

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-29-15
Date

Honorable Dan Patrick
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 1305 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

[Signature]
Larry Taylor
[Signature]
Pat Bettencourt
[Signature]
Campbell
[Signature]
Lucio
[Signature]
Van Taylor
On the part of the Senate
V. Taylor

[Signature]
Greg Bonner
[Signature]
Gary VanDraanen
[Signature]
Eric VanDraanen
[Signature]
Dennis Howard
[Signature]
Dennis Howard
[Signature]
Dennis Paul
On the part of the House
Dennis Paul

Note to Conference Committee Clerk:
Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 1305

A BILL TO BE ENTITLED

AN ACT

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.

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

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

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

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

(2) develop and implement a locally funded program to provide free meals, including breakfast and lunch, to each student eligible for free meals under federal law and reduced-price meals, including breakfast and lunch, to each student eligible for reduced-price meals under federal law, provided that the reduced 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.

House Bill 1305
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

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

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

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

(2) develop and implement a locally funded program to provide a free or reduced-price breakfast to all students in the school or schools eligible under the national program, provided that the reduced price may not exceed the maximum allowable rate under the national program.

(a-1) - (b)

SECTION 2. Section 42.152, Education Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (c-3) to read as follows:

(b) Except as provided by Subsection (b-1), for [Før] purposes of this section, the number of educationally disadvantaged students is determined:

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

SENATE VERSION (CS)

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

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

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

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

(a-1) - (b)

SECTION 2. Section 42.152(b), Education Code, is amended to read as follows:

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

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

CONFERENCE

SECTION 1. Same as Senate version.

SECTION 2. Same as Senate version except *adds Subsection (b-1) authorizing a student receiving full-time virtual education through the state virtual school network to be included in determining the number of educationally disadvantaged students under Subsection (b), if the school district has submitted to the commissioner a plan detailing the virtual education that will be provided and delivered to the student and the commissioner has approved the plan.*

House Bill 1305
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

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

(b-1) A student receiving a full-time virtual education through the state virtual school network is not included in determining the number of educationally disadvantaged students under Subsection (b).

(c-3) Notwithstanding Subsection (c), funds allocated under this section may be used to:

(1) provide child-care services or assistance with child-care expenses for students at risk of dropping out of school, as defined by Section 29.081(d)(5); or

(2) pay the costs associated with services provided through a life skills program in accordance with Sections 29.085(b)(1) and (3)-(7).

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

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

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

SECTION 3. Same as House version.

SECTION 4. Same as House version.

SECTION 3. Same as House version.

SECTION 4. Same as House version.

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

**Certification of Compliance with
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order under Rule 13.

I certify that a copy of the conference committee report on HB 1305 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

Greg Bonner
(name)

5-29-15
(date)