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REPORTS:

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No

NEWSPAPER ARTICLES:

Yes

"Law orders in-school breakfasts," 1-28-2003 The Times, pA5

"Breakfast required in some NJ schools," 1-28-2003 Home News & Tribune, p.A3

"NJ schools may provide free or low-price breakfast," 1-28-2003 Philadelphia Inquirer. PB4

P.L. 2003, CHAPTER 4, *approved January 27, 2003*
Senate Committee Substitute (*Second Reprint*) for
Senate, No.1498

1 AN ACT concerning the implementation of school breakfast programs
2 and supplementing Title 18A of the New Jersey Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. The Legislature finds and declares that:

8 a. The School Breakfast Program is a federally assisted meal
9 program operating in public and nonprofit private schools and
10 residential child care institutions nationwide, and supplying to each
11 participating child at least one-fourth of the nutrients needed daily;

12 b. The School Breakfast Program was established by the federal
13 government in 1966 with the purpose of providing a nutritious, well-
14 balanced breakfast to promote sound eating habits, and fostering good
15 health and academic achievement for school-age children;

16 c. New Jersey ranks fiftieth in the nation for participation in the
17 School Breakfast Program by schools offering school lunch, and has
18 seen only modest increases in participation in recent years;

19 d. Research shows that school breakfast increases attendance and
20 decreases tardiness, improves academic performance both in class and
21 on standardized tests, improves attentiveness, and reduces emotional
22 and behavioral problems among students from all backgrounds; and

23 e. Therefore, it is clearly in the public interest for the State to
24 require that school districts with large populations of students eligible
25 for federally subsidized meals offer the School Breakfast Program and
26 publicize the program in their communities.

27

28 ¹[2. a. Beginning with the 2002-2003 school year, any publicly-
29 funded school located in a local or regional school district of the State
30 in which forty percent (40%) or more of the students enrolled in the
31 school on October 1 of the preceding school year were eligible for free
32 or reduced price meals under the federal School Lunch Program or the
33 federal School Breakfast Program, shall establish a school breakfast
34 program in compliance with and pursuant to the School Breakfast
35 Program administered by the New Jersey Department of Agriculture.

36 b. Beginning with the 2003-2004 school year, any publicly-funded
37 school located in a local or regional school district of the State in

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AFW committee amendments adopted October 24, 2002.

² Assembly AAP committee amendments adopted November 18, 2002.

1 which thirty-five percent (35%) or more of the students enrolled in the
2 school on October 1 of the preceding school year were eligible for free
3 or reduced price meals under the federal School Lunch Program or the
4 federal School Breakfast Program shall establish a school breakfast
5 program in compliance with and pursuant to the School Breakfast
6 Program administered by the New Jersey Department of Agriculture.

7 c. Beginning with the 2004-2005 school year, any publicly-funded
8 school located in a local or regional school district of the State in
9 which twenty percent (20%) or more of the students enrolled in the
10 school on October 1 of the preceding school year were eligible for free
11 or reduced price meals under the federal School Lunch Program or the
12 federal School Breakfast Program shall establish a school breakfast
13 program in compliance with and pursuant to the School Breakfast
14 Program administered by the New Jersey Department of Agriculture.】¹

15

16 ¹ 2. a. A public school operated by a local or regional school
17 district of the State in which 20% or more of the students enrolled in
18 the school on October 1 of the preceding school year were eligible for
19 free or reduced price meals under the federal School Lunch Program
20 or the federal School Breakfast Program, shall establish a School
21 Breakfast Program in the school.

22 The school district shall submit a plan for the establishment of
23 school breakfast programs for each school in the district subject to the
24 requirements of this section that is in compliance with and pursuant to
25 the School Breakfast Program administered by the State Department
26 of Agriculture. The plan ²for each school² shall be submitted to the
27 Department of Agriculture by ²[September 1, 2003] the date
28 required by subsection b. of this section² in a form and manner
29 prescribed by the Secretary of Agriculture.

30 b. ²(1) A school district shall submit a plan for all grades of each
31 school that has one or more of the grades pre-K through sixth grade
32 and for which a plan is required by subsection a. of this section on or
33 before November 1, 2003.

34 (2) A school district shall submit a plan for all grades of each
35 school that is not described in paragraph (1) of this subsection and for
36 which a plan is required by subsection a. of this section on or before
37 November 1, 2004.

38 c.² The Department of Agriculture, in consultation with the
39 Department of Education, shall review each school breakfast plan
40 submitted pursuant to this section and make recommendations, if
41 necessary, on how the school breakfast program can operate within the
42 limits of the federal and State reimbursement rates for the federal
43 School Breakfast Program.

44 ²[c.] d.² The Department of Agriculture shall notify each school
45 district that submits a school breakfast plan pursuant to this section of
46 the completion of the department's review and any recommended
47 changes to the plan, within three months of the receipt of the plan, but

1 no later than ²[December 1, 2003] the February 1 following the date
2 required for submission of the plan pursuant to subsection b. of this
3 section ².

4 ²[d.] e. ²A school district subject to the requirements of this
5 section shall establish a school breakfast program in each of its
6 schools, based on the plan submitted by the school district to the
7 Department of Agriculture, by September 1, 2004 ²for schools for
8 which plans are required to be submitted by paragraph (1) of
9 subsection b. of this section and by September 1, 2005 for schools for
10 which plans are required to be submitted by paragraph (2) of
11 subsection b. of this section ².

12 ²[e.] f. ²(1) If a school district does not submit a school
13 breakfast plan to the Department of Agriculture ²[by September 1,
14 2003] ²pursuant to subsection a. of this section ²by the date required
15 by subsection b. of this section ², it shall establish a school breakfast
16 program in each of its schools ²in which a program is required
17 pursuant to subsection a. of this section ² based on a model plan
18 provided by the department.

19 (2) The model plan shall include recommendations on how the
20 school breakfast program can operate within the limits of the federal
21 and State reimbursement rates for the federal School Breakfast
22 Program.

23 (3) The Department of Agriculture shall provide the model plan
24 to the school district no later than ²[February 1, 2004] March 1, 2004
25 for schools for which plans are required to be submitted by paragraph
26 (1) of subsection b. of this section and by March 1, 2005 for schools
27 for which plans are required to be submitted by paragraph (2) of
28 subsection b. of this section ² and the school district shall establish the
29 school breakfast program in each of its schools based on the plan by
30 September 1, 2004 ²for schools for which plans are required to be
31 submitted by paragraph (1) of subsection b. of this section and by
32 September 1, 2005 for schools for which plans are required to be
33 submitted by paragraph (2) of subsection b. of this section ². ¹

34
35 3. ¹[a.] ¹In implementing a school breakfast program under this
36 act, a school district shall ¹:

37 a. ¹ ²[demonstrate reasonable efforts to provide information]
38 publicize the availability of the school breakfast program ² to parents
39 and students ²[regarding the availability of the school breakfast
40 program] ² ¹[.] ¹

41 b. ¹[In implementing a school breakfast program under this act,
42 a school district shall] ¹ make every effort to ensure that income-
43 eligible students are not recognized as program participants by the
44 student body, faculty, or staff in a manner distinct from student
45 participants who are not income-eligible. Such efforts shall include,
46 but not be limited to, the establishment of a meal plan or voucher

1 system under which students receiving subsidized breakfasts are not
2 distinguished from students receiving non-subsidized breakfasts ¹; and
3 c. make every effort to encourage students who are not income-
4 eligible to participate in the program¹.

