

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 227 CS Children's Summer Nutrition Programs
SPONSOR(S): Greenstein and others
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 752

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|---|----------------|----------|----------------|
| 1) PreK-12 Committee | 9 Y, 0 N, w/CS | Howlette | Mizereck |
| 2) Future of Florida's Families Committee | 6 Y, 0 N, w/CS | Davis | Collins |
| 3) Education Appropriations Committee | | Hammock | Hamon |
| 4) Education Council | | | |
| 5) _____ | | | |

SUMMARY ANALYSIS

The bill requires each district school board to develop a plan to sponsor a summer nutrition program. However, school boards may exempt themselves from sponsoring the program. School boards that exempt themselves, instead may encourage not-for-profit entities to sponsor a summer nutrition program.

Currently 61 out of the 67 Florida counties participate in a summer nutrition program in some capacity.

The fiscal impact on state and local government and the private sector is indeterminate. See FISCAL ANALYSIS for details. However, since 61 out of the 67 counties in Florida already have this program in some capacity, the overall statewide fiscal impact should be minimal.

The bill becomes effective July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill supports the expansion of an existing summer nutrition program.

Empower families – The bill provides a resource for children of low-income families to participate in a summer nutrition program.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

The National School Lunch Program is a federally assisted meal program operating in more than 99,800 public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost or free lunches to more than 26 million children each school day. In 1998, Congress expanded the National School Lunch Program to include reimbursement for snacks served to children in after school educational and enrichment programs and to include children through 18 years of age. The Food and Nutrition Service administers the program at the federal level. At the state level, the National School Lunch Program is usually administered by state education agencies, which operate the program through agreements with school food authorities.

Generally, public or nonprofit private schools of high school grade or under and public or nonprofit private residential child care institutions may participate in the school lunch program. School districts and independent schools that choose to take part in the lunch program receive cash subsidies and donated commodities from the U.S. Department of Agriculture (USDA) for each meal they serve. In return, they must serve lunches that meet federal requirements, and must offer free or reduced price lunches to eligible children.

Any child at a participating school may purchase a meal through the National School Lunch Program. Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals. Those with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals, for which students can be charged no more than 40 cents. (For the period July 1, 2005, through June 30, 2006, the poverty level for a family of four is \$19,350; 130% of poverty = \$25,155; 185% of poverty = \$35,798.)

Children from families with incomes over 185 percent of poverty pay a full price, though their meals are still subsidized to some extent. Local school food authorities set their own prices for full-price (paid) meals, but must operate their meal services as non-profit programs. After school snacks are provided to children on the same income eligibility basis as school meals. However, programs that operate in areas where at least 50 percent of students are eligible for free or reduced-price meals may serve all their snacks for free.

Most of the support USDA provides to schools in the National School Lunch Program comes in the form of a cash reimbursement for each meal served. The current (July 1, 2004 through June 30, 2005) basic cash reimbursement rates are:

| | |
|-------------------------------|--|
| Free lunches: \$2.24 | Higher reimbursement rates are in effect for Alaska and Hawaii, and for some schools with high percentages of low-income children. |
| Reduced-price lunches: \$1.84 | |
| Paid lunches: \$0.21 | |
| Free snacks: \$0.61 | |
| Reduced-price snacks: \$0.30 | |
| Paid snacks: \$0.05 | |

Florida Impact, an organization representing approximately 26 community organizations, compiled statistics showing that 61 counties participate in the summer nutrition program. The following 6 counties do not participate or have not participated for a considerable period of time: Calhoun; Clay; Holmes; Liberty; Wakulla; and Walton. (See the attached table)

