

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB 1605
Version:	INT
Request Number:	11723
Author:	Rep. Gise
Date:	2/17/2025
Impact:	OSDE: \$102 million* LOFT Impact: \$195,812

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Per OSDE:

Regarding Child Nutrition, OSDE serves as a middleman, reviewing and submitting re-imburement claims from districts to the US Department of Agriculture who then re-imburses districts. OSDE does not receive an allocation for Child Nutrition programs, outside of State Administrative Costs for things such as agency staff, technology, and professional development which are not allowed to be dispersed to districts. As a result, there is no federal funding for child nutrition that can be used for funding this bill, as referenced in Sections 1(A) and 1(C)(1), so the state would bear the whole cost of this bill.

The Department reviewed all meals served in SY 23-24, less the reimbursement difference of the free and paid rate for both breakfast and lunch. Lunch cost is \$63,113,951 and for breakfast the amount is \$15,577,720. The reduced counts for lunch is \$17,621,336 and breakfast is \$5,747,700. Total approximate cost is \$102,060,708. However, OSDE is currently reviewing additional data that may have an impact on the final amount.

LOFT Impact:

One-time fiscal impact: \$12,000 in general office expenses for the addition of 2 employees.

- \$7,000: Approximately \$3,500 per employee for computer hardware, software, accessories.
- \$5,000: Approximately \$2,500 per employee for furniture

Annual fiscal impact: \$183,812

LOFT currently does not have any certified auditors on staff, and as the work prescribed is a traditional audit that must follow professional audit standards, it would be conducted separate from LOFT's routine work of conducting performance evaluations and reviews of agencies' finances. Additionally, as the work is mandated to be performed annually, the Office would dedicate these employees to becoming experts in this audit work. There may be the potential to cross-utilize the auditors for other work performed by LOFT, depending on the time commitment required for the audit of Child Nutrition Programs.

LOFT currently does not have the office space required to accommodate the addition of the new auditors. If there is not existing space within the Capitol that could be reassigned for this purpose, there may be additional costs for leasing space within the Capitol complex. (see methodology below for description of salary estimates)

Methodology:

LOFT estimated the salary for each new employee based on the average salary for an employee with the Office of the State Auditor and Inspector, which is \$70,697. When adding the estimated 30 percent cost of benefits, the total compensation for the additional employees is estimated to be \$92,000 per employee, for a total cost of \$183,812.

Prepared By: Cole Stout, House Fiscal Staff

Other Considerations

None.