

SB 204-FN-A - AS INTRODUCED

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

ANALYSIS

This bill requires local school districts to provide breakfast and lunch to pupils under their jurisdiction at no cost to children from households with incomes at or below 200 percent of the federal poverty level. It also appropriates funds to reimburse school districts for these costs and to assist schools in establishing an online application process.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Food and Nutrition Programs. Amend RSA 189:11-a, I to read as follows:

2 I. Each school board shall make [~~at least one meal~~] ***breakfast and lunch*** available during
3 school hours to every pupil under its jurisdiction. Such meals shall be served without cost [~~or at a~~
4 ~~reduced cost to any child who meets federal income eligibility guidelines~~] ***to any child who lives in***
5 ***a household with an income at or below 200 percent of the federal poverty level. Meals***
6 ***served to students who meet the federal income eligibility guidelines shall continue to be***
7 ***reimbursed in accordance with federal law and regulations. Meals reimbursed by the state***
8 ***of New Hampshire shall be reimbursed at a rate that covers 50 percent of the difference***
9 ***between the federal rate for a free meal and a reduced-price meal or the difference between***
10 ***a free meal and a paid meal. The remainder of the costs shall be covered by the local***
11 ***district.*** The state board of education shall ensure compliance with this section and shall establish
12 minimum nutritional standards for such meals as well as income guidelines set for the family size
13 used in determining eligibility for free and reduced price meals. [~~Nothing in this section shall~~
14 ~~prohibit the operation of both a breakfast and lunch program in the same school.~~]

15 2 New Paragraph; Food and Nutrition Programs. Amend RSA 189:11-a by inserting after
16 paragraph VIII the following new paragraph:

17 IX. (a) The department of education shall adopt rules under RSA 541-A requiring school
18 districts that opt into the optional program to offer both online and physical applications for free or
19 reduced-price school meals.

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

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

27 3 Appropriation; Department of Education; Food and Nutrition Program.

28 I. The amount of \$107,000 is appropriated to the department of education for the biennium
29 ending June 30, 2026, for administrative costs related to providing administrative or technical

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

4 II. The amount of \$500,000 is appropriated to the department of education for the biennium
5 ending June 30, 2026, for disbursement to school districts to be reimbursed at a 50 percent rate
6 pursuant to RSA 189:11-a and to purchase software related to the establishment of an online
7 application for free or reduced-price school meals. The governor is authorized to draw a warrant for
8 said sums out of any money in the treasury not otherwise appropriated.

9 4 Effective Date. This act shall take effect July 1, 2025.

SB 204-FN-A- FISCAL NOTE
AS INTRODUCED

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 requires local school districts to provide breakfast and lunch to pupils under their jurisdiction at no cost to children from households with incomes at or below 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 (\$500,000 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 would be required to make breakfast and lunch available to every child under its jurisdiction. A child that qualifies based on a household income less than or equal to 200 percent of the federal poverty guidelines will be provided breakfast and lunch without cost.
- The state will reimburse the 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.
- 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 United States Department of Agriculture (USDA) school meals programs.
- All school districts can offer both paper and online free and reduced priced meal applications, even if they do not participate in a USDA approved school meal program.
- The Department will provide technical assistance to school districts who opt to provide online free and reduced applications if they participate in a USDA approved school meal program.
- The Department will be required to distribute funding to schools that opt into the optional program school districts to purchase software related to establishing an online application for free and reduced-priced meals.

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.
- Approximately 66 public and public charter schools would need to implement a breakfast and/or lunch program.
- 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

Using the information and assumptions above, the Department estimates 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 students * \$2.00 * 180 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 students * \$.20 * 180 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, 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 be costs incurred at the local level 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. Districts will receive an indeterminable increase in revenue associated with reimbursements illustrated above, as well as from this bill's \$500,000 appropriation relative to software for the establishment of an online application for free or reduced-price school meals.

AGENCIES CONTACTED:

Department of Education