

SB 204-FN-A - AS AMENDED BY THE SENATE

03/27/2025 1104s

2025 SESSION

25-1010

02/06

SENATE BILL

204-FN-A

AN ACT

relative to the responsibility of local school districts to provide meals to students during school hours, reimbursing schools for meals provided to students at no cost, and making an appropriation therefor.

SPONSORS: Sen. Fenton, Dist 10; Sen. Lang, Dist 2

COMMITTEE: Education

AMENDED ANALYSIS

This bill authorizes school boards to raise eligibility for free meals, requires the department of education to reimburse schools who raise eligibility, and provides an appropriation therefor.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears ~~[in brackets and struckthrough.]~~

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the responsibility of local school districts to provide meals to students during school hours, reimbursing schools for meals provided to students at no cost, and making an appropriation therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Paragraphs; Food and Nutrition Programs. Amend RSA 189:11-a by inserting after
2 paragraph VIII the following new paragraphs:

3 IX. Each school board may vote to raise eligibility for free meals to 200 percent of the federal
4 poverty level. Meals served to students who meet the federal income eligibility guidelines shall
5 continue to be reimbursed in accordance with federal law and regulations. Meals not reimbursed in
6 accordance with federal law and regulations shall be reimbursed by the state of New Hampshire at a
7 rate that covers 50 percent of the difference between the federal rate for a free meal and a reduced-
8 price meal, or the difference between a free meal and a paid meal. The remainder of the costs shall
9 be covered by the local district.

10 X.(a) The department of education shall adopt rules under RSA 541-A requiring school
11 districts that opt into the optional program pursuant to paragraph IX to offer both online and
12 physical applications for free school meals.

13 (b) The department of education shall provide administrative or technical assistance to
14 school districts establishing an online application for free or reduced-price school meals, and whose
15 school meal programs are approved to operate through the United States Department of Agriculture.

16 (c) School districts eligible for administrative or technical assistance or funding under
17 this section shall be those approved to operate federal school meal programs through the United
18 States Department of Agriculture and accepted by the department of education to participate in this
19 expansion of free and reduced lunch benefits.

20 2 Appropriation; Department of Education; Food and Nutrition Program.

21 I. The amount of \$107,000 is appropriated to the department of education for the biennium
22 ending June 30, 2026, for administrative costs related to providing administrative or technical
23 assistance to school districts establishing an online application for free or reduced-price school
24 meals. The governor is authorized to draw a warrant for said sums out of any money in the treasury
25 not otherwise appropriated.

26 II. The amount of \$250,000 is appropriated to the department of education for the biennium
27 ending June 30, 2026, for disbursement to school districts to be reimbursed at a 50 percent rate
28 pursuant to RSA 189:11-a, X(a) and to purchase software related to the establishment of an online

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1 application for free or reduced-price school meals. The governor is authorized to draw a warrant for
2 said sums out of any money in the treasury not otherwise appropriated.

3 3 Effective Date. This act shall take effect July 1, 2025.

SB 204-FN-A- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT #2025-1104s)

AN ACT relative to the responsibility of local school districts to provide meals to students during school hours, reimbursing schools for meals provided to students at no cost, and making an appropriation therefor.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	<u>NHED Position Costs</u> \$204K in FY 2026, \$208K in FY 2027, and \$214K in FY 2028 <u>NHED Meal Reimbursements</u> Indeterminable - Up to Approximately \$7M Per Year (see methodology below) <u>NHED Software Reimbursement</u> \$500,000 in FY 2026		
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$107,000 for NHED Administrative Costs and \$500,000 for Reimbursement to Districts for Software	\$0	\$0
<i>Funding Source(s)</i>	General Fund			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Local Revenue	\$0	Indeterminable Increase		
Local Expenditures	\$0	Indeterminable Increase		

METHODOLOGY:

This bill authorizes school boards to vote to increase eligibility for free meals to 200 percent of the federal poverty level, and provides general funds to the Department of Education for

administrative costs (\$107,000 for the biennium ending June 30, 2026, which is assumed to be for FY 2026 only) and reimbursements to districts to purchase software related to the establishment of an online application for free or reduced-price school meals and to reimburse at a 50 percent rate pursuant to RSA 189:11-a (\$250,000 for the biennium ending June 30, 2026, which is assumed to be for FY 2026 only). Any unexpended amounts from these appropriations would lapse to the general fund at June 30, 2026.

The Department has provided the following detail as to the requirements of this bill:

- Each school board may vote to increase the eligibility rate for a child that qualifies based on a household income less than or equal to 200 percent of the federal poverty guidelines will be provided meals without cost.
- The state will reimburse the participating school districts for any meals, at a rate of 50 percent of the difference in reimbursement rates of free and paid, or free and reduced. The local level will need to cover the additional 50 percent of the meal reimbursement from non-federal funds.
- The implementation of this bill will impact public schools that are currently serving a breakfast and/or lunch meal. It would increase the number of meals at no cost to students.
- The Department would be required to adopt rules requiring districts to offer online and paper free and reduced meals applications if the school board has adopted the increase of meal eligibility.
- The Department will be required to provide administrative or technical assistance to school districts in establishing online applications for free or reduced-priced meals to those schools who operate the Increased income eligibility.

