



Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL  
CONDITIONAL FISCAL IMPACT**

**Drafting Number:** LLS 10-0927  
**Prime Sponsor(s):** Rep. Massey; Scanlan

**Date:** February 21, 2010  
**Bill Status:** House Education  
**Fiscal Analyst:** David Porter (303-866-4375)

**TITLE:** CONCERNING THE AUTHORIZATION OF BOARDS OF COOPERATIVE SERVICES AS SCHOOL FOOD AUTHORITIES, AND, IN CONNECTION THEREWITH, CREATING THE BOCES HEALTHY FOOD GRANT PROGRAM.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
<b>State Revenue</b>		
Cash Funds		
BOCES Healthy Food Grant Program Cash Fund*	\$ 250,000	\$ 250,000
<b>State Expenditures</b>		
Cash Funds		
BOCES Healthy Food Grant Program Cash Fund*	\$ 246,430	\$ 246,430
<b>FTE Position Change</b>	0.3 FTE	0.3 FTE
<b>Effective Date:</b> August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
<b>Appropriation Summary for FY 2010-2011:</b> None required, see State Appropriations section.		
<b>School District Impact:</b> See School District Impact section.		

\* *State revenue and expenditures are conditional, contingent on support from gifts, grants, and donations. State revenue exceeds state expenditures to pay for costs noted in both the State Expenditures section and the Expenditures Not Included sections of this fiscal note.*

**Summary of Legislation**

This bill authorizes a Board of Cooperative Services (BOCES) to become a school food authority (SFA). SFAs are responsible for the administration of the free and reduced-price lunch and breakfast programs through the federal National School Lunch Program and the School Breakfast Program. BOCES that choose to become a SFA are encouraged to use foods and beverages that satisfy USDA nutritional standards and are locally grown or produced.

The bill establishes the BOCES Healthy Food Grant Program. Subject to the receipt of sufficient gifts, grants, and donations, the grant program provides funding to facilitate award recipients' operations as a SFA. The bill provides more detail about these grant program components:

- P nutritional standards that define healthy foods and beverages;

- P application procedures and responsibilities of both the Colorado Department of Education (CDE) and the BOCES that apply;
- P eligibility requirements, including that the BOCES must maintain food-service facilities and serve foods and beverages that meet the required nutritional standards; and
- P reporting requirements for the CDE to indicate program composition and effectiveness.

The program is administered by the CDE, provided that sufficient funds are received and credited to the newly created BOCES Healthy Food Grant Program Cash Fund. The CDE is authorized to use up to 10 percent of funds for administrative purposes. Grant recipients are announced June 1, 2011 and each June thereafter. The grant program is repealed on July 1, 2015.

**State Revenue**

The bill allows the CDE to seek, accept, and spend gifts, grants, and donations to implement the grant program. Based on the expenditures described in this fiscal note, the CDE will need to obtain at least **\$250,000 in FY 2010-11 and FY 2011-12** to establish an effective grant program. Actual collections may vary greatly from the amounts indicated here. To date, no specific revenue source has been identified.

**State Expenditures**

A grant program meeting the requirements of the bill is expected to increase state expenditures by approximately **\$246,430 and 0.3 FTE in FY 2010-11 and \$246,430 and 0.3 FTE in FY 2011-12**. These costs are *conditional*, contingent upon the CDE receiving sufficient gifts, grants, and donations. Actual costs could vary from the amount identified here, depending on how much outside funding CDE receives. Costs are detailed in Table 1 and the discussion that follows.

<b>Table 1. Expenditures Under HB10-1335</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Personal Services	\$22,430	\$22,430
<i>FTE</i>	<i>0.3</i>	<i>0.3</i>
Grants	224,000	224,000
<b>TOTAL</b>	<b>\$246,430</b>	<b>\$246,430</b>

This analysis assumes that the CDE will establish the program, distribute the grants to participating BOCES, and compile the required report. The CDE will not provide technical assistance to the BOCES. *The CDE has discretion over whether or not sufficient funding is available to begin the program.*

**Personal Services (\$22,430 and 0.3 FTE)** – A senior consultant will establish the program rules, develop an application form, develop selection criteria, and recommend grant recipients to the Commissioner of Education.

**Grants (\$224,000)** – The CDE will distribute grants to the BOCES that participate in the program. Grant funding can be used to offset costs of locally grown and produced foods, healthy food choices, and operating costs. Although 1 or 2 grants may be awarded, they may not be awarded in FY 2010-11 since BOCES will be just beginning to be SFAs.

### **Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB10-1335*</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,130	\$2,130
Supplemental Employee Retirement Payments	834	1,023
<b>TOTAL</b>	<b>\$2,964</b>	<b>\$3,153</b>

*\*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

### **School District Impact**

Under the bill, BOCES are eligible to become SFAs. Food-service costs may be reduced for districts as a result of a BOCES consolidating operations. Additionally, BOCES that become SFAs are eligible to participate in the bill's grant program that encourages healthy food selections.

### **State Appropriations**

This bill does not require an appropriations clause. If sufficient money is provided for the program, the CDE may be required to seek spending authority via the annual appropriations process, including spending authority to use cash funds for expenses identified in the Expenditures Not Included section of this fiscal note.

### **Departments Contacted**

Education                      Law