

PREPARED BY: Sandy Sostad  
 DATE PREPARED: February 13, 2019  
 PHONE: 471-0054

**LB 728**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 728 requires the State Department of Education (NDE) to promote practices to prevent and reduce student debt for school lunches and breakfasts and to create and disseminate a uniform meal charge policy, on or before January 1, 2020, that school districts may implement. The bill prescribes that the meal policy contain certain provisions regarding the provision of meals to students, addressing outstanding debt for school meals with parents, encouraging parents to apply for free or reduced priced meals if eligible, and evaluating unpaid school meal collection policies.

NDE indicates it will use existing staff and resources to create/write, disseminate and train school district personnel on the new meal charge policy that the department is required to develop pursuant to the bill. NDE indicates that in some instances school districts which opt to implement the meal policy as prescribed by the bill may incur additional costs for unpaid meals and collection efforts.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	728	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY:	Gary Bush	DATE:	02/14/19      PHONE: (402) 471-4161
COMMENTS: Unable to provide a comment on the costs to the Dept. of Education as no estimate was provided.			

Please complete ALL (5) blanks in the first three lines.

**2019**

**LB<sup>(1)</sup> 728**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Education

Prepared by: <sup>(3)</sup> Sharon Davis Date Prepared: <sup>(4)</sup> 4/11/2019 Phone: <sup>(5)</sup> 402-471-3559

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

The hours used to estimate time for a staff member to create, disseminate, and train on the new meal charge policy is as follows: Create/write policy (24 hours); Legal review (8 hours); Summer training workshops (60 hours); Create & post online/digital training (10 hours); Dissemination through newsletter/web page (3 hours). This work would be done by existing staff.

The requirement to serve each student a reimbursable meal regardless of whether the student can immediately pay for the meal or has accrued debt has potential to create larger unpaid meal debt for schools. To continue providing students with school meals that are both nutritionally sound and appealing, the Districts need assurance that adequate funding is available to meet these goals. The meal provided to the student would need to be accounted for by either charging the student's account or the district's general fund. Collection efforts, both in food service and administrative staff time, represent additional cost. Contacting families through letters, automated phone calls, text messages, and emails to request payment of unpaid charges or to encourage submission of an application for free or reduced meals is time-consuming and further contributes to the financial burden for the school food service. Bad debt resulting from unpaid meal charges may not be absorbed by the non-profit school food service account, and must be restored using non-Federal funds.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