5
6 4. a. The ¹[New Jersey]¹ Department of Agriculture may grant
7 a one-year waiver of the requirements of this act to a school in a
8 ¹school¹ district subject to ¹the requirements of¹ this act that lacks
9 the staff, facilities or equipment to offer a school breakfast program,
10 or the means to finance the hiring or acquisition of such staff, facilities
11 or equipment ¹, if the district submits a school breakfast plan to the
12 department by ²[September 1, 2003] pursuant to the requirements
13 of section 2 of P.L. ¹, c. ¹(C. ¹)(pending before the Legislature as
14 this bill)² and requests a waiver for ²[a] the ² specific school¹.

15 b. ¹[The New Jersey Department of Agriculture may grant a one-
16 year waiver of the requirements of this act to any high school in a
17 district subject to this act if fifty percent (50%) or more of the eligible
18 students decline to participate in the school breakfast program during
19 any year of the program, as demonstrated by sufficient proof to the
20 New Jersey Department of Agriculture.

21 c. Any] A¹ school ¹[seeking] district that requests ¹a waiver
22 pursuant to this section shall ¹[submit a report to the Department of
23 Agriculture, establishing the evidentiary basis for the requested waiver,
24 in such form and containing] provide¹ such information as the
25 Department of Agriculture shall specify pursuant to regulation ¹to
26 justify the request¹. The ¹[report shall describe in detail] information
27 shall include, but not be limited to, a description of¹ the specific
28 impediments to implementing the program, the specific actions ¹that
29 will be¹ taken to remove those impediments, and the specific steps
30 ²required to successfully implement the program in the following
31 school year.²

32
33 5. Nothing in this act shall be ¹[deemed] construed¹ to prevent
34 a school district not subject to this act from implementing a school
35 breakfast program ¹[or to prevent a school district from implementing
36 a school breakfast program during an earlier year than required under]
37 pursuant to section 2¹ this act.

38
39 6. The ¹[New Jersey]¹ Department of Agriculture, in consultation
40 with the Department of Education, shall adopt ¹rules and regulations¹,
41 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
42 (C.52:14B-1 et seq.) ¹[such rules and regulations as may be necessary
43 to implement this act], concerning the revision of school breakfast
44 plans for schools that have a participation rate of less than 50% of
45 eligible students in a school breakfast program during any year of the

1 program, and other matters necessary to effectuate the purposes of
2 this act¹.

3

4 7. This act shall take effect immediately.

5

6

7

8

9 Provides for mandatory participation in school breakfast program for
10 certain schools.

SENATE, No. 1498

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MAY 13, 2002

Sponsored by:

Senator PETER A. INVERSO
District 14 (Mercer and Middlesex)
Senator JOSEPH A. PALAIA
District 11 (Monmouth)

Co-Sponsored by:

Senators Cafiero and Allen

SYNOPSIS

Establishes mandatory participation in school breakfast programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/10/2002)

S1498 INVERSO, PALAIA

2

1 **AN ACT** concerning the implementation of school breakfast programs
2 and supplementing Title 18A of the New Jersey Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. Beginning with the 2002-2003 school year, any publicly-
8 funded school located in a local or regional school district of the State
9 in which forty percent (40%) or more of the students enrolled in the
10 school on October 1 of the preceding school year were eligible for free
11 or reduced price meals under the federal School Lunch Program or the
12 federal School Breakfast Program, shall establish a school breakfast
13 program in compliance with and pursuant to the School Breakfast
14 Program administered by the New Jersey Department of Agriculture.

15 b. Beginning with the 2003-2004 school year, any publicly-funded
16 school located in a local or regional school district of the State in
17 which thirty-five percent (35%) or more of the students enrolled in the
18 school on October 1 of the preceding school year were eligible for free
19 or reduced price meals under the federal School Lunch Program or the
20 federal School Breakfast Program, shall establish a school breakfast
21 program in compliance with and pursuant to the School Breakfast
22 Program administered by the New Jersey Department of Agriculture.

23 c. Beginning with the 2004-2005 school year, any publicly-funded
24 school located in a local or regional school district of the State in
25 which twenty percent (20%) or more of the students enrolled in the
26 school on October 1 of the preceding school year were eligible for free
27 or reduced price meals under the federal School Lunch Program or the
28 federal School Breakfast Program, shall establish a school breakfast
29 program in compliance with and pursuant to the School Breakfast
30 Program administered by the New Jersey Department of Agriculture.

31
32 2. a. The New Jersey Department of Agriculture may grant a one-
33 year, unrenovable waiver of the requirements of this act to a school
34 district subject to this act which lacks the staff, facilities or equipment
35 to offer a school breakfast program, or the means to finance the hiring
36 or acquisition of such staff, facilities or equipment.

37 b. In any high school under the requirements of this act, if fifty
38 percent (50%) or more of the eligible students refuse to participate in
39 the school breakfast program during any year of the program, as
40 demonstrated by sufficient proof to the New Jersey Department of
41 Agriculture, the affected high school may be granted a waiver from the
42 requirements of this act.

43
44 3. Nothing in this act shall be deemed to prevent a school district
45 not subject to this act from implementing a school breakfast program

1 or to prevent a school district from implementing a school breakfast
2 program during an earlier year than required under this act.

3

4 4. The New Jersey Department of Agriculture shall adopt, pursuant
5 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
6 et seq.) such rules and regulations as may be necessary to implement
7 this act.

8

9 5. This act shall take effect immediately.

10

11

12

STATEMENT

13

14 This bill establishes a three-year implementation program that
15 requires all schools with 20 percent to 40 percent or more students
16 who are eligible for federally subsidized meals under the national
17 School Lunch or School Breakfast Programs to implement a school
18 breakfast program. Currently, school district participation in the
19 federal School Breakfast Program, which is administered by the State
20 Department of Agriculture, is voluntary.

21 The mandatory participation provision of this bill is needed because
22 New Jersey now ranks last in the nation for school breakfast
23 participation. Only 16 percent of the State's school districts serve
24 school breakfasts, as compared to a 40 percent rate for school districts
25 participating in the federal School Lunch Program.

26 While the FY 2002 State Budget provided \$2,488,000 to increase
27 the subsidized portion of this program, the number of new school
28 districts participating in the program has not risen significantly. In
29 other states where mandatory participation has been legislatively
30 required, the participation rates are dramatically higher. Since this
31 program is primarily supported by federal reimbursement funds, which
32 are allocated according to the number of breakfasts actually served,
33 more federal dollars would be forthcoming as more school districts
34 participate in this program.

ASSEMBLY FAMILY, WOMEN AND CHILDREN'S SERVICES
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1498

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 24, 2002

The Assembly Family, Women and Children's Services Committee reports favorably and with committee amendments Senate Bill No. 1498 (SCS).

As amended by committee, this substitute requires a public school operated by a local or regional school district of the State with 20 percent or more of students who are eligible for federally subsidized meals under the federal School Lunch or School Breakfast Programs, to establish a School Breakfast Program in the school.