The Department has provided the following data and assumptions relative to this bill:

- School participation was pulled from September 2024.
- Any school not operating the School Breakfast Program (SBP) is not serving breakfast under the USDA Program.
- Number of schools in NH operating National School Lunch Program (NSLP) = 449.
- Number of schools in NH operating NSLP but not operating SBP = 28.
- Number of public charter schools not operating SPB or NSLP = 38.
- It is unknown the number of public charter school above who currently provide breakfast or lunch to their students.
- The state currently pays reimbursement for each breakfast meal served under the federal program at a rate of \$0.03 per each free and paid meal and \$0.30 per reduced priced meal.

- Current federal reimbursement rates are \$2.37 free breakfast, \$2.07 reduced breakfast, \$0.39 paid breakfast, \$4.52 free lunch, \$4.12 reduced lunch, \$0.51 paid lunch.
 - Fifty percent (50%) of the difference is calculated at \$0.99 for paid breakfast, \$0.20 per reduced lunch and \$2.00 per paid lunch for both the state and local level.
- There is no state reimbursement for lunch.
- The number of school days is 180.
- Free and Reduced Priced Enrollment Data is from October 1, 2024, and is as follows:
 - Free Eligible Students = 31,632
 - Reduced Priced Eligible Students = 6,384
 - Paid Eligible Students = 124,644
- Demographic data in NH shows that median household income in 2023 was \$95,628 per the US Census Bureau.
 - Under U.S. Poverty Guidelines for 2024, 200% of the federal poverty rate for a family of four is \$62,400. It is estimated that approximately 10% of the paid student population would fall under the 200% threshold.

State Impact

Ultimately, this bill's impact is unknown as it cannot be predicted how many school boards may elect to increase eligibility for free meals. It should also be noted this bill provides no funding for additional state nutrition reimbursements. Using the information and assumptions above, the Department estimates possible reimbursement costs could be approximately \$6,937,949 (\$2,221,085 + \$4,487,040 + \$229,824):

- To provide funding for the breakfast reimbursement of the difference between a paid reimbursement and a free reimbursement for the students whom income is between the federal reduced priced guideline of 185% to the proposed 200% is estimated at \$ 2,221,085:
 - Total paid eligible students (124,644) * 10% = 12,464 potential eligible students
 - Possible Paid Students who could receive meals at no cost 12,464
 - Potential breakfast state payment = \$0.99
 - 12,465 students * \$0.99) * 180 school days = \$2,221,085
- To provide funding for the lunch reimbursement of the difference between a paid reimbursement and a free reimbursement for the students whom income is between the federal reduced priced guideline of 185% to the proposed 200% is estimated at \$4,487,040:
 - Total paid eligible students (124,644) * 10% = 12,464 potential eligible students
 - Possible Paid Students who could receive meals at no cost 12,464

- Potential lunch state payment = \$2.00
 - $12,464 \text{ students} * \$2.00 * 180 \text{ school days} = \$4,487,040$
- To provide funding for the lunch reimbursement of the difference between a reduced priced reimbursement and a free reimbursement for the students whom income is between the federal reduced priced guideline of 185% to the proposed 200% is estimated at \$229,824:
 - Reduced Eligible Students = 6,384
 - Potential reduced priced lunch state payment = \$0.20
 - $6,384 \text{ students} * \$0.20 * 180 \text{ school days} = \$229,824$

In addition to the reimbursement estimates, the Department states it would need two positions; one to administer this system as there would need to be a new process to determine eligibility as the current process is under the USDA and one to provide the administrative or technical assistance to the schools in establishing and maintaining the online systems. Both would be miscellaneous business operator specialists' (SOC 13-5, step 3) at an estimated per position cost of \$102,000 in FY 2026, \$104,000 in FY 2027 and \$107,000 in FY 2028, assuming a start date of July 1, 2025. This bill provides funding sufficient to cover the cost of one of the two positions in FY 2026 only.

Local School District Impact

Using the above assumptions and calculations, and given it is not known how many school boards may elect to raise eligibility for free meals, the Department states the fiscal impact of this bill is indeterminable at the local level. The cost would be determined at the school's level which would include their unique startup costs, labor start-up costs, labor costs, cost of meal pricing, projected participation, actual participation and continuous ongoing costs for operation of the programs. It can be determined that there will be an increase to their general fund to pay for the 10% meal reimbursement to allow students who fall below 200% of poverty to receive meals at no cost. Districts will receive an indeterminable increase in revenue associated with reimbursements illustrated above, as well as from this bill's \$250,000 appropriation relative to software for the establishment of an online application for free or reduced-price school meals.

AGENCIES CONTACTED:

Department of Education