

## Chapter 1250

H.B. No. 1305

### AN ACT

1  
2 relating to a program to provide a free or reduced-price breakfast  
3 to eligible students attending a public school and the method of  
4 determining the number of educationally disadvantaged students.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 33.901, Education Code, is amended by  
7 amending Subsections (a) and (b) and adding Subsection (a-1) to  
8 read as follows:

9 (a) If at least 10 percent of the students enrolled in one or  
10 more schools in a school district or enrolled in an open-enrollment  
11 charter school are eligible for free or reduced-price breakfasts  
12 under the national school breakfast program provided for by the  
13 Child Nutrition Act of 1966 (42 U.S.C. Section 1773), the board of  
14 trustees of the school district or the governing body of the  
15 open-enrollment charter school shall either:

16 (1) participate in the national program and make the  
17 benefits of the national program available to all eligible students  
18 in the schools or school; or

19 (2) develop and implement a locally funded program to  
20 provide free meals, including breakfast and lunch, to each student  
21 eligible for free meals under federal law and reduced-price meals,  
22 including breakfast and lunch, to each student eligible for  
23 reduced-price meals under federal law, provided that the reduced  
24 price may not exceed the maximum allowable rate under federal law.

1        (a-1) A school district is permitted under Subsection (a) to  
2 participate in the national program at one or more campuses in the  
3 district and provide a locally funded program at one or more other  
4 campuses in the district.

5        (b) A school district campus or an open-enrollment charter  
6 school participating in the national school breakfast program  
7 provided by the Child Nutrition Act of 1966 (42 U.S.C. Section 1773)  
8 or providing a locally funded program in which 80 percent or more of  
9 the students qualify under the national program for a free or  
10 reduced-price breakfast shall offer a free breakfast to each  
11 student.

12        SECTION 2. Section 42.152, Education Code, is amended by  
13 amending Subsection (b) and adding Subsection (b-1) to read as  
14 follows:

15        (b) For purposes of this section, the number of  
16 educationally disadvantaged students is determined:

17            (1) by averaging the best six months' numbers of  
18 students eligible for enrollment in the national school lunch  
19 program of free or reduced-price lunches for the preceding school  
20 year; or

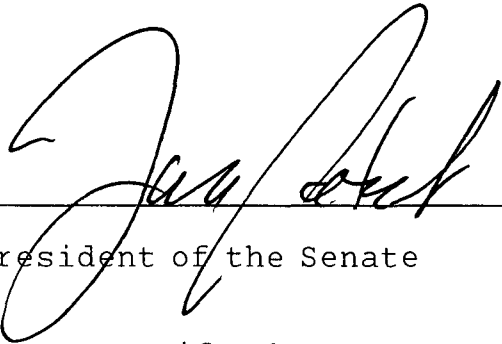
21            (2) in the manner provided by commissioner rule~~[, if~~  
22 ~~no campus in the district participated in the national school lunch~~  
23 ~~program of free or reduced-price lunches during the preceding~~  
24 ~~school year]~~.

25        (b-1) A student receiving a full-time virtual education  
26 through the state virtual school network may be included in  
27 determining the number of educationally disadvantaged students


1 under Subsection (b) if the school district submits to the  
2 commissioner a plan detailing the enhanced services that will be  
3 provided to the student and the commissioner approves the plan.

4 SECTION 3. This Act applies beginning with the 2015-2016  
5 school year.

6 SECTION 4. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2015.



President of the Senate



Speaker of the House

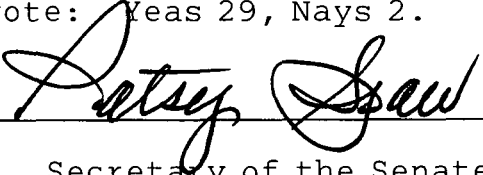
I certify that H.B. No. 1305 was passed by the House on May 7, 2015, by the following vote: Yeas 138, Nays 2, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1305 on May 26, 2015, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1305 on May 31, 2015, by the following vote: Yeas 141, Nays 0, 2 present, not voting.