The school district shall submit a plan for the establishment of school breakfast programs for each school in the district subject to the requirements of the substitute to the State Department of Agriculture by September 1, 2003. The Department of Agriculture shall:

- ! in consultation with the Department of Education, review each plan submitted and make recommendations, if necessary, on how the school breakfast program can operate within the limits of the federal and State reimbursement rates for the federal School Breakfast Program; and
- ! notify each school district that submitted a plan of the completion of its review and any recommended changes to the plan, within three months of the receipt of the plan, but no later than December 1, 2003.

A school district shall establish a school breakfast program in each of its schools, based on the plan submitted by the district to the Department of Agriculture, by September 1, 2004.

The substitute also requires that if a school district does not submit a plan pursuant to section 2 of the substitute, the district shall establish a school breakfast program in each of its schools based on a model plan provided to the district by the Department of Agriculture. The model plan shall include recommendations on how the school can operate the program within the limits of the federal and State reimbursement rates for the federal School Breakfast Program. The department shall provide the model plan to the school district no later

than February, 1 2004 and the district shall establish the program in each of its schools based on the plan by September 1, 2004.

The substitute directs a school district to minimize the stigma sometimes attached to breakfast program students by developing a meal payment plan or a voucher system that would make participating students indistinguishable from students receiving non-subsidized breakfasts. The substitute also requires that a school district implementing a school breakfast program shall make reasonable efforts to notify parents and students of its availability and encourage participation in the program by students who are not income-eligible.

The substitute permits the Department of Agriculture to grant a one-year waiver of the requirements of the substitute to a district that lacks the staff, facilities or equipment to offer a school breakfast program, or the means to finance the hiring or acquisition of the staff, facilities or equipment, if the school district submits a school breakfast plan by September 1, 2003 and requests a waiver for a specific school. A school district that requests a waiver shall provide specific information to the Department of Agriculture to justify its request for the waiver.

Currently, school district participation in the federal School Breakfast Program is voluntary. The mandatory participation provision of this substitute is needed because New Jersey now ranks last in the nation for school breakfast participation. Only 38% of the State's school districts serve school breakfasts, as compared to the 88% rate for school districts participating in the federal School Lunch Program.

While the FY 2002 State Budget provided \$2,488,000 to increase the subsidized portion of this program, the number of new school districts participating in the program has not risen significantly. In other states where mandatory participation has been legislatively required, the participation rates are dramatically higher. Since this program is primarily supported by federal funds, which are allocated according to the number of breakfasts actually served, more federal dollars would be forthcoming as more school districts participate in this program.

This substitute is identical to the Assembly Committee Substitute for Assembly Nos. 2293 and 2709 (Watson Coleman/Gusciora/Ahern/Cohen/Heck/Weinberg), which was also reported by this committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments:

- ! delete the three-year implementation schedule for school breakfast programs;
- ! require that school districts submit a plan for the establishment of school breakfast programs in the district's schools to the State Department of Agriculture by September 1, 2003 and specify the duty of the Department of Agriculture regarding the plan;

- ! require a school district to establish a school breakfast program in each of its schools by September 1, 2004;
- ! provide that if a school district does not submit a plan for a breakfast program, the district shall establish a school breakfast program in each of its schools based on a model plan provided to the district by the Department of Agriculture;
- ! provide that school districts encourage participation in the program by students who are not income-eligible;
- ! permit the Department of Agriculture to grant a one-year waiver of the requirements of the substitute to a school district if the district submits a school breakfast plan by September 1, 2003 and requests a waiver for a specific school;
- ! delete the requirement allowing the Department of Agriculture to grant a one-year waiver of the requirements of the substitute to any high school subject to the requirements of the substitute if 50% or more of the eligible students decline to participate in the school breakfast program during any year of the program; and
- ! delete language that clarifies that nothing in the substitute shall be deemed to prevent a school district from implementing a school breakfast program during an earlier year than required by the provisions of the substitute.

Finally, the amendments require the Department of Agriculture, in consultation with the Department of Education, to adopt rules and regulations concerning the revision of school breakfast plans for schools that have a participation rate of less than 50% of eligible students in a school breakfast program during any year of the program, and replace a reference to "deemed" with "construed."

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1498

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 14, 2002

The Assembly Appropriations Committee reports favorably Senate Bill No. 1498 (SCS/1R), with committee amendments.

Senate Bill No. 1498 (SCS/1R), as amended, requires a public school operated by a local or regional school district of the State, with 20% or more students who are eligible for federally subsidized meals under the federal School Lunch or School Breakfast Programs, to establish a School Breakfast Program in the school.

The bill requires a school district to submit a plan for the establishment of school breakfast programs for each school in the school district subject to the requirements of the bill to the State Department of Agriculture by November 1, 2003 for schools with any one of the grades pre-K through sixth, and November 1, 2004 for all other subject schools. The Department of Agriculture shall:

- ! in consultation with the Department of Education, review each plan submitted and make recommendations, if necessary, on how the school breakfast program can operate within the limits of the federal and State reimbursement rates for the federal School Breakfast Program; and
- ! notify each school district that submitted a plan of the completion of its review and any recommended changes to the plan, within three months of the receipt of the plan, but no later than February following the date required for submission of the plan.

The bill requires a school district to establish a school breakfast program in each of its subject schools with any one of the grades pre-K through sixth based on the plan submitted by the district to the Department of Agriculture, by September 1, 2004, and all other subject schools by September 5, 2005.

The bill also requires that if a school district does not submit a plan by the required date, the district shall establish a school breakfast

program in each of its subject schools for which no plan was submitted based on a model plan provided to the district by the Department of Agriculture. The model plan shall include recommendations on how the school can operate the program within the limits of the federal and State reimbursement rates for the federal School Breakfast Program. The department shall provide the model plan to the school district no later than March, 1 2004 for subject schools with any one of the grades pre-K through sixth, and March 1, 2005 for all other subject schools and the district shall establish the program in each of its subject schools based on the plan by September 1, 2004 for schools with grades pre-K through sixth and September 1, 2005 for all other schools.

The bill directs a school district to minimize the stigma sometimes attached to breakfast program students by developing a meal payment plan or a voucher system that will make participating students indistinguishable from students receiving non-subsidized breakfasts. The bill also requires that a school district implementing a school breakfast program publicize its availability to parents and students.

The bill permits the Department of Agriculture to grant a one-year waiver of the requirements to a district that lacks the staff, facilities or equipment to offer a school breakfast program, or the means to finance the hiring or acquisition of the staff, facilities or equipment, if the school district submits a school breakfast plan by the dates under the bill and requests a waiver for a specific school. A school district that requests a waiver shall provide specific information to the Department of Agriculture to justify its request for the waiver.

Currently, school district participation in the federal School Breakfast Program is voluntary. The mandatory participation provision is needed because New Jersey now ranks last in the nation for school breakfast participation. Only 38% of the State's school districts serve school breakfasts, as compared to the 88% rate for school districts participating in the federal School Lunch Program.

As amended and reported, the bill is identical to Assembly Bill Nos. 2293 and 2709 (ACS) as also amended and reported by this committee.

FISCAL IMPACT:

The annual State cost of this bill is estimate to be in the range of \$570,000 (if the current average 20% participation rate of eligible students carries through to the new program) to \$3 million maximum (if all eligible students participated in the breakfast program). This estimate is based on the State incurring an additional cost of 0.10 per student per meal. The federal portion could be up to \$14 million for 100 percent participation by eligible students.