| School district | Number of Low-Income School Children(1) | Potential Summer Federal Reimbursement (3) | Actual SFSP Average Daily Participation in 2004 (4) | Actual Total SFSP Reimbursements in 2004 | Federal Funds Potentially Lost | Estimated Number of Children not Served by Program (5) |
|------------------------|--|---|--|---|---------------------------------------|---|
| Alachua | 13,787 | \$1,444,877.60 | 2,434 | \$239,827.60 | \$1,205,050.00 | 11,353 |
| Baker | 1,830 | \$191,784.00 | 82 | \$7,347.20 | \$184,436.80 | 1,748 |
| Bay | 12,265 | \$1,285,372.00 | 1,460 | \$152,424.00 | \$1,132,948.00 | 10,805 |
| Bradford | 2,375 | \$248,900.00 | 225 | \$21,373.60 | \$227,526.40 | 2,150 |
| Brevard | 19,409 | \$2,034,063.20 | 3,375 | \$306,588.40 | \$1,727,474.80 | 16,034 |
| Broward | 107,765 | \$11,293,772.00 | 8,361 | \$872,888.40 | \$10,420,883.60 | 99,404 |
| Calhoun | 1,112 | \$116,537.60 | 0 | \$0.00 | \$116,537.60 | 1,112 |
| Charlotte | 5,994 | \$628,171.20 | 957 | \$99,910.80 | \$528,260.40 | 5,037 |
| Citrus | 6,615 | \$693,252.00 | 203 | \$21,193.20 | \$672,058.80 | 6,412 |
| Clay | 7,954 | \$833,579.20 | 0 | \$0.00 | \$833,579.20 | 7,954 |
| Collier | 8,438 | \$884,302.40 | 2,848 | \$297,331.20 | \$586,971.20 | 5,590 |
| Columbia | 5,296 | \$555,020.80 | 339 | \$30,374.40 | \$524,646.40 | 4,957 |
| Dade | 233,200 | \$24,439,360.00 | 29,740 | \$3,104,856.00 | \$21,334,504.00 | 203,460 |
| DeSoto | 3,076 | \$322,364.80 | 475 | \$42,560.00 | \$279,804.80 | 2,601 |
| Dixie | 1,399 | \$146,615.20 | 650 | \$58,240.00 | \$88,375.20 | 749 |
| Duval | 54,649 | \$5,727,215.20 | 11,701 | \$1,221,584.40 | \$4,505,630.80 | 42,948 |
| Escambia | 24,910 | \$2,610,568.00 | 1,688 | \$176,227.20 | \$2,434,340.80 | 23,222 |
| Flagler | 2,925 | \$306,540.00 | 99 | \$10,335.60 | \$296,204.40 | 2,826 |
| Franklin | 841 | \$88,136.80 | 212 | \$22,132.80 | \$66,004.00 | 629 |
| Gadsden | 5,237 | \$548,837.60 | 1,335 | \$139,374.00 | \$409,463.60 | 3,902 |
| Gilchrist | 1,516 | \$158,876.80 | 425 | \$38,080.00 | \$120,796.80 | 1,091 |
| Glades | 676 | \$70,844.80 | 89 | \$7,974.40 | \$62,870.40 | 587 |
| Gulf | 1,013 | \$106,162.40 | 75 | \$7,830.00 | \$98,332.40 | 938 |
| Hamilton | 1,485 | \$155,628.00 | 272 | \$24,371.20 | \$131,256.80 | 1,213 |
| Hardee | 3,653 | \$382,834.40 | 382 | \$35,337.20 | \$347,497.20 | 3,271 |
| Hendry | 5,200 | \$544,960.00 | 495 | \$44,352.00 | \$500,608.00 | 4,705 |
| Hernando | 8,606 | \$901,908.80 | 581 | \$52,057.60 | \$849,851.20 | 8,025 |
| Highlands | 6,796 | \$712,220.80 | 1,154 | \$103,398.40 | \$608,822.40 | 5,642 |
| Hillsborough | 86,754 | \$9,091,819.20 | 12,612 | \$1,250,980.80 | \$7,840,838.40 | 74,142 |
| Holmes | 1,921 | \$201,320.80 | 0 | \$0.00 | \$201,320.80 | 1,921 |
| Indian River | 6,106 | \$639,908.80 | 1,041 | \$93,273.60 | \$546,635.20 | 5,065 |
| Jackson | 3,721 | \$389,960.80 | 221 | \$23,072.40 | \$366,888.40 | 3,500 |
| Jefferson | 1,073 | \$112,450.40 | 170 | \$15,232.00 | \$97,218.40 | 903 |
| Lafayette | 540 | \$56,592.00 | 48 | \$4,300.80 | \$52,291.20 | 492 |
| Lake | 13,105 | \$1,373,404.00 | 1,406 | \$142,272.40 | \$1,231,131.60 | 11,699 |
| Lee | 29,921 | \$3,135,720.80 | 2,584 | \$269,769.60 | \$2,865,951.20 | 27,337 |
| Leon | 11,344 | \$1,188,851.20 | 1,616 | \$146,170.00 | \$1,042,681.20 | 9,728 |
| Levy | 3,451 | \$361,664.80 | 870 | \$77,952.00 | \$283,712.80 | 2,581 |
| Liberty | 659 | \$69,063.20 | 0 | \$0.00 | \$69,063.20 | 659 |
| Madison | 1,975 | \$206,980.00 | 214 | \$19,174.40 | \$187,805.60 | 1,761 |

