



Colorado
Legislative
Council
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HB16-1463

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0692
Prime Sponsor(s): Rep. Moreno; Joshi
Sen. Kerr; Hill

Date: May 4, 2016
Bill Status: House Education
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: BREAKFAST AFTER THE BELL AUTHORITY TO CHARGE

Summary of Legislation

Under current law, public schools with at least 70 percent of students eligible for free or reduced-cost lunch must offer free breakfast to each student in the school. The bill allows those schools with between 70 and 80 percent of students eligible for free or reduced-cost lunch to charge students who are not eligible for free or reduced-cost lunch for breakfast, beginning in the 2016-2017 school year. Schools that charge students for breakfast may not do so in a way that creates a distinction between a student who is charged for breakfast and a student who receives a free breakfast.

Background

Eligible schools receive federal and state reimbursement for breakfasts and lunches provided based on three categories: free lunch, reduced-cost lunch, and paid lunch. Under the federal National School Lunch Program, eligible schools with at least 40 percent free and reduced-cost lunch eligible students currently receive \$1.99 per free breakfast provided, \$1.69 for each reduced-price breakfast and \$0.29 for each paid breakfast. Schools also receive an additional \$0.30 per reduced-price breakfast in state reimbursement.

In the 2015-16 school year, in schools with between 70 and 80 percent free and reduced-cost lunch eligible students, there are 40,838 students eligible for free lunch, 6,741 eligible for reduced-cost lunch, and 16,095 students who may be charged for breakfast under the bill.

School District Impact

To the extent that the specified schools decide to charge a non-free or reduced-cost eligible student for breakfast, there will be an increase in revenue to the schools beginning in FY 2016-17. The amount of increased revenue will depend on the amount that schools charge and the number of student who purchase breakfast.

Any new revenue would be in addition to the federal reimbursement that schools already receive and would continue to receive under the bill. Because the number of breakfasts provided by schools to students who are not eligible for free or reduced-cost lunch will not change, schools will still receive up to \$807,000 per year in federal reimbursement, assuming 180 school days, a 4 percent absentee rate, 16,095 students, and \$0.29 per breakfast in federal reimbursement.

The bill also increases the workload for school districts to determine whether to charge students, how much to charge, and to notify parents and other stakeholders of any school policy changes. School districts must also determine how students may purchase breakfast without creating a distinction between the students who receive free and reduced-cost breakfast and students who purchase breakfast. The workload increase will begin in FY 2015-16 in preparation for the 2016-17 school year.

Pursuant to Section 22-32-143, C.R.S., school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Education