

January 29, 2026

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

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 387 by Senate Committee on Government Efficiency

In accordance with KSA 75-3715a, the following fiscal note concerning SB 387 is respectfully submitted to your committee.

SB 387 would require each school district to verify the student's household gross earned income for each student who is qualified for free meals under the federal National School Lunch Program based upon written evidence. The provision would not apply to students who qualified for free meals under the National School Lunch Program by direct certification, which is a mandatory process where school districts use data from federal assistance programs to automatically enroll students for free meals. If any other law, either federal or state, would prohibit this verification, the school district would not be required to verify the qualification for free meals.

The bill would require that after July 1, 2026, no school district could seek or implement any authorization from the federal government to receive special assistance payments in the federal community eligibility provision of the National School Lunch Program, unless the Legislature would expressly consent and would approve of the authorization by an act of the Legislature. However, when the Legislature is not in session, a school district could get authorization from the Legislative Coordinating Council (LCC). The LCC would have to meet within 14 calendar days of receiving a request. The LCC could approve, deny, or refer a request to a legislative committee for review and recommendation.

According to the Department of Education, the requirement for school districts to verify each student who is qualified for free meals under the National School Lunch Program would be in violation of federal regulations (Code of Federal Regulations, Title 7 § 245.6a). However, if school districts were required to increase the number of applications for review from the current levels (the lesser of 3.0 percent applications or 3,000 applications) to 100.0 percent, the main cost to districts would be the additional review time of applications. The Department estimates that local school districts would incur approximately 15,000 additional hours of staff review time that would average approximately \$20 per hour (including fringe benefits), or an approximate additional cost of \$300,000 (\$20/hour X 15,000 hours = \$300,000). The Department would request an appropriation from the State General Fund in FY 2027 for these additional school district costs if SB 387 would be enacted.

The agency notes that school districts would not be able to use federal school nutrition funds to comply with provisions of the bill, as this would be an additional requirement put in place by the state that would be beyond the requirements for the use of federal funds. The Department indicates that the school districts' costs would not be uniform across the state, as some school districts currently employ full-time staff for this requirement and others utilize staff with shared duties.

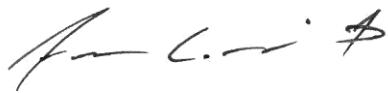
In addition, the Department notes that if school districts and the state were to be found out of compliance with federal regulations outlining allowable eligibility verification (the lesser of 3.0 percent of applications, or 3,000 applications), the state could be in jeopardy of losing approximately \$250.0 million in federal school nutrition funds each year.

Legislative Administrative Services (LAS) indicates that the enactment of the bill could increase costs for the Legislative Coordinating Council, depending on the number of LCC meetings that would be required to review applications from school districts. LAS notes that the current budget that was submitted to the Legislature for FY 2027 would cover one to two meetings outside of the regularly scheduled LCC meetings. However, the number of additional meetings that would be required by the enactment of the bill cannot be estimated. Any fiscal effect associated with SB 387 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of School Boards indicates that the bill would require additional administrative costs for school districts to comply with the provisions to verify each student who is qualified for free meals. School districts currently do not collect social security numbers or income information of parents. Collecting this type of information could lead to a reduction in free lunch applications, which would result in a reduction of eligible federal lunch program funds that could be drawn down. Also, with school districts compiling sensitive personal information, there would be increased costs for districts to safeguard the personal information collected, along with additional cybersecurity insurance costs. Although a fiscal effect cannot be estimated, the Association notes that school districts would likely seek state and local funding support for any federal funds that would be lost because of the enactment of SB 387.

The Division of the Budget notes that for school districts that have previously utilized the community eligibility provision, students could pay more for meals if the districts are not given consent to use this community eligibility option in FY 2027, or subsequent school years, by the Legislature or the LCC, if SB 387 would be enacted.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Tom Day, Legislative Services
Gabrielle Hull, Department of Education
Angie Stallbaumer, Kansas Association of School Boards