

HB 665-FN-A - AS INTRODUCED

2025 SESSION

25-0312

02/09

HOUSE BILL **665-FN-A**

AN ACT relative to eligibility for free school meals.

SPONSORS: Rep. M. Hall, Merr. 9; Rep. Damon, Sull. 8; Rep. Luneau, Merr. 9; Rep. Woodcock, Carr. 1; Rep. Colby, Merr. 9; Rep. Newsom, Merr. 9; Rep. Selig, Straf. 10; Rep. Cornell, Hills. 22; Rep. M. Murray, Hills. 37; Rep. Balboni, Rock. 38; Sen. Reardon, Dist 15

COMMITTEE: Education Funding

ANALYSIS

This bill increases the eligibility for free school meals to household incomes up to 300 percent of federal poverty guidelines, and provides funding from the education trust fund for the additional costs.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 eligibility for free school meals.

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

1 1 Schools; Food and Nutrition Programs; School Lunch Eligibility. Amend RSA 189:11-a, I to
2 read as follows:

3 I.(a) Each school board shall make at least one meal available during school hours to every
4 pupil under its jurisdiction. Such meals shall be served without cost [~~or at a reduced cost to any~~
5 ~~child who meets federal income eligibility guidelines]~~ ***to any child whose annual household***
6 ***income is less than or equal to 300 percent of the federal poverty guidelines as updated***
7 ***annually in the Federal Register by the United States Department of Health and Human***
8 ***Services under 42 U.S.C. section 9902(2).*** The state board of education shall ensure compliance
9 with this section and shall establish minimum nutritional standards for such meals as well as
10 income guidelines set for the family size used in determining eligibility for free and reduced price
11 meals. Nothing in this section shall prohibit the operation of both a breakfast and lunch program in
12 the same school.

13 ***(b) All costs for the school meals program under subparagraph (a), in addition***
14 ***to sums allocated under RSA 186:13, XI, shall be funded by disbursements from the***
15 ***department of education to the school districts, made from funds appropriated for such***
16 ***purpose from the education trust fund. The amount necessary to fund this paragraph is***
17 ***hereby appropriated to the department from the education trust fund created under RSA***
18 ***198:39. The governor is authorized to draw a warrant from the education trust fund to***
19 ***satisfy the state's obligation under this paragraph.***

20 2 New Subparagraph; Education Trust Fund; School Meals. Amend RSA 198:39, I by inserting
21 after subparagraph (n) the following new subparagraph:

22 (o) To fund disbursements for school meals under RSA 189:11-a.

23 3 Effective Date. This act shall take effect July 1, 2025.

HB 665-FN-A- FISCAL NOTE
 AS INTRODUCED

AN ACT relative to eligibility for free school meals.

FISCAL IMPACT: This bill does not 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>Reimbursements</u> Indeterminable Increase - Up to \$48M Per Year <u>Department of Education Positions</u> \$204K in FY 2026, FY 208K in FY 2027, and \$214K in FY 2028		
<i>Funding Source(s)</i>	Education Trust Fund			
Appropriations*	\$0	Open Warrant for Reimbursements		
<i>Funding Source(s)</i>	Education Trust 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 - Up to \$48M Per Year		
Local Expenditures	\$0	Indeterminable Increase		

METHODOLOGY:

This bill, effective July 1, 2025, for the 2025-2026 school year, requires that each school board make at least one meal available to a child that qualifies based on a household income less than or equal to 300 percent of the federal poverty guidelines without cost. The implementation of this bill will impact public schools that are currently serving a breakfast and/or lunch meal and increase the number of free meals to students. There will be a fiscal liability for public schools that are currently serving a breakfast and/or lunch meal and there will be a fiscal liability for the state. Ultimately, this bill’s fiscal impact in FY 2026 and each year thereafter is indeterminable, however, it is expected to be significant and would be covered in full as this bill includes “open warrant” language for the Department to draw from the education trust fund to make all necessary payments.

The Department of Education has provided the following information, and assumptions, to illustrate the potential fiscal impact of this bill:

- This bill does not specify which meal is to be provided. The cost of a breakfast meal differs from the cost of a lunch meal.
- The USDA income eligibility guidelines for school year 2025-2026 for free meals is 130% of the federal poverty guidelines and the reduced-price meals is 185% of the federal poverty guidelines. Therefore, the state would be required to pay the balance of the reduced-price meals for students qualifying from 131% through 185%, and fully fund the meals for the students qualifying from 186% through 300%. The Department does not know how many students would qualify for the 186% to 300% as this data is not collected.
- 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. There is no state reimbursement for lunch. It is estimated that the state reimbursement would be the difference between the free reimbursement and the students USDA eligibility reimbursement
 - Breakfast: $186\%-300\% = \$1.98$
 - Lunch: $130\%-185\% = \$.40$, $186\%-300\% = \$4.01$
- School Participation 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
- Not all schools participate in the NSLP or SBP, and this bill does not require that they participate. Therefore, the state would be required to pay the cost of the meals for all students that qualify. It is not possible to determine how many students, and how many meals that would result in.

- The Department anticipates additional costs relative to staffing and administration of the program as there would need to be a new process for eligibility determinations as the current process is under USDA and are done at the local level. The Department estimates it would need at least two (2) new positions, a program specialist III and a data analyst (both SOC 13-5, step 3), to develop a process for eligibility determinations, and then to implement and manage the program. The total estimated cost for these positions is \$204,000 in FY 2026, \$208,000 in FY 2027, and FY \$214,000 in FY 2028. This bill provides neither authorization nor appropriation for new personnel.

- Under United States Poverty Guidelines for 2024, 300% of the federal poverty rate for a family of four is approximately \$93,600 and demographic data in NH shows that median household income in 2023 was \$95,628 (per the US Census Bureau). It is estimated that 50% of total student population would fall at or below the 300% threshold.

- Free and Reduced Priced Enrollment Data is from October 1, 2024, and is as follows:
 - Free Eligible Students (>130%)- 31,632
 - Reduced Priced Eligible Students (130%-185%) - 6,384
 - Paid Eligible Students (186% +) - 124,644

Based on the assumptions and information above, Department estimates the total cost of this bill could be up to \$48+ million per year:

- To provide breakfast funding for 50% of the total student population is estimated at approximately \$16.6 million
- To provide lunch funding for 50% of the total student population is estimated at approximately \$31.7 million

Local School District Expenditures

Using the above assumptions and calculations, the Department states this bill's fiscal impact is indeterminable at the local level, but it is important to highlight there will be a significant amount of work needing to be done to make the eligibility determinations and there will definitely be costs incurred at the local level in order to meet the requirements. The local education agencies currently have had significant issues with being able to collect free and reduced applications from families and this will require collecting applications from many more families/students.

AGENCIES CONTACTED:

Department of Education