COMMITTEE AMENDMENTS:

The amendments make the program a two-tiered process, first with schools including one or more of the grades of pre-K through

sixth and then all other schools subject to the requirements of the bill. The procedural and implementation dates were modified to reflect the two tiers' submission of plans and implementation of the program.

The amendments also emphasize a required commitment by school districts to support the breakfast program by changing a requirement that the districts "provide information" about the program to a requirement that the districts "promote" the program.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1498

STATE OF NEW JERSEY

DATED: SEPTEMBER 9, 2002

The Senate Education Committee reports favorably Senate Bill No. 1498.

This bill establishes a three-year implementation program that requires all public schools with 20 percent to 40 percent or more of students who are eligible for federally subsidized meals under the national School Lunch or School Breakfast Programs to implement a school breakfast program. Currently, school district participation in the federal School Breakfast Program, which is administered by the State Department of Agriculture, is voluntary.

The mandatory participation provision of this bill is needed because New Jersey now ranks last in the nation for school breakfast participation. Only 16 percent of the State's school districts serve school breakfasts, as compared to a 40 percent rate for school districts participating in the federal School Lunch Program.

While the FY 2002 State budget provided \$2,488,000 to increase the subsidized portion of this program, the number of new school districts participating in the program has not risen significantly. In other states where mandatory participation has been legislatively required, the participation rates are dramatically higher. Since this program is primarily supported by federal reimbursement funds, which are allocated according to the number of breakfasts actually served, more federal dollars would be forthcoming as more school districts participate in this program.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 1498**

STATE OF NEW JERSEY

DATED: SEPTEMBER 26, 2002

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 1498.

This substitute bill provides that whenever the low-income student population at a publicly funded school exceeds a specified proportion of its total enrollment, the school must establish a school breakfast program that meets the standards established for the State school breakfast program administered by the New Jersey Department of Agriculture.

The State's school breakfast program is operated by participating school districts under the general administration of the department's Division of Child Nutrition Programs. For the district to qualify as a participating district under the State program, it must sponsor the provision to its students of a breakfast that meets federal standards for nutrition and caloric content. A breakfast program sponsor may establish charges for the meals it provides, but students from households with income below certain levels established annually by the United States Department of Agriculture (USDA) must be eligible for free or reduced-price breakfasts. For the 2002-03 school year, the USDA's guidelines provide that a student from a family of four with annual household income of not more than \$23,530 qualifies for a free breakfast, while one whose household income is higher, but not more than \$33,485, qualifies for a reduced-price breakfast.

A district that the Division determines to be qualified under the federal guidelines is eligible for cash reimbursement from both the federal government and the State for the breakfasts provided under its sponsorship. The federal portion of the meal reimbursement is at rates established annually by the USDA; the State has in recent years provided additional reimbursement at a flat \$.10 per meal. The current combined State-federal meal reimbursement rates for school breakfasts are: for a free breakfast, \$1.27; for a reduced-price breakfast, \$.97; for a breakfast for which a full price is charged, \$.32. Additional federal reimbursement is available to a school if free or reduced-price meals comprise more than 40% of the total number of breakfasts served to its students and the cost of preparing those breakfasts is unusually high.

Currently, school districts are not required to sponsor a school breakfast program. Under this bill, sponsorship of such programs will become mandatory for schools in which the proportion of prior-year enrollment eligible for free or reduced-price meals was at or above a specified level. For the 2002-03 school year, this triggering level is set at 40%; for the 2003-04 school year, the triggering level will fall to 35%; in subsequent school years, the triggering level will be 20%.

COMPARISON OF SUBSTITUTE

The committee substitute incorporates additional provisions not included in the bill as introduced, as follows (1) a statement of legislative findings, (2) a requirement that school districts implementing a school breakfast program under the legislation shall make reasonable efforts to notify parents and students of its availability, (3) a requirement that any such school district shall attempt to ensure that the program is not administered in a way that results in public disclosure of whether or not a student is eligible for a subsidized breakfast, (4) a requirement that any school seeking a waiver of its obligation under the legislation to provide a school breakfast program shall provide evidence of its eligibility for that waiver, and (5) a requirement that the Department of Agriculture, in issuing regulations to implement the legislation, shall consult with the New Jersey Department of Education.

FISCAL IMPACT

The Office of Legislative Services (OLS) estimates that the enactment of this bill will not have a substantial fiscal impact on the State because most program costs are covered by federal funds and support from participating school districts. Although the bill would produce additional claims for reimbursement under the current State subsidy (\$.10 per meal, as noted above), that subsidy is nevertheless subject to the annual appropriation process, and not governed by the provisions of the bill.

Any costs not covered by federal or State funding would be the responsibility of the districts. Such costs, however, could range from zero to relatively small amounts depending on the factors principally affecting program expenses: food ingredients, labor, and supplies. The cost of these items can vary depending on the use of donated foods, the number of students served, the amount of food preparation required, and local pay scales. In many cases, increases in unreimbursed costs can be offset by greater use of workers from federally subsidized programs, senior citizen associations, or other volunteer groups.

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1498
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: OCTOBER 7, 2002

SUMMARY

Synopsis: Establishes mandatory participation in school breakfast programs.
Type of Impact: Expenditure increase in Federal funds and in some school budgets.
Agencies Affected: Department of Agriculture and participating school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost		None	
Local Cost		None to minimal	

- ! The bill requires the mandatory participation in the National School Breakfast program of those public schools that have at least 20 percent of its students eligible for federally subsidized meals.
- ! The bill establishes a three-year implementation schedule that targets schools with 40 percent eligible students the first year, 35 percent the second year, and 20 percent the third year.
- ! The bill directs participating schools to make every effort to ensure that eligible students are not stigmatized for being program participants.
- ! The Office of Legislative Services (OLS) estimates that the bill will have no effect on the State Budget but could have a minimal fiscal impact on some of the affected school districts.

BILL DESCRIPTION

Senate Committee Substitute for Senate Bill No. 1498 of 2002 establishes a three-year implementation schedule to require all schools with 20 percent to 40 percent or more students who are eligible for federally subsidized meals under the national School Lunch or School Breakfast Programs to implement a school breakfast program. This program is primarily supported by federal reimbursement funds, which are allocated according to the number of breakfasts actually served. The State also subsidizes a small portion of this program. Currently,

school district participation in the School Breakfast Program is voluntary. The bill also directs school districts to minimize the stigma sometimes attached to breakfast program students by developing a meal payment system that would make such students indistinguishable from other students. Last, the bill provides a one-year grace period to implement the program under certain circumstances as detailed therein.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill's enactment will have no direct fiscal impact on the State Budget because most program costs are covered by federal monies and participating school districts. Although appropriations supporting the current State subsidy (\$0.10 per meal) may be in greater demand as a result of increased school participation under the bill, the State subsidy is nevertheless subject to the annual budget process rather than the bill's provisions.

With respect to the bill's fiscal impact on school districts, any costs not covered by federal or State funding would be the responsibility of the districts. Such costs, however, could range from zero to relatively small amounts depending on three major factors affecting program implementation, namely food, labor and supplies. Costs for these items can vary depending on the use of donated foods, the number of students served, the amount of food preparation required, or local pay scales. In many cases, federal and State reimbursements will cover all such costs. In other cases, unreimbursed costs can be mitigated by hiring workers from federally subsidized programs, senior citizen associations, or from other volunteer groups. Finally, it should be noted that additional federal reimbursement is available to schools where subsidized meals comprise more than 40 percent of the total number of breakfasts served and the cost of preparing those breakfasts is unusually high.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

LEGISLATIVE FISCAL ESTIMATE
 [Second Reprint]
 SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1498
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JANUARY 7, 2003

SUMMARY

Synopsis: Provides for mandatory participation in school breakfast programs for certain schools.