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|--------------|------------------|-------------------------|----------------|------------------------|-------------------------|------------------|
| Manatee | 16,160 | \$1,693,568.00 | 1,887 | \$197,002.80 | \$1,496,565.20 | 14,273 |
| Marion | 20,483 | \$2,146,618.40 | 1,584 | \$165,369.60 | \$1,981,248.80 | 18,899 |
| Martin | 5,660 | \$593,168.00 | 731 | \$65,497.60 | \$527,670.40 | 4,929 |
| Monroe | 3,323 | \$348,250.40 | 746 | \$66,841.60 | \$281,408.80 | 2,577 |
| Nassau | 3,388 | \$355,062.40 | 108 | \$11,275.20 | \$343,787.20 | 3,280 |
| Okaloosa | 8,820 | \$924,336.00 | 1,719 | \$154,022.40 | \$770,313.60 | 7,101 |
| Okeechobee | 3,946 | \$413,540.80 | 123 | \$12,841.20 | \$400,699.60 | 3,823 |
| Orange | 67,405 | \$7,064,044.00 | 7,368 | \$769,219.20 | \$6,294,824.80 | 60,037 |
| Osceola | 22,955 | \$2,405,684.00 | 3,456 | \$309,657.60 | \$2,096,026.40 | 19,499 |
| Palm Beach | 71,056 | \$7,446,668.80 | 14,722 | \$1,427,131.20 | \$6,019,537.60 | 56,334 |
| Pasco | 26,560 | \$2,783,488.00 | 643 | \$67,129.20 | \$2,716,358.80 | 25,917 |
| Pinellas | 43,421 | \$4,550,520.80 | 6,831 | \$712,771.60 | \$3,837,749.20 | 36,590 |
| Polk | 45,838 | \$4,803,822.40 | 4,395 | \$395,212.80 | \$4,408,609.60 | 41,443 |
| Putnam | 7,268 | \$761,686.40 | 1,676 | \$174,974.40 | \$586,712.00 | 5,592 |
| St. Johns | 4,278 | \$448,334.40 | 419 | \$43,743.60 | \$404,590.80 | 3,859 |
| St. Lucie | 17,117 | \$1,793,861.60 | 2,138 | \$211,559.60 | \$1,582,302.00 | 14,979 |
| Santa Rosa | 7,275 | \$762,420.00 | 404 | \$42,177.60 | \$720,242.40 | 6,871 |
| Sarasota | 12,942 | \$1,356,321.60 | 2,042 | \$213,184.80 | \$1,143,136.80 | 10,900 |
| Seminole | 18,728 | \$1,962,694.40 | 225 | \$23,490.00 | \$1,939,204.40 | 18,503 |
| Sumter | 3,756 | \$393,628.80 | 460 | \$43,317.60 | \$350,311.20 | 3,296 |
| Suwannee | 2,938 | \$307,902.40 | 386 | \$34,585.60 | \$273,316.80 | 2,552 |
| Taylor | 1,925 | \$201,740.00 | 134 | \$13,856.40 | \$187,883.60 | 1,791 |
| Union | 1,015 | \$106,372.00 | 117 | \$10,483.20 | \$95,888.80 | 898 |
| Volusia | 25,152 | \$2,635,929.60 | 4,757 | \$473,690.80 | \$2,162,238.80 | 20,395 |
| Wakulla | 1,622 | \$169,985.60 | 0 | \$0.00 | \$169,985.60 | 1,622 |
| Walton | 3,342 | \$350,241.60 | 0 | \$0.00 | \$350,241.60 | 3,342 |
| Washington | 1,957 | \$205,093.60 | 128 | \$11,468.80 | \$193,624.80 | 1,829 |
| Total | 1,156,922 | \$121,245,425.60 | 147,594 | \$14,826,108.00 | \$106,414,753.60 | 1,009,284 |

(1) Children eligible for Free or Reduced-price (FRP) school lunch; up to 185% of poverty level.

(2) # of FRP-eligible children x (SFSP lunch reimbursement (\$2.41) + administrative cost (\$.21))

(3) If the program were to run 40 days in the summer

(4) Includes both regular and Seamless Summer Average Daily Participation

(5) This number reflects a minimum in that it does not count preschoolers.

Effect

The bill requires each district school board to develop a plan to sponsor a summer nutrition program by May 1, 2006, to operate sites beginning the summer of 2006. The sites must be within 5 miles of at least one elementary school at which 50% or more of the students are eligible for free and reduced-priced meals, for a period of 35 consecutive days. The sites must also be within 10 miles of each elementary school at which 50% or more of the students are eligible for free or reduced-price meals.

