challenges that impact students' ability to consistently access nutritional meals.
- (2) The legislature acknowledged the harms of childhood hunger by enacting legislation in 2018, 2021, and in 2022 to combat it.
- (3) These efforts and others have increased student access to free meals, but food insecurity remains a reality for too many children and families.
- (4) The legislature recognizes that COVID-19 uniquely impacts schools districts and food delivery systems. Despite this, schools demonstrated the ability to provide meals without charge to all requesting students. However, federal provisions permitting free meals to be served to all students have expired. The State
- (5) The legislature recognizes that the state and school districts have the infrastructure and ability to address childhood hunger. The legislature intends to continue its effort to eliminate hunger and food insecurity within public schools by expanding the provision of meals without charge to the state's youngest K-12 students.

Section 2 - Adds a new section to chapter 28A.235 RCW.

- (1)(a) In accordance with (b) and (c), beginning in 2023-24 school year, each school district shall provide breakfast and lunch each school day to any student who requests one or both. The school district must provide the meals at no charge to the student and without consideration of the student's eligibility for a federal free or reduced-price meal. These meals must be nutritiously adequate and qualify for federal reimbursement under the national school lunch or breakfast programs. Students are not eligible for more than one meal in a meal service period.
- (1)(b) The requirements of this subsection apply to public schools which:
 - (1)(b)(i) Educational services are provided to students in any of the grades of kindergarten through four; and
 - (1)(b)(ii) 30% or more of enrolled students meet federal eligibility requirements for free or reduced-price lunches.
- (1)(c) The obligation to provide breakfast and lunch to students under section 2(1)
 - (1)(c)(i) begins in 2023-24 school year for schools in which 40% or more of enrolled students are eligible for free or reduced-price lunches.
 - (1)(c)(ii) begins in the 2024-2025 school year for schools in which at least 30% but less than 40% of enrolled students are eligible for free or reduced-price lunches.
 - (1)(c)(iii) Does not apply to schools participating in USDA's community eligibility provision that have not completed the duration of the provision's four-year cycle.

- (2) OSPI shall reimburse school districts subject to the requirements of subsection (1) of this section, on a per meal

reimbursement basis for meals that are not reimbursed at the USDA's free rate. Additional state reimbursement amount must be the difference between the USDA free rate and the USDA paid rate.

(3) School districts, in accordance with RCW 28A.235.160, may be exempt from the requirements of this section

(4) School districts must continue collecting free and reduced-price meal eligibility applications and run direct certification at least monthly in accordance with RCW28A.235.280. They must also annually monitor data for eligibility in the USDA CEP and apply where eligible.

(5) Defines:

(5)(a) "Public school"

(5)(b) "School breakfast program"

(5)(c) "School lunch program"

(6) "This section governs school operation and management. It also applies to charter schools and state tribal education compact schools in the same way it applies to school districts."

Section 3 (New) – a new section is added to chapter 28A.235 RCW which encourages schools to use Washington produced food products when practicable and the cost is comparable to using food produced outside of the state.

Section 4 - Amends RCW 28A.235.160 and 2021 c 74.

(1)(d) Defines school lunch program as a meal which meets requirements in Title 42 U.S.C. Sec. 1751 et seq.

(2) Adds the new requirements from section 2, requiring school districts to implement school lunch programs in each public school.

(3) Adds the requirements that school districts, subject to the availability of amounts appropriated, beginning in the 2024-25 school year, implement a breakfast program in each school providing meals at no charge to students under section 2 of this act.

(4) adds "meet federal eligibility requirements" to the language in subsection (4)

(9) Schools may be exempted from section 2 of this act by showing good cause why they cannot comply with OSPI's instruction if such exemption is not in conflict with federal or state law. OSPI must develop and, if necessary, revise rules which govern the criteria and process by which districts can receive such an exemption. These rules will be developed in consultation with representatives of school districts, school food service, community-based organizations, and a state organization of parents and teachers.