Type of Impact: Expenditure increase in Federal funds and in some school budgets.

Agencies Affected: Department of Agriculture and participating school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost		None	
Local Cost		None to minimal	

- ! The bill requires the mandatory participation in the National School Breakfast program of those public schools that have at least 20 percent of its students eligible for federally subsidized meals.
- ! The bill requires school districts to submit plans for establishing school breakfast programs to the Department of Agriculture (DOA) for review and approval; school districts that do not submit plans must establish breakfast programs developed by the DOA.
- ! The bill directs participating schools to ensure that eligible students are not stigmatized for being program participants, and that the program is well-publicized.
- ! The Office of Legislative Services (OLS) estimates that the bill will have no effect on the State Budget but could have a minimal fiscal impact on some of the affected school districts.

BILL DESCRIPTION

Senate Committee Substitute for Senate Bill No. 1498 (2R) of 2002 requires all public schools with 20 percent or more students who are eligible for federally subsidized meals under the national School Lunch or School Breakfast Programs to implement a school breakfast

program. Under the bill, school districts are required to submit plans to establish a breakfast program for eligible pre-K to sixth grade schools by November 1, 2003, and for eligible schools with higher grades by November 1, 2004. The Department of Agriculture (DOA), the administrator of the School Breakfast program, is required to review each plan and notify school districts of any recommended changes to the plan no later than February 1 of the year following the aforementioned submission dates. School districts are then required, based on the reviewed plans, to establish such programs by September 1, 2004 in the lower grade schools and by September 1, 2005 in the upper grade schools. If a school district does not submit the required plans, it is still required to establish a school breakfast program based on a model plan developed by the DOA.

The bill directs school districts to minimize the stigma sometimes attached to breakfast program students by developing a meal payment system that would make such students indistinguishable from other students. It also requires school districts to aggressively publicize the availability of the program. Last, the bill provides a one-year grace period to implement the program under certain circumstances as detailed therein.

At present, participation in the School Breakfast program is voluntary. Its costs are primarily supported by federal reimbursement funds based on the number of breakfasts actually served. The State also subsidizes a small portion of this program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill's enactment will have no direct fiscal impact on the State Budget because most program costs are covered by federal monies and participating school districts. Although appropriations supporting the current State subsidy (\$0.10 per meal) may be in greater demand as a result of increased school participation under the bill, the State subsidy is nevertheless subject to the annual budget process rather than the bill's provisions.

With respect to the bill's fiscal impact on school districts, any costs not covered by federal or State funding would be the responsibility of the districts. Such costs, however, could range from zero to relatively small amounts depending on three major factors affecting program implementation, namely food, labor and supplies. Costs for these items can vary depending on the use of donated foods, the number of students served, the amount of food preparation required, or local pay scales. In many cases, federal and State reimbursements will cover all such costs. In other cases, unreimbursed costs can be mitigated by hiring workers from federally subsidized programs, senior citizen associations, or from other volunteer groups. Finally, it should be noted that additional federal reimbursement is available to schools where subsidized meals comprise more than 40 percent of the total number of breakfasts served and the cost of preparing those breakfasts is unusually high.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 2293

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MAY 9, 2002

Sponsored by:

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblyman MATT AHEARN

District 38 (Bergen)

Assemblyman NEIL M. COHEN

District 20 (Union)

Co-Sponsored by:

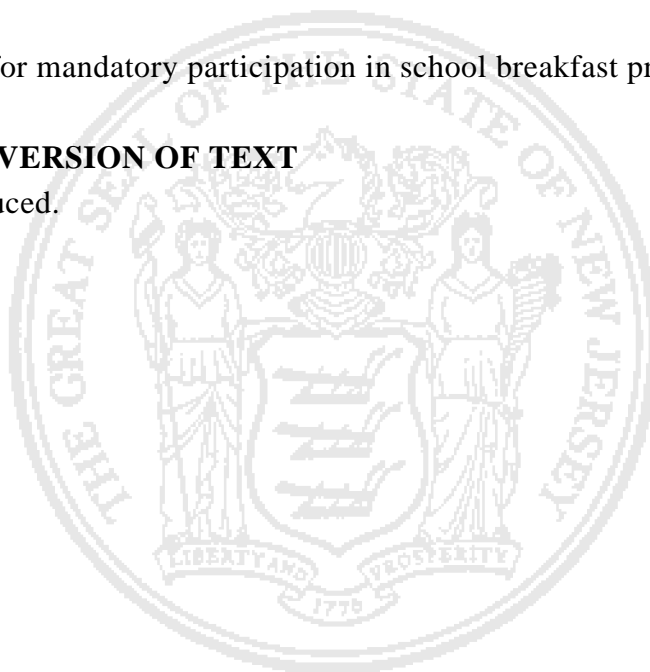
Assemblymen Roberts, Conaway, Conners, R.Smith and Gregg

SYNOPSIS

Provides for mandatory participation in school breakfast program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/25/2002)

1 AN ACT concerning the implementation of school breakfast programs
2 and supplementing Title 18A of the New Jersey Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. Beginning with the 2002-2003 school year, any publicly-
8 funded school located in a local or regional school district of the State
9 in which twenty percent (20%) or more of the students enrolled in the
10 school on October 1 of the preceding school year were eligible for free
11 or reduced price meals under the federal School Lunch Program or the
12 federal School Breakfast Program, shall establish a school breakfast
13 program in compliance with and pursuant to the School Breakfast
14 Program administered by the New Jersey Department of Agriculture.

15 b. In implementing a school breakfast program under this act, a
16 school district shall make every effort to ensure that income-eligible
17 students are not distinguished or recognized as program participants
18 by the student body, faculty or staff. Such efforts shall include, but
19 not be limited to, the establishment of a meal payment plan or voucher
20 system under which students receiving subsidized breakfasts would not
21 be distinguished from students receiving non-subsidized breakfasts.

22
23 2. The Department of Agriculture may grant a one-year waiver of
24 the requirements of this act to a school district subject to this act
25 which lacks the staff, facilities or equipment to offer a school breakfast
26 program, or the means to finance the hiring or acquisition of such
27 staff, facilities or equipment.

28
29 3. Nothing in this act shall be deemed to prevent a school district
30 not subject to this act from implementing a school breakfast program
31 pursuant to section 1 of this act.

32
33 4. The Department of Agriculture shall adopt, pursuant to the
34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
35 such rules and regulations as may be necessary to implement this act.

36
37 5. This act shall take effect immediately.

38

39

40

STATEMENT

41

42 This bill requires all schools with 20 percent or more students who
43 are eligible for federally subsidized meals under the national School
44 Lunch or School Breakfast Programs to implement a school breakfast
45 program. Currently, school district participation in the federal School
46 Breakfast Program, which is administered by the State Department of

1 Agriculture, is voluntary. The bill also requires those school districts
2 to minimize the stigma sometimes attached to breakfast program
3 students by developing a meal payment system that would make
4 participating students indistinguishable from students receiving non-
5 subsidized breakfasts.