Chief Clerk of the House

H.B. No. 1305

I certify that H.B. No. 1305 was passed by the Senate, with amendments, on May 22, 2015, by the following vote: Yeas 29, Nays 2; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1305 on May 30, 2015, by the following vote: Yeas 29, Nays 2.

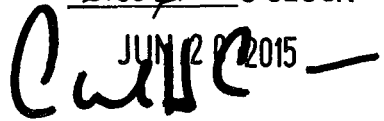
  
Secretary of the Senate

APPROVED: 6-17-2015

Date

  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2:00 pm O'CLOCK

  
Secretary of State

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 30, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
 Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1305** by Bonnen, Greg (Relating to a program to provide a free or reduced-price breakfast to eligible students attending a public school and the method of determining the number of educationally disadvantaged students.), **Conference Committee Report**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1305, Conference Committee Report: a negative impact of (\$30,477,778) through the biennium ending August 31, 2017.

Due to the fiscal implications of this bill beginning in the second year of the 2016-17 biennium, the estimated net impact to General Revenue Related funds would increase to a negative (\$62,753,501) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	(\$30,477,778)
2018	(\$31,001,545)
2019	(\$31,751,956)
2020	(\$32,183,771)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2016	\$0
2017	(\$30,477,778)
2018	(\$31,001,545)
2019	(\$31,751,956)
2020	(\$32,183,771)



## **Fiscal Analysis**

The bill would authorize a school district which would otherwise be required to participate in the National School Breakfast Program to instead develop and implement a locally funded program to provide a free or reduced-price breakfast and lunch to all students in the school or schools eligible for the national program.

The bill would amend the Education Code to change the calculation of the number of educationally disadvantaged students for purposes of calculating the compensatory education allotment within the Foundation School Program from averaging the best six months' enrollment in the National School Lunch Program for the preceding school year to averaging the best six months' number of students eligible for enrollment in the National School Lunch Program.

The bill would authorize the Commissioner of Education to determine the number of educationally disadvantaged students eligible for the compensatory education allotment, regardless of whether the campus is participating in the National School Lunch Program.

The bill would authorize a student receiving a full-time virtual education to be included in the determination of the number of educationally disadvantaged students in a district if the school district submits a plan to the commissioner detailing the enhanced services that will be provided to the students.

The bill would apply beginning in the 2015-16 school year.

## **Methodology**

The bill authorizes the Commissioner to allow students participating in a locally funded program to be eligible for compensatory education funding. The agency estimated that 24,246 students would qualify for the compensatory education allotment in fiscal year 2016 by participation in a locally funded program. The agency based this estimate on a snapshot indicator of economically disadvantaged status reported for each student each school year through the Public Education Information Management System (PEIMS), combined with the aggregate counts of students provided by the Department of Agriculture, to determine the count of students for calculation of the district's compensatory education data. TEA estimated that 75 percent of 32,327 students, or 24,246 students, meeting certain criteria would then participate in a locally funded program.

Since compensatory education allotment is based on prior year student counts, there would be no cost to the state in fiscal year 2016. In fiscal year 2017, the cost of providing the compensatory allotment to this student group would result in a cost to the state of \$30.5 million and because student enrollment is anticipated to grow 1.7 percent annually, would increase to \$32.2 million in fiscal year 2020.

The bill's provision changing the determination of educationally disadvantaged students from enrolled to eligible NSLP participants is anticipated to have a cost. However, TEA does not maintain the monthly status of students' eligibility for the NSLP, and therefore, the total cost to the state of providing the compensatory allotment to all eligible non-participants cannot be determined. However, this analysis assumes that this cost would likely have a significant fiscal impact to the state due to the potentially large number of eligible non-participants.