Section 5 – Amends RCW 28A.150.260 and 2022 c 109 s 3

(10)(a)(i) adds "except as provided in (a)(iii) of this subsection."

(10)(a)(ii) adds "except as provided in (a)(iv) of this subsection."

(10)(a)(iii-iv) For the 2024-2025 and 2025-26 school years, section 5(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.

Section 6 – amends RCW 28A.150.260 and 2022 c 109 s 4

(10)(a)(i) adds "except as provided in (a)(iii) of this subsection."

(10)(a)(ii) adds "except as provided in (a)(iv) of this subsection."

(10)(a)(iii-iv) For the 2024-2025 and 2025-26 school years, section 6(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.

Section 7 – Amends RCW 28A.405.415 and 2020 c 288 s 5

(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.

Section 8 (New) - Repeals RCW 28A.235.140 and 1993 c 333 s 1 & 1989 c 239 s 2

Section 9 (New) - Nullifies this act if funding is not provided by June 30, 2023, in the omnibus appropriations act.

Section 10 (New) - Section 5 of this act expires September 1, 2024

Section 11 (New) - Section 6 of this act 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 impact to cash receipts.

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 2(1-3) requires one-time funding to update the Washington Integrated Nutrition System (WINS), OSPI’s child nutrition data system. Additionally, the new language in section 2(2) will require further WINS updates to capture meal data from schools which meet section 2(1) criteria but do not participate in federal meals programs. The estimated cost to accomplish this work is \$50,000 in FY24.

Section 2(2) requires OSPI to reimburse schools, subject to the requirements of section 2(1), for meals which are not already reimbursed at the United States Department of Agriculture's free rate. Schools which participate in USDA lunch and breakfast programs report data on meals served to OSPI. OSPI multiplied these schools' total projected meals by the difference between the USDA paid rate and the USDA free rate, or \$2.17 for breakfast and \$3.56 for lunch. The estimated cost to reimburse these schools for lunch and breakfast is \$7,425,000 in FY24 and \$16,043,000 annually thereafter.

This section also includes reimbursements to school districts which do not participate in federal meal programs. These schools do not report meal data to OSPI. Without this data, OSPI cannot project the number of meals to be served in the 2023-2024 school year or the cost of those meals. Therefore, the cost impact of this section is partially indeterminate.

Section 2(3) will require a 1.0 FTE administrative Program Specialist 2 to provide technical assistance to support implementation of sections 2(1)(a),2(3), 4(9). The estimated cost to hire this position is \$156,000 in FY24 and \$144,000 annually thereafter.

Section 2(3) and 4(9) directs OSPI to develop rules to implement language allowing exemptions from the requirements of this bill. 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 5(10)(a)(i-iii), section 6(10)(a)(i-iii), and section 7(c) - 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.

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	7,641,000	16,187,000	23,828,000	32,374,000	32,374,000
Total \$			7,641,000	16,187,000	23,828,000	32,374,000	32,374,000

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.0	1.1	1.0	1.0
A-Salaries and Wages	90,000	85,000	175,000	170,000	170,000
B-Employee Benefits	50,000	45,000	95,000	90,000	90,000
C-Professional Service Contracts	50,000		50,000		
E-Goods and Other Services	7,000	7,000	14,000	14,000	14,000
G-Travel	7,000	7,000	14,000	14,000	14,000
J-Capital Outlays	12,000		12,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	7,425,000	16,043,000	23,468,000	32,086,000	32,086,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	7,641,000	16,187,000	23,828,000	32,374,000	32,374,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 4	60,156	0.0		0.0		
Administrative Program Specialist 2	85,020	1.1	1.0	1.0	1.0	1.0
Assistant Superintendent	146,268	0.0		0.0		
Total FTEs		1.1	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 to OSPI.

Part V: New Rule Making Required

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

Section 2(3) and 4(9) require OSPI to develop rules to implement language allowing exemptions from the requirements of this bill.