



**State Fiscal Note for Bill
Number: 2018-H-7283**

Date of State Budget Office Approval:

Date Requested: Friday, February 02, 2018

Date Due: Monday, February 12, 2018

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2018	\$0	FY 2018	\$0
FY 2019	\$269,567 - \$362,327	FY 2019	\$0
FY 2020	\$276,306 - \$371,385	FY 2020	\$0

Explanation by State Budget Office: This act amends RIGL 16-8-10, entitled "Mandatory School Lunch Programs," requiring lunches be provided free of charge to all elementary and secondary students attending public schools.

Comments on Sources of Funds: As written, this bill places the financial responsibility of providing free lunches on the LEA (Local Education Authority) of attendance. Local districts and charter schools are therefore responsible for providing lunch subsidies for attending students. The state is responsible for providing free lunches at each state school (Davies and the Met Center), as well as the Northern, West Bay, East Bay, and Urban Collaboratives.

Summary of Facts and Assumptions: General revenues will be appropriated to each individual state school program, as well as the Education Aid program for each collaborative, all housed within the RI Department of Elementary and Secondary Education (RIDE).

This bill states, "to the extent that federal, state, and other funds are available ... free and reduced price lunches shall be provided to all." Due to the ambiguity of this language, it is the assumption of the Budget Office that the LEA of attendance be the determining factor of financial responsibility, and that providing free lunches will be required. However, the grand total provided in the "Summary of Fiscal Impact" below can be used as the general revenue impact, if the intention of this bill is to have the state be 100 percent financially responsible.

Calculation:

The total cost calculation for all sources of funds (state, local, and charter) is an aggregation of all qualifying schools within each local district, state school/collaboratives, or individual charter school. For example, the total cost for all local districts, is the summation of each individual public district. Below is the calculation done for each individual district, charter school, and state school/collaborative:

$$\text{LEA Cost} = ((\text{FPLE} * \text{FPLC} * \text{Comp\%} * \text{Attend\%}) + (\text{RPLE} * \text{RPLC} * \text{Comp\%} * \text{Attend\%})) * 180$$

Variable Description:

Unit Cost - This variable represents each individual school district, charter school/network, and/or state school/collaborative.

Prepared by:

Storm Lawrence / 4012221153 / storm.lawrence@budget.ri.gov

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FPLE (Full Price Lunch Enrollment) – The total enrollment of students that don't qualify for free or reduced-price lunch. Derived from the Annual Eligibility Report produced by RIDE (October 2017).

FPLC (Full Priced Lunch Cost) - \$2.92 is the estimated cost of a lunch, the current USDA target lunch price.

Comp% (Compliance Percentage) - This variable represents the percentage of eligible students who will participate and receive a free lunch, instead of bringing a lunch from home. This variable is solely responsible for the ranges in the estimates provided. The low-end estimate uses a full-priced compliance percentage of 70.0 percent, while the high-end estimate uses a full-priced compliance percentage of 95.0 percent. The compliance percentage of reduced-priced lunch is 95.0 percent, held constant for all calculations. All percentages were provided by the RIDE.

Attend% (Attendance Percentage) - This variable represents school attendance. This factor is held constant at 94.0 percent.

RPLE (Reduced Price Lunch Enrollment) - The total enrollment of students that qualify for reduced-price lunch. Derived from the Annual Eligibility Report produced by RIDE (October 2017).

RPLC (Reduced Price Lunch Cost) - \$0.40 is the estimated per lunch cost, which represents the non-federally reimbursed portion of school lunches for qualified students. This estimate is the amount a qualified student is expected to pay when purchasing a lunch.

180 - Annualizes the estimate accounting for a 180-day school year.

Other Assumptions:

There is no estimated cost for FY 2018, because the passage of this bill will likely be at the end of the current fiscal/school year. In FY 2020, estimates are increased by an inflationary factor of 2.5 percent. This is consistent with the Budget Office's Five-Year Financial Projection for Education Aid and CPI-U.

*Summary of Fiscal
Impact:*

As discussed above, this bill presents the following impact for state (general revenue), local, and charter school funds:

General Revenue:

FY 2018	\$0
FY 2019	\$269,567 - \$362,327
FY 2020	\$276,306 - \$371,385

Local Districts:

FY 2018	\$0
FY 2019	\$25.1 million - \$33.9 million
FY 2020	\$25.8 million - \$34.8 million

Public Charter Schools:

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Storm Lawrence / 4012221153 / storm.lawrence@budget.ri.gov

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FY 2018 \$0
FY 2019 \$887,920 - \$1.2 million
FY 2020 \$910,118 - \$1.3 million

Total:
FY 2018 \$0
FY 2019 \$26.3 million - \$35.5 million
FY 2020 \$26.9 million - \$36.4 million

Budget Office Signature:

Thomas A. Mullany

Fiscal Advisor Signature:

*See attached
comments*

House Fiscal Advisor Comments H 7283:

As indicated in the fiscal note prepared by the Budget Office, multiple assumptions were required in order to estimate the fiscal impact of H 7283. These assumptions include student participation and daily attendance. Any variance to these assumptions will impact the estimates provided. As noted, the state's obligation to provide free lunches to state schools in FY 2019 could range between \$269,567 and \$362,327, depending on student participation and attendance. The cost of providing free lunch to all public school students, including charter and state schools, could range between \$26.3 million and \$35.5 million in FY 2019.