To the extent that districts choose not to offer the National School Breakfast Program, and instead chose to develop and implement a locally funded program, there would be a reduction in federal



funds.

### **Local Government Impact**

School districts who chose not to offer the National School Breakfast Program, and instead choose to develop and implement a locally funded program, could incur some administrative costs and experience a loss of federal revenue, but such action would be voluntary and amounts would vary by district. Some districts would receive additional funding under the modified calculation of the compensatory education allotment under the provisions of this bill.

**Source Agencies:** 701 Central Education Agency, 551 Department of Agriculture

**LBB Staff:** UP, SD, JBi, AM, AH, JSp

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 23, 2015**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1305** by Bonnen, Greg (Relating to a program to provide a free or reduced-price breakfast to eligible students attending a public school and the method of determining the number of educationally disadvantaged students.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1305, As Passed 2nd House: a negative impact of (\$30,477,778) through the biennium ending August 31, 2017.

Due to the fiscal implications of this bill beginning in the second year of the 2016-17 biennium, the estimated net impact to General Revenue Related funds would increase to a negative (\$62,753,501) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	\$0
2017	(\$30,477,778)
2018	(\$31,001,545)
2019	(\$31,751,956)
2020	(\$32,183,771)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from Foundation School Fund 193</b>
2016	\$0
2017	(\$30,477,778)
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## **Fiscal Analysis**

The bill would authorize a school district which would otherwise be required to participate in the National School Breakfast Program to instead develop and implement a locally funded program to provide a free or reduced-price breakfast and lunch to all students in the school or schools eligible for the national program.

The bill would amend the Education Code to change the calculation of the number of educationally disadvantaged students for purposes of calculating the compensatory education allotment within the Foundation School Program from averaging the best six months' enrollment in the National School Lunch Program for the preceding school year to averaging the best six months' number of students eligible for enrollment in the National School Lunch Program.

The bill would authorize the Commissioner of Education to determine the number of educationally disadvantaged students eligible for the compensatory education allotment, regardless of whether the campus is participating in the National School Lunch Program.

The bill would apply beginning in the 2015-16 school year.

## **Methodology**

The bill authorizes the Commissioner to allow students participating in a locally funded program to be eligible for compensatory education funding. The agency estimated that 24,246 students would qualify for the compensatory education allotment in fiscal year 2016 by participation in a locally funded program. The agency based this estimate on a snapshot indicator of economically disadvantaged status reported for each student each school year through the Public Education Information Management System (PEIMS), combined with the aggregate counts of students provided by the Department of Agriculture, to determine the count of students for calculation of the district's compensatory education data. TEA estimated that 75 percent of 32,327 students, or 24,246 students, meeting certain criteria would then participate in a locally funded program.

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To the extent that districts choose not to offer the National School Breakfast Program, and instead chose to develop and implement a locally funded program, there would be a reduction in federal funds.

## **Local Government Impact**

School districts who chose not to offer the National School Breakfast Program, and instead choose to develop and implement a locally funded program, could incur some administrative costs and experience a loss of federal revenue, but such action would be voluntary and amounts would vary by district. Some districts would receive additional funding under the modified calculation of the compensatory education allotment under the provisions of this bill.

**Source Agencies:** 701 Central Education Agency, 551 Department of Agriculture

**LBB Staff:** UP, SD, JBi, AM, AH, JSp

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 17, 2015**

**TO:** Honorable Larry Taylor, Chair, Senate Committee on Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1305** by Bonnen, Greg (relating to a program to provide a free or reduced-price breakfast to eligible students attending a public school and the method of determining the number of educationally disadvantaged students.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1305, Committee Report 2nd House, Substituted: a negative impact of (\$30,477,778) through the biennium ending August 31, 2017.

