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## FISCAL IMPACT REPORT

ORIGINAL DATE  
LAST UPDATED \_\_\_\_\_ HB 59 \_\_\_\_\_

SPONSOR Begaye

SHORT TITLE School Meal Program Appropriation SB \_\_\_\_\_

ANALYST Chabot

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$600.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$600.0	\$612.0	\$1,212.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 59 appropriates \$600 thousand from the general fund to Human Services Department (HSD) for the purpose of delivering commodities for school meal programs to elementary and secondary schools statewide.

### FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund. Per LFC letter dated January 16, 2012, appropriations for human services will grow approximately 2 percent per year through FY 15.

**SIGNIFICANT ISSUES**

HSD administers the United States Department of Agriculture (USDA) for schools and receives approximately \$9 million worth of commodity food for distribution for schools each year. No administrative funds are provided by USDA and since 2008, there have been no funds for this purpose either from the PED or other federal sources. As a result a fee structure for charging deliveries to schools has been established to cover costs. Enactment of this bill will eliminate the need to charge schools for delivery of USDA provided food.

HSD delivery of USDA provided foods supplement 124,000 breakfasts and 212,000 lunches daily in 88 of the state's 89 school districts; 33 private schools, charter schools and residential treatment centers; and 34 Bureau of Indian Education schools.

**PERFORMANCE IMPLICATIONS**

This program supports HSD's strategic plan to provide food for seniors, low-income families and disabled individuals.

**ADMINISTRATIVE IMPLICATIONS**

Funding in this bill would eliminate the need for HSD to bill schools for delivery services. However, HSD would have to track expenditures in the Statewide Human Resources, Accounting and Financial Management Reporting System (SHARE).

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

HSD will continue to bill for delivery of USDA food commodities.

**POSSIBLE QUESTIONS**

GAC/lj