6 The mandatory participation provision of this bill is needed because
7 New Jersey now ranks last in the nation for school breakfast
8 participation. Only 38 percent of the State's school districts serve
9 school breakfasts, as compared to the 88 percent rate for school
10 districts participating in the federal School Lunch Program.

11 While the FY 2002 State Budget provided \$2,488,000 to increase
12 the subsidized portion of this program, the number of new school
13 districts participating in the program has not risen significantly. In
14 other states where mandatory participation has been legislatively
15 required, the participation rates are dramatically higher. Since this
16 program is primarily supported by federal reimbursement funds, which
17 are allocated according to the number of breakfasts actually served,
18 more federal dollars would be forthcoming as more school districts
19 participate in this program.

ASSEMBLY, No. 2709

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED SEPTEMBER 12, 2002

Sponsored by:

Assemblywoman ROSE MARIE HECK

District 38 (Bergen)

Assemblywoman LORETTA WEINBERG

District 37 (Bergen)

SYNOPSIS

Establishes mandatory participation in school breakfast programs.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the implementation of school breakfast programs
2 and supplementing Title 18A of the New Jersey Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. Beginning with the 2002-2003 school year, any publicly-
8 funded school located in a local or regional school district of the State
9 in which forty percent (40%) or more of the students enrolled in the
10 school on October 1 of the preceding school year were eligible for free
11 or reduced price meals under the federal School Lunch Program or the
12 federal School Breakfast Program, shall establish a school breakfast
13 program in compliance with and pursuant to the School Breakfast
14 Program administered by the New Jersey Department of Agriculture.

15 b. Beginning with the 2003-2004 school year, any publicly-funded
16 school located in a local or regional school district of the State in
17 which thirty-five percent (35%) or more of the students enrolled in the
18 school on October 1 of the preceding school year were eligible for free
19 or reduced price meals under the federal School Lunch Program or the
20 federal School Breakfast Program, shall establish a school breakfast
21 program in compliance with and pursuant to the School Breakfast
22 Program administered by the New Jersey Department of Agriculture.

23 c. Beginning with the 2004-2005 school year, any publicly-funded
24 school located in a local or regional school district of the State in
25 which twenty percent (20%) or more of the students enrolled in the
26 school on October 1 of the preceding school year were eligible for free
27 or reduced price meals under the federal School Lunch Program or the
28 federal School Breakfast Program, shall establish a school breakfast
29 program in compliance with and pursuant to the School Breakfast
30 Program administered by the New Jersey Department of Agriculture.

31
32 2. a. The New Jersey Department of Agriculture may grant a one-
33 year, unrenovable waiver of the requirements of this act to a school
34 district subject to this act which lacks the staff, facilities or equipment
35 to offer a school breakfast program, or the means to finance the hiring
36 or acquisition of such staff, facilities or equipment.

37 b. In any high school under the requirements of this act, if fifty
38 percent (50%) or more of the eligible students refuse to participate in
39 the school breakfast program during any year of the program, as
40 demonstrated by sufficient proof to the New Jersey Department of
41 Agriculture, the affected high school may be granted a waiver from the
42 requirements of this act.

43
44 3. Nothing in this act shall be deemed to prevent a school district
45 not subject to this act from implementing a school breakfast program

1 or to prevent a school district from implementing a school breakfast
2 program during an earlier year than required under this act.

3

4 4. The New Jersey Department of Agriculture shall adopt, pursuant
5 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
6 et seq.) such rules and regulations as may be necessary to implement
7 this act.

8

9 5. This act shall take effect immediately.

10

11

12

STATEMENT

13

14 This bill establishes a three-year implementation program that
15 requires all schools with 20 percent to 40 percent or more students
16 who are eligible for federally subsidized meals under the national
17 School Lunch or School Breakfast Programs to implement a school
18 breakfast program. Currently, school district participation in the
19 federal School Breakfast Program, which is administered by the State
20 Department of Agriculture, is voluntary.

21 The mandatory participation provision of this bill is needed because
22 New Jersey now ranks last in the nation for school breakfast
23 participation. Only 16 percent of the State's school districts serve
24 school breakfasts, as compared to a 40 percent rate for school districts
25 participating in the federal School Lunch Program.

26 While the FY 2002 State Budget provided \$2,488,000 to increase
27 the subsidized portion of this program, the number of new school
28 districts participating in the program has not risen significantly. In
29 other states where mandatory participation has been legislatively
30 required, the participation rates are dramatically higher. Since this
31 program is primarily supported by federal reimbursement funds, which
32 are allocated according to the number of breakfasts actually served,
33 more federal dollars would be forthcoming as more school districts
34 participate in this program.

ASSEMBLY FAMILY, WOMEN AND CHILDREN'S SERVICES
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2293 and 2709

STATE OF NEW JERSEY

DATED: OCTOBER 24, 2002

The Assembly Family, Women and Children's Services Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 2293 and 2709.

This committee substitute requires a public school operated by a local or regional school district of the State with 20% or more students who are eligible for federally subsidized meals under the federal School Lunch or School Breakfast Programs, to establish a School Breakfast Program in the school. The school district shall submit a plan for the establishment of school breakfast programs for each school in the school district subject to the requirements of the substitute to the State Department of Agriculture by September 1, 2003. The Department of Agriculture shall:

- ! in consultation with the Department of Education, review each plan submitted and make recommendations, if necessary, on how the school breakfast program can operate within the limits of the federal and State reimbursement rates for the federal School Breakfast Program; and
- ! notify each school district that submitted a plan of the completion of its review and any recommended changes to the plan, within three months of the receipt of the plan, but no later than December 1, 2003.

A school district shall establish a school breakfast program in each of its schools, based on the plan submitted by the district to the Department of Agriculture, by September 1, 2004.

The substitute also requires that if a school district does not submit a plan pursuant to section 2 of the substitute, the district shall establish a school breakfast program in each of its schools based on a model plan provided to the district by the Department of Agriculture. The model plan shall include recommendations on how the school can operate the program within the limits of the federal and State reimbursement rates for the federal School Breakfast Program. The department shall provide the model plan to the school district no later than February, 1 2004 and the district shall establish the program in each of its schools based on the plan by September 1, 2004.

The substitute directs a school district to minimize the stigma sometimes attached to breakfast program students by developing a meal payment plan or a voucher system that would make participating students indistinguishable from students receiving non-subsidized breakfasts. The substitute also requires that a school district implementing a school breakfast program shall make reasonable efforts to notify parents and students of its availability and encourage participation in the program by students who are not income-eligible.

The substitute permits the Department of Agriculture to grant a one-year waiver of the requirements of the substitute to a school in a district that lacks the staff, facilities or equipment to offer a school breakfast program, or the means to finance the hiring or acquisition of the staff, facilities or equipment, if the school district submits a school breakfast plan by September 1, 2003 and requests a waiver for a specific school. A school district that requests a waiver shall provide specific information to the Department of Agriculture to justify its request for the waiver.

Currently, school district participation in the federal School Breakfast Program is voluntary. The mandatory participation provision of this substitute is needed because New Jersey now ranks last in the nation for school breakfast participation. Only 38% of the State's school districts serve school breakfasts, as compared to the 88% rate for school districts participating in the federal School Lunch Program.