Due to the fiscal implications of this bill beginning in the second year of the 2016-17 biennium, the estimated net impact to General Revenue Related funds would increase to a negative (\$62,753,501) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	(\$30,477,778)
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**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2016	\$0
2017	(\$30,477,778)
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## **Fiscal Analysis**

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The bill would authorize the Commissioner of Education to determine the number of educationally disadvantaged students eligible for the compensatory education allotment, regardless of whether the campus is participating in the National School Lunch Program.

The bill would apply beginning in the 2015-16 school year.

## **Methodology**

The bill authorizes the Commissioner to allow students participating in a locally funded program to be eligible for compensatory education funding. The agency estimated that 24,246 students would qualify for the compensatory education allotment in fiscal year 2016 by participation in a locally funded program. The agency based this estimate on a snapshot indicator of economically disadvantaged status reported for each student each school year through the Public Education Information Management System (PEIMS), combined with the aggregate counts of students provided by the Department of Agriculture, to determine the count of students for calculation of the district's compensatory education data. TEA estimated that 75 percent of 32,327 students, or 24,246 students, meeting certain criteria would then participate in a locally funded program.

Since compensatory education allotment is based on prior year student counts, there would be no cost to the state in fiscal year 2016. In fiscal year 2017, the cost of providing the compensatory allotment to this student group would result in a cost to the state of \$30.5 million and because student enrollment is anticipated to grow 1.7 percent annually, would increase to \$32.2 million in fiscal year 2020.

The bill's provision changing the determination of educationally disadvantaged students from enrolled to eligible NSLP participants is anticipated to have a cost. However, TEA does not maintain the monthly status of students' eligibility for the NSLP, and therefore, the total cost to the state of providing the compensatory allotment to all eligible non-participants cannot be determined. However, this analysis assumes that this cost would likely have a significant fiscal impact to the state due to the potentially large number of eligible non-participants.

To the extent that districts choose not to offer the National School Breakfast Program, and instead chose to develop and implement a locally funded program, there would be a reduction in federal funds.

## **Local Government Impact**

School districts who chose not to offer the National School Breakfast Program, and instead choose to develop and implement a locally funded program, could incur some administrative costs and experience a loss of federal revenue, but such action would be voluntary and amounts would vary by district. Some districts would receive additional funding under the modified calculation of the compensatory education allotment under the provisions of this bill.

**Source Agencies:** 701 Central Education Agency, 551 Department of Agriculture

**LBB Staff:** UP, JBi, AM, AH, JSp

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 14, 2015**

**TO:** Honorable Larry Taylor, Chair, Senate Committee on Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1305** by Bonnen, Greg (Relating to a program to provide a free or reduced-price breakfast to eligible students attending a public school, the method of determining the number of educationally disadvantaged students for the compensatory education allotment, and the use of compensatory education allotment funds.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1305, As Engrossed: a negative impact of (\$27,731,653) through the biennium ending August 31, 2017.

Due to the fiscal implications of the bill beginning in the second year of the 2016-17 biennium, the estimated net impact to General Revenue Related funds will increase to a negative (\$56,015,995) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	(\$27,731,653)
2018	(\$27,768,907)
2019	(\$28,247,088)
2020	(\$28,940,782)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund</i> 193
2016	\$0
2017	(\$27,731,653)
2018	(\$27,768,907)
2019	(\$28,247,088)
2020	(\$28,940,782)



## **Fiscal Analysis**

The bill would authorize a school district which would otherwise be required to participate in the National School Breakfast Program to instead develop and implement a locally funded program to provide a free or reduced-price breakfast to all students in the school or schools eligible for the national program.

The bill would amend the Education Code to change the calculation of the number of educationally disadvantaged students for purposes of calculating the compensatory education allotment within the Foundation School Program from averaging the best six months' enrollment in the National School Lunch Program for the preceding school year to averaging the best six months' number of students eligible for enrollment in the National School Lunch Program.

The bill would authorize the Commissioner of Education to determine the number of educationally disadvantaged students eligible for the compensatory education allotment, regardless of whether the campus is participating in the National School Lunch Program.

