

February 6, 2025

The Honorable Renee Erickson, Chairperson
Senate Committee on Education
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 123 by Senator Holscher

In accordance with KSA 75-3715a, the following fiscal note concerning SB 123 is respectfully submitted to your committee.

Under current law, school districts are entitled to receive appropriations from the State General Fund of \$0.06 for each meal served under an approved school lunch program each school year. SB 123 would add language to current law that would also entitle school districts to receive \$0.40 for each meal served for reduced-priced school meals. School boards would be prohibited from collecting funds from students participating in the reduced-price school meals program.

According to the Department of Education, the following data represents reduced-price meals during the last two school years:

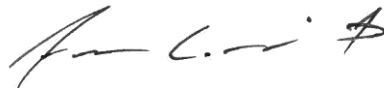
Reduced-Price Meals Served & Cost

<u>FY 2023</u>	<u>Number</u>	<u>Cost</u>	<u>Total</u>
Reduced-Price Breakfasts	1,633,556	\$0.30	\$ 490,067
Reduced-Price Lunches	<u>3,755,854</u>	0.40	<u>1,502,342</u>
Total	5,389,410		\$1,992,409
 <u>FY 2024</u>	 <u>Number</u>	 <u>Cost</u>	 <u>Total</u>
Reduced-Price Breakfasts	1,348,321	\$0.30	\$ 404,496
Reduced-Price Lunches	<u>3,161,671</u>	0.40	<u>1,264,668</u>
Total	4,509,992		\$1,669,164

Based upon the above data and that the removal of the required copay for reduced-price meals, the number of students and meals served would likely increase. The Department notes that during the COVID-19 pandemic, the number of meals increased over 50.0 percent when all students were served at no charge to the student. The Department estimates that a FY 2026 appropriation totaling \$3.0 million from the State General Fund would likely cover all students under the provisions of the bill with these assumptions. Future costs would be approximately \$3.0 million each year.

The Division of the Budget notes that the Governor's FY 2026 budget recommendations include expenditures totaling \$5.5 million for covering reduced-price meals at no cost to the student. The discrepancy in the cost between the Governor's recommendation and the Department's estimate is attributed to different estimates in the projected growth in the amount of meals taken by students should the policy be enacted. However, the policy would be the same to cover the same at-risk student's reduced-price meals at no cost to the student.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Gabrielle Hull, Department of Education
Angie Stallbaumer, Kansas Association of School Boards