While the FY 2002 State Budget provided \$2,488,000 to increase the subsidized portion of this program, the number of new school districts participating in the program has not risen significantly. In other states where mandatory participation has been legislatively required, the participation rates are dramatically higher. Since this program is primarily supported by federal funds, which are allocated according to the number of breakfasts actually served, more federal dollars would be forthcoming as more school districts participate in this program.

This substitute is identical to the Senate Committee Substitute for Senate Bill No. 1498 (ACA) (Inverso/Turner/Palaia/Charles), which was amended and reported by this committee on this date.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2293 and 2709**

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 14, 2002

The Assembly Appropriations Committee reports favorably Assembly Bill Nos. 2293 and 2709 (ACS), with committee amendments.

Assembly Bill Nos. 2293 and 2709 (ACS), as amended, requires a public school operated by a local or regional school district of the State, with 20% or more students who are eligible for federally subsidized meals under the federal School Lunch or School Breakfast Programs, to establish a School Breakfast Program in the school.

The bill requires a school district to submit a plan for the establishment of school breakfast programs for each school in the school district subject to the requirements of the bill to the State Department of Agriculture by November 1, 2003 for schools with any one of the grades pre-K through sixth, and November 1, 2004 for all other subject schools. The Department of Agriculture shall:

- ! in consultation with the Department of Education, review each plan submitted and make recommendations, if necessary, on how the school breakfast program can operate within the limits of the federal and State reimbursement rates for the federal School Breakfast Program; and
- ! notify each school district that submitted a plan of the completion of its review and any recommended changes to the plan, within three months of the receipt of the plan, but no later than February following the date required for submission of the plan.

The bill requires a school district to establish a school breakfast program in each of its subject schools with any one of the grades pre-K through sixth based on the plan submitted by the district to the Department of Agriculture, by September 1, 2004, and all other subject schools by September 5, 2005.

The bill also requires that if a school district does not submit a plan by the required date, the district shall establish a school breakfast program in each of its subject schools for which no plan was submitted based on a model plan provided to the district by the Department of

Agriculture. The model plan shall include recommendations on how the school can operate the program within the limits of the federal and State reimbursement rates for the federal School Breakfast Program. The department shall provide the model plan to the school district no later than March, 1 2004 for subject schools with any one of the grades pre-K through sixth, and March 1, 2005 for all other subject schools and the district shall establish the program in each of its subject schools based on the plan by September 1, 2004 for schools with grades pre-K through sixth and September 1, 2005 for all other schools.

The bill directs a school district to minimize the stigma sometimes attached to breakfast program students by developing a meal payment plan or a voucher system that will make participating students indistinguishable from students receiving non-subsidized breakfasts. The bill also requires that a school district implementing a school breakfast program publicize its availability to parents and students.

The bill permits the Department of Agriculture to grant a one-year waiver of the requirements to a district that lacks the staff, facilities or equipment to offer a school breakfast program, or the means to finance the hiring or acquisition of the staff, facilities or equipment, if the school district submits a school breakfast plan by the dates under the bill and requests a waiver for a specific school. A school district that requests a waiver shall provide specific information to the Department of Agriculture to justify its request for the waiver.

Currently, school district participation in the federal School Breakfast Program is voluntary. The mandatory participation provision is needed because New Jersey now ranks last in the nation for school breakfast participation. Only 38% of the State's school districts serve school breakfasts, as compared to the 88% rate for school districts participating in the federal School Lunch Program.

As amended and reported, the bill is identical to Senate Bill No. 1498 (SCS/1R) as also amended and reported by this committee.

FISCAL IMPACT:

The annual State cost of this bill is estimate to be in the range of \$570,000 (if the current average 20% participation rate of eligible students carries through to the new program) to \$3 million maximum (if all eligible students participated in the breakfast program). This estimate is based on the State incurring an additional cost of 0.10 per student per meal. The federal portion could be up to \$14 million for 100 percent participation by eligible students.

COMMITTEE AMENDMENTS:

The amendments make the program a two-tiered process, first with schools including one or more of the grades of pre-K through sixth and then all other schools subject to the requirements of the bill. The procedural and implementation dates were modified to reflect the two tiers' submission of plans and implementation of the program.

The amendments also emphasize a required commitment by school districts to support the breakfast program by changing a requirement that the districts "provide information" about the program to a requirement that the districts "promote" the program.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2293
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: OCTOBER 9, 2002

SUMMARY

Synopsis: Provides for mandatory participation in school breakfast program.
Type of Impact: Expenditure increase in Federal funds and in some school budgets.
Agencies Affected: Department of Agriculture and participating school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost		None	
Local Cost		None to minimal	

- ! The bill requires the mandatory participation in the School Breakfast program of those public schools that have at least 20 percent of its students eligible for federally subsidized meals.
- ! The bill directs participating schools to make every effort to ensure that eligible students are not stigmatized for being program participants.
- ! The School Breakfast program is a federally-funded initiative administered by the Bureau of Child Nutrition in the State Department of Agriculture. The State also provides a subsidy of \$0.10 per meal served in participating schools.
- ! The Office of Legislative Services (OLS) estimates that the bill will have no effect on the State Budget but could have a minimal fiscal impact on some school districts.

BILL DESCRIPTION

Assembly Bill No. 2293 of 2002 requires all schools with 20 percent or more students who are eligible for federally subsidized meals under the national School Lunch or School Breakfast Programs to implement a school breakfast program. This program is primarily supported by federal reimbursement funds, which are allocated according to the number of breakfasts actually served. The State also subsidizes a small portion of this program. Currently, school district participation in the School Breakfast Program is voluntary. The bill also directs school districts to minimize the stigma sometimes attached to breakfast program students by developing a meal payment system that would make such students indistinguishable from other students.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill's enactment will have no direct fiscal impact on the State Budget because most program costs are covered by federal monies and participating school districts. Although appropriations supporting the current State subsidy (\$0.10 per meal) may be in greater demand as a result of increased school participation under the bill, the State subsidy is nevertheless subject to the annual budget process rather than the bill's provisions.

With respect to the bill's fiscal impact on school districts, any costs not covered by federal or State funding would be the responsibility of the districts. Such costs, however, could range from zero to relatively small amounts depending on three major factors affecting program implementation, namely food, labor and supplies. Costs for these items can vary depending on the use of donated foods, the number of students served, the amount of food preparation required, or local pay scales. In many cases, federal and State reimbursements will cover all such costs. In other cases, unreimbursed costs can be mitigated by hiring workers from federally subsidized programs, senior citizen associations, or from other volunteer groups. Schools identified as "severe need schools" may also qualify for special State ("Abbott district") reimbursements.

Last, the OLS estimates that school districts would likely incur little or no costs to establish or modify meal payment systems that would make participating students indistinguishable from students receiving non-subsidized breakfasts. Examples of such systems are already operating in New Jersey and in other parts of the country. In most cases, system adaptation could probably be implemented using existing school district resources along with technical assistance from the Bureau of Child Nutrition.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2293 and 2709

STATE OF NEW JERSEY
210th LEGISLATURE

ADOPTED OCTOBER 24, 2002

Sponsored by:

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblyman MATT AHEARN

District 38 (Bergen)

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblywoman ROSE MARIE HECK

District 38 (Bergen)

Assemblywoman LORETTA WEINBERG

District 37 (Bergen)

Co-Sponsored by:

**Assemblymen Roberts, Conaway, Conners, R.Smith, Gregg,
Assemblywoman Previte, Assemblyman Eagler, Assemblywomen
Greenstein and Perez-Cinciarelli**

SYNOPSIS

Provides for mandatory participation in school breakfast program for certain schools.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on November 18, 2002, with amendments.