The bill would prohibit a student receiving a full-time virtual education through the state virtual school network from being included in the calculation of a school's compensatory education allotment.

The bill would allow the use of compensatory education allotment funding to provide assistance with child care costs and other costs to students who are participating in a life skills program or who are at risk of dropping out of school.

The bill would apply beginning in the 2015-16 school year.

## **Methodology**

The bill authorizes the Commissioner to allow students participating in a locally funded program to be eligible for compensatory education funding. The agency estimated that 24,246 students would qualify for the compensatory education allotment in fiscal year 2016 by participation in a locally funded program. The agency based this estimate on a snapshot indicator of economically disadvantaged status reported for each student each school year through the Public Education Information Management System (PEIMS), combined with the aggregate counts of students provided by the Department of Agriculture, to determine the count of students for calculation of the district's compensatory education data. TEA estimated that 75 percent of 29,454 students, or 22,091 students, meeting certain criteria would then participate in a locally funded program.

Since compensatory education allotment is based on prior year student counts, there would be no cost to the state in fiscal year 2016. In fiscal year 2017, the cost of providing the compensatory allotment to this student group would result in a cost to the state of \$27.8 million and because student enrollment is anticipated to grow 1.7 percent annually, would increase to \$28.9 million in fiscal year 2020.

The bill's provision changing the determination of educationally disadvantaged students from enrolled to eligible NSLP participants is anticipated to have a cost. However, TEA does not maintain the monthly status of students' eligibility for the NSLP, and therefore, the total cost to the state of providing the compensatory allotment to all eligible non-participants cannot be determined. However, this analysis assumes that this cost would likely have a significant fiscal impact to the state due to the potentially large number of eligible non-participants.

To the extent that districts choose not to offer the National School Breakfast Program, and instead chose to develop and implement a locally funded program, there would be a reduction in federal funds.

### **Local Government Impact**

School districts who chose not to offer the National School Breakfast Program, and instead choose to develop and implement a locally funded program, could incur some administrative costs and experience a loss of federal revenue, but such action would be voluntary and amounts would vary by district. Some districts would receive additional funding under the modified calculation of the compensatory education allotment under the provisions of this bill.

**Source Agencies:** 701 Central Education Agency, 551 Department of Agriculture

**LBB Staff:** UP, JBi, AM, AH, JSp

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 8, 2015**

**TO:** Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1305** by Bonnen, Greg (relating to a program to provide a free or reduced-price breakfast to eligible students attending a public school and the method of determining the number of educationally disadvantaged students.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1305, Committee Report 1st House, Substituted: a negative impact of (\$30,477,778) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	\$0
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**Fiscal Analysis**

The bill would authorize a school district which would otherwise be required to participate in the

National School Breakfast Program to instead develop and implement a locally funded program to provide a free or reduced-price breakfast to all students in the school or schools eligible for the national program.

The bill would amend the Education Code to change the calculation of the number of educationally disadvantaged students for purposes of calculating the compensatory education allotment within the Foundation School Program from averaging the best six months' enrollment in the National School Lunch Program for the preceding school year to averaging the best six months' number of students eligible for enrollment in the National School Lunch Program.

The bill would authorize the Commissioner of Education to determine the number of educationally disadvantaged students eligible for the compensatory education allotment, regardless of whether the campus is participating in the National School Lunch Program.

The bill would prohibit a student receiving a full-time virtual education through the state virtual school network from being included in the calculation of a school's compensatory education allotment.

The bill would apply beginning in the 2015-16 school year.

### **Methodology**

The bill authorizes the Commissioner to allow students participating in a locally funded program to be eligible for compensatory education funding. The agency estimated that 24,246 students would qualify for the compensatory education allotment in fiscal year 2016 by participation in a locally funded program. The agency based this estimate on a snapshot indicator of economically disadvantaged status reported for each student each school year through the Public Education Information Management System (PEIMS), combined with the aggregate counts of students provided by the Department of Agriculture, to determine the count of students for calculation of the district's compensatory education data. TEA estimated that 75 percent of 32,327 students, or 24,246 students, meeting certain criteria would then participate in a locally funded program.