District school boards may be exempt from sponsoring a summer nutrition program by including the issue on an agenda at a regular or a special district school board meeting. The district must provide residents an opportunity to participate, and vote on whether or not their district is to be exempt. The exemption shall be reconsidered annually by the school board, and the Commissioner of Education shall be notified of the board's decision within 10 days.

District school boards may encourage not-for-profit entities to sponsor the program, but will be held harmless for failure to perform by any not-for-profit entity.

Superintendents may work with city and county agencies and private, not-for-profit entities to implement the plan and school districts shall report locations of their summer nutrition sites to the Department of Education by April 15 of each year.

By February 15 of each year, the Department of Education will provide to each school district a list of local organizations that have filed letters of intent to participate, so that the district may determine the number and locations of the summer nutrition program sites.

According to the DOE, the United States Department of Agriculture's (USDA) reimbursement and sale of paid meals, if any, appears to be the only sources of revenue to fund the program. These reimbursements may not cover the costs of delivery of the program. Since the length of the summer break varies by district, conducting the summer nutrition program for 35 consecutive days could create scheduling problems for some district calendars. However, this issue was addressed in an amendment to the bill and most feel that this will not be a problem.

The Department of Education shall provide to each district a list of local organizations that have filed intent to participate in order that a district school board is able to determine how many sites are needed, but the intent to participate does not ensure that the organization will participate. According to the DOE, this could leave a school district in an undesirable situation in establishing alternate sites.

C. SECTION DIRECTORY:

Section 1. Creates an unnumbered section of law requiring each district school board to develop a plan to sponsor a summer nutrition program.

Section 2. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill has an undetermined fiscal impact on state revenues with administrative funds for the Department of Education coming from the federal government based on the number of meals served. The Department of Education would be eligible for an increase in the federal Summer Foods State Expenditure Allotment (SAE) only if the number of meals served increases. If Congress fails to increase Summer SAE funding (this is an annual appropriation), the state could generate less SAE even though higher program costs were incurred.

2. Expenditures:

The bill could increase operations costs in the Department of Education that may not be covered by the reimbursement or the annual federal appropriation. However, since 61 school districts currently operate this program, the impact on the Department of Education should be minimal. An increase in the number of qualified sponsors could increase the operational costs in the summer food section within the Office of Food and Nutrition Management.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill has an undetermined impact on local government revenues. School districts that operate a summer food site are reimbursed for both the operating and administrative cost based upon the number of meals served. The sponsor (both school district and private) revenue streams will be

limited to USDA reimbursement and the sale of paid meals, if any. These reimbursements may not cover the cost of the meals.

2. Expenditures:

The bill has an undetermined impact on local government expenditures. Program reimbursement is based on the lesser of program costs or the USDA rate times meals served. Depending upon the efficiency of the service, it is possible providers would recoup less than the actual cost.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Cost – To the extent reimbursement rates may not cover actual program costs, some private, not-for-profit providers may incur costs to administer the program.
2. Direct Private Sector Benefits –Private, not-for-profit sponsoring organizations would receive reimbursements for both operating and administrative costs based upon the number of meals served.
3. Effects on Competition, Private Enterprise, and Employment Markets – None.

D. FISCAL COMMENTS:

None.

II. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority to the Department of Children and Families.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Florida Impact states that close to \$106 million in federal returns on Florida's federal tax dollars is left sitting on the table in Washington, because the summer nutrition program is not used to its full potential. Currently, no more than 30 percent of the nearly 1,000,000 children the program was designed to help are being served. The goal of this bill is to feed more children, import more federal tax dollars, and generate a positive impact on Florida's local communities' summer economies.

Florida Impact, Florida Academy of Family Physicians, United Way of Florida, Florida Association of Jewish Federations, and the Florida Catholic Conference all are in support of this bill.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 22, 2005, the PreK-12 Committee adopted two amendments to the bill and reported the bill favorably with a committee substitute.

The first amendment changed the required days of operation from 40 to 35 for the nutrition site within five miles of a school at which 50% or more of the students are eligible for free or reduced-price school meals.

The second amendment added private providers to the entities the superintendent may collaborate with, and that may serve as a nutrition site or sponsor.

The analysis reflects the bill as a committee substitute.

On April 6, 2005, the Future of Florida's Families Committee adopted an amendment to this bill and reported the bill favorably with a committee substitute.

In the first committee of reference, an amendment was adopted to allow private organizations to serve as site sponsors. It was later learned that this is not allowable under the federal program, only nonprofits can serve in this capacity. The amendment adopted in the Future of Florida's Families Committee fixes this problem.

The analysis reflects the bill as a committee substitute.