(Sponsorship Updated As Of: 12/13/2002)

1 **AN ACT** concerning the implementation of school breakfast programs
2 and supplementing Title 18A of the New Jersey Statutes.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. The Legislature finds and declares that:

8 a. The School Breakfast Program is a federally assisted meal
9 program operating in public and nonprofit private schools and
10 residential child care institutions nationwide, and supplying to each
11 participating child at least one-fourth of the nutrients needed daily;

12 b. The School Breakfast Program was established by the federal
13 government in 1966 with the purpose of providing a nutritious, well-
14 balanced breakfast to promote sound eating habits, and fostering good
15 health and academic achievement for school-age children;

16 c. New Jersey ranks fiftieth in the nation for participation in the
17 School Breakfast Program by schools offering school lunch, and has
18 seen only modest increases in participation in recent years;

19 d. Research shows that school breakfast increases attendance and
20 decreases tardiness, improves academic performance both in class and
21 on standardized tests, improves attentiveness, and reduces emotional
22 and behavioral problems among students from all backgrounds; and

23 e. Therefore, it is clearly in the public interest for the State to
24 require that school districts with large populations of students eligible
25 for federally subsidized meals offer the School Breakfast Program and
26 publicize the program in their communities.

27

28 2. a. A public school operated by a local or regional school
29 district of the State in which 20% or more of the students enrolled in
30 the school on October 1 of the preceding school year were eligible for
31 free or reduced price meals under the federal School Lunch Program
32 or the federal School Breakfast Program, shall establish a School
33 Breakfast Program in the school.

34 The school district shall submit a plan for the establishment of
35 school breakfast programs for each school in the district subject to the
36 requirements of this section that is in compliance with and pursuant to
37 the School Breakfast Program administered by the State Department
38 of Agriculture. The plan ¹for each school ¹ shall be submitted to the
39 Department of Agriculture by ¹**[September 1, 2003]** the date required
40 by subsection b. of this section¹ in a form and manner prescribed by
41 the Secretary of Agriculture.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted November 18, 2002.

1 b. ¹(1) A school district shall submit a plan for all grades of each
2 school that has one or more of the grades pre-K through sixth grade
3 and for which a plan is required by subsection a. of this section on or
4 before November 1, 2003.

5 (2) A school district shall submit a plan for all grades of each
6 school that is not described in paragraph (1) of this subsection and for
7 which a plan is required by subsection a. of this section on or before
8 November 1, 2004.

9 c.¹ The Department of Agriculture, in consultation with the
10 Department of Education, shall review each school breakfast plan
11 submitted pursuant to this section and make recommendations, if
12 necessary, on how the school breakfast program can operate within the
13 limits of the federal and State reimbursement rates for the federal
14 School Breakfast Program.

15 ¹[c.] d.¹ The Department of Agriculture shall notify each school
16 district that submits a school breakfast plan pursuant to this section of
17 the completion of the department's review and any recommended
18 changes to the plan, within three months of the receipt of the plan, but
19 no later than ¹[December 1, 2003] the February 1 following the date
20 required for submission of the plan pursuant to subsection b. of this
21 section ¹ .

22 ¹[d.] e.¹ A school district subject to the requirements of this
23 section shall establish a school breakfast program in each of its
24 schools, based on the plan submitted by the school district to the
25 Department of Agriculture, by September 1, 2004 ¹for schools for
26 which plans are required to be submitted by paragraph (1) of
27 subsection b. of this section and by September 1, 2005 for schools for
28 which plans are required to be submitted by paragraph (2) of
29 subsection b. of this section ¹ .

30 ¹[e.] f.¹ (1) If a school district does not submit a school
31 breakfast plan to the Department of Agriculture ¹[by September 1,
32 2003]¹ pursuant to subsection a. of this section ¹by the date required
33 by subsection b. of this section¹ , it shall establish a school breakfast
34 program in each of its schools ¹in which a program is required
35 pursuant to subsection a. of this section¹ based on a model plan
36 provided by the department.

37 (2) The model plan shall include recommendations on how the
38 school breakfast program can operate within the limits of the federal
39 and State reimbursement rates for the federal School Breakfast
40 Program.

41 (3) The Department of Agriculture shall provide the model plan
42 to the school district no later than ¹[February 1, 2004] March 1, 2004
43 for schools for which plans are required to be submitted by paragraph
44 (1) of subsection b. of this section and by March 1, 2005 for schools
45 for which plans are required to be submitted by paragraph (2) of
46 subsection b. of this section ¹ and the school district shall establish the

1 school breakfast program in each of its schools based on the plan by
2 September 1, 2004 ¹for schools for which plans are required to be
3 submitted by paragraph (1) of subsection b. of this section and by
4 September 1, 2005 for schools for which plans are required to be
5 submitted by paragraph (2) of subsection b. of this section¹.

6

7 3. In implementing a school breakfast program under this act, a
8 school district shall:

9 a. ¹~~[demonstrate reasonable efforts to provide information]~~
10 publicize the availability of the school breakfast program¹ to parents
11 and students ¹~~[regarding the availability of the school breakfast~~
12 ~~program]~~¹.

13 b. make every effort to ensure that income-eligible students are
14 not distinguished or recognized as program participants by the student
15 body, faculty or staff in manner distinct from the students who are not
16 income-eligible. Such efforts shall include, but not be limited to, the
17 establishment of a meal payment plan or voucher system under which
18 students receiving subsidized breakfasts would not be distinguished
19 from students receiving non-subsidized breakfasts; and

20 c. make every effort to encourage students who are not income-
21 eligible to participate in the program.

22

23 4. a. The Department of Agriculture may grant a one-year waiver
24 of the requirements of this act to a school in a school district subject
25 to the requirements of this act that lacks the staff, facilities or
26 equipment to offer a school breakfast program, or the means to finance
27 the hiring or acquisition of such staff, facilities or equipment, if the
28 district submits a school breakfast plan to the department ¹~~[by~~
29 September 1, 2003] pursuant to the requirements of section 2 of
30 P.L. , c. (C.)(pending before the Legislature as this bill)¹ and
31 requests a waiver for ¹~~[a]~~ the¹ specific school.

32 b. A school district that requests a waiver pursuant to this section
33 shall provide such information as the Department of Agriculture shall
34 specify pursuant to regulation to justify the request. The information
35 shall include, but not be limited to, a description of the specific
36 impediments to implementing the program, the specific actions that
37 will be taken to remove those impediments and the specific steps
38 required to successfully implement the program in the following school
39 year.

40

41 5. Nothing in this act shall be construed to prevent a school
42 district not subject to this act from implementing a school breakfast
43 program pursuant to section 2 of this act.

44

45 6. The Department of Agriculture, in consultation with the
46 Department of Education, shall adopt rules and regulations, pursuant

1 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
2 et seq.), concerning the revision of school breakfast plans for schools
3 that have a participation rate of less than 50% of eligible students in
4 a school breakfast program during any year of the program, and other
5 matters necessary to effectuate the purposes of this act.

6

7 7. This act shall take effect immediately.