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To the extent that districts choose not to offer the National School Breakfast Program, and instead chose to develop and implement a locally funded program, there would be a reduction in federal funds.

## **Local Government Impact**

School districts who chose not to offer the National School Breakfast Program, and instead choose to develop and implement a locally funded program, could incur some administrative costs and experience a loss of federal revenue, but such action would be voluntary and amounts would vary by district. Some districts would receive additional funding under the modified calculation of the compensatory education allotment under the provisions of this bill.

**Source Agencies:** 701 Central Education Agency, 551 Department of Agriculture

**LBB Staff:** UP, JBi, AM, AH, JSp

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 24, 2015**

**TO:** Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1305** by Bonnen, Greg (Relating to a program to provide a free or reduced-price breakfast to eligible students attending a public school and the method of determining the number of educationally disadvantaged students.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1305, As Introduced: a negative impact of (\$30,477,778) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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**Fiscal Analysis**

The bill would authorize a school district which would otherwise be required to participate in the National School Breakfast Program to instead develop and implement a locally funded program to provide a free or reduced-price breakfast to all students in the school or schools eligible for the

national program.

The bill would amend the Education Code to change the calculation of the number of educationally disadvantaged students for purposes of calculating the compensatory education allotment within the Foundation School Program from averaging the best six months' enrollment in the National School Lunch Program for the preceding school year to averaging the best six months' number of students eligible for enrollment in the National School Lunch Program.

The bill would authorize the Commissioner of Education to determine the number of educationally disadvantaged students eligible for the compensatory education allotment, regardless of whether the campus is participating in the National School Lunch Program.

The bill would apply beginning in the 2015-16 school year.

### **Methodology**

The bill authorizes the Commissioner to allow students participating in a locally funded program to be eligible for compensatory education funding. The agency estimated that 24,246 students would qualify for the compensatory education allotment in fiscal year 2016 by participation in a locally funded program. The agency based this estimate on a snapshot indicator of economically disadvantaged status reported for each student each school year through the Public Education Information Management System (PEIMS), combined with the aggregate counts of students provided by the Department of Agriculture, to determine the count of students for calculation of the district's compensatory education data. TEA estimated that 75 percent of 32,327 students, or 24,246 students, meeting certain criteria would then participate in a locally funded program.

Since compensatory education allotment is based on prior year student counts, there would be no cost to the state in fiscal year 2016. In fiscal year 2017, the cost of providing the compensatory allotment to this student group would result in a cost to the state of \$30.5 million and because student enrollment is anticipated to grow 1.7 percent annually, would increase to \$32.2 million in fiscal year 2020.

The bill's provision changing the determination of educationally disadvantaged students from enrolled to eligible NSLP participants is anticipated to have a cost. However, TEA does not maintain the monthly status of students' eligibility for the NSLP, and therefore, the total cost to the state of providing the compensatory allotment to all eligible non-participants cannot be determined. However, this analysis assumes that this cost would likely have a significant fiscal impact to the state due to the potentially large number of eligible non-participants.

To the extent that districts choose not to offer the National School Breakfast Program, and instead chose to develop and implement a locally funded program, there would be a reduction in federal funds.

### **Local Government Impact**

School districts who chose not to offer the National School Breakfast Program, and instead choose to develop and implement a locally funded program, could incur some administrative costs and experience a loss of federal revenue, but such action would be voluntary and amounts would vary by district. Some districts would receive additional funding under the modified calculation of the compensatory education allotment under the provisions of this bill.

**Source Agencies:** 551 Department of Agriculture, 701 Central Education Agency

**LBB Staff:** UP, JBi, AM, AH, JSp