



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2180

PRINTER'S NO. 3361

PRIME SPONSOR: Kinkead

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$81,260,000; See fiscal impact	\$1,260,000; See fiscal impact

SUMMARY:

House Bill 2180 relates to school meals and school meal debt.

ANALYSIS:

House Bill 2180 amends Article XIII – Pupils and Attendance – of the Public School Code by making changes to the Nonprofit School Food Program and creating the School Meal Debt Fund.

The bill defines a public school as a school district, intermediate unit, charter school, regional charter school, or an area career and technical school. It removes a provision allowing the Department of Education (PDE) or board of school directors to accept a gift in connection with a school food program.

The bill removes a provision that allows a school to serve a student an “alternative meal” if the student’s unpaid lunch balance exceeds \$75, and it clarifies that alternative meals are a form of stigmatizing a student for having school meal debt, which is prohibited. It requires schools to provide the school meal program meal to any student who requests one, regardless of whether the student has money to pay.

Schools are required to direct communications about money owed for school meals to a student’s parent or guardian rather than the student, and the school is required to share information about social service assistance programs with parents or guardians. Related to school meal debt, schools are not permitted to penalize a student with detention or suspension, deny a student access to curricular or extracurricular activities or graduation, use a collection agency, apply interest, file a lawsuit or criminal charges, or use the nonprofit food service account to pay for student meal debt.

The bill requires the Department of Revenue to collect and share household income information by student with the student’s public school, unless the public school already has a means of obtaining the information. The information shall remain confidential and is to be used to determine eligibility for free or reduced-priced meals or to prioritize school meal debt relief.

The bill aims to help public schools increase their identified student population by establishing an outreach grant under the Department of Human Services. The bill provides a \$1 million annual appropriation for this purpose.

Finally, the bill establishes and appropriates \$80 million to the School Meal Debt Fund to assist public schools with discharging school meal debt associated with the meals served as part of the National School Breakfast Program and National School Lunch Program. In administering these payments, PDE shall give priority to eligible schools under the Community Eligibility Provision with an identified student percentage between 30 and 40 percent and to public schools with a market value / personal income aid ratio above 0.6.

FISCAL IMPACT:

House Bill 2180 contains an \$80 million appropriation from the General Fund to the newly established School Meal Debt Fund for 2024/25. There is also an annual \$1 million appropriation for an outreach grant under the Department of Human Services. It is expected that the Department of Human Services can absorb the costs to administer the outreach grants. The Department of Education indicated that it would need a total of \$260,000 for a grant manager and operational costs to administer the school meal debt discharge grants. The cost to the Department of Revenue related to providing household income data is unknown at this time.

For public schools, the funds provided through the School Meal Debt Fund would provide a revenue source to pay for outstanding debt owed to the public school. Further, the outreach grant could allow the public school to utilize more federal funds for school meals. The requirements for a public school to serve a student a school meal program meal regardless of the student's ability to pay may impose a cost on public schools.

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House Appropriations Committee (D)

DATE: July 1, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.