

Date of Hearing: August 3, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Chris Holden, Chair  
SB 364 (Skinner) – As Amended June 6, 2022

Policy Committee:	Education	Vote:	6 - 0
	Human Services		7 - 0

Urgency: No            State Mandated Local Program: Yes            Reimbursable: Yes

**SUMMARY:**

This bill (1) requires the Department of Social Services (DSS) to issue Electronic Benefit Transfer (EBT) benefits to certain low-income students for each summer break, contingent on an appropriation, and (2) makes various changes to free and-reduced price meal processes at local educational agencies (LEAs).

Specifically, as related to (2), above, this bill requires an LEA's application for free and reduced-price meals meets all federal School Nutrition Program requirements for free and reduced-price meal applications; requires an LEA to include certain new information on the application and on its website; and clarifies that student information related to free and reduced-price meals may not be sold or shared. In addition, the bill makes private third-party vendors who violate provisions related to selling, sharing, or using student data for any purpose not related to the administration of a school food program subject to civil penalties. The bill also authorizes every LEA to establish a secured website providing access to an online data collection form as part of the annual enrollment process and requires the California Department of Education (CDE) to host a sample application by July 1, 2024, unless the Superintendent of Public Instruction determines that use of the form would undermine the local control funding formula.

**FISCAL EFFECT:**

- 1) Ongoing annual General Fund costs in the tens of millions to hundreds of millions of dollars for DSS to create and administer the EBT program required by this bill.
- 2) One-time and ongoing General Fund costs to CDE, potentially in the hundreds of thousands of dollars to one million dollars annually, with higher upfront costs, to host a sample application and determine if the form negatively impacts the local control funding formula; to add and enforce certain elements of this bill in its review process of LEA meal programs; and other administrative costs to the extent CDE coordinates the EBT program with DSS. According to CDE, costs could be reduced if some of these processes were more explicitly included as part of CDE's administrative review process.
- 3) Unknown Proposition 98 General Fund cost pressures to LEAs to comply with specified requirements, such as processing applications for free and reduced-price meals within 10 days of submission. The state has over 1,000 LEAs.

If the Commission on State Mandates determines the bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to LEAs or provide funding through the K-12 Mandate Block Grant.

#### COMMENTS:

1) **Purpose.** According to the author:

During the COVID-19 pandemic, the California Department of Education and the California Department of Social Services implemented the federal Pandemic Electronic Benefit Transfer (P-EBT) program, which allowed the state to provide food benefits to children in need even though classrooms were closed. Despite the success of the program, there is no plan to continue it post-pandemic. This is a model California could use to provide meals to children during times that school is out.

Lastly, other additions to statute on school meals, including changes to the way local school districts gather information for federal school meals reimbursement will further protect children and their families.

2) **Student Meals.** The 2021 budget implemented the state's new universal school meals program, "School Meals for All." The program provides free breakfast and lunch to all grade TK through 12 students, regardless of income level.

This bill requires DSS to distribute EBT cards during summer breaks to low-income families each in the amount that equals the reimbursement rate of a free meal under the federal law. Currently, many school districts provide meals that meet federal meal nutrition requirements to eligible students during summer breaks. Under this bill, it is possible for low-income children to receive both free meals at school and receive an EBT card during summer breaks.

3) **Meal Applications.** According to the bill's author, many schools contract with private third party vendors that provide free meal applications to LEAs. However, sometimes those vendors include fine print in their contracts that allows them to sell or otherwise monetize the student data they collect. This bill would impose civil penalties on vendors who monetize student data of \$1,000 for the first violation and \$10,000 for each subsequent violation.

4) **Not Funded in Budget.** This bill's provisions related to EBT are subject to an appropriation by the Legislature. Neither the Budget Act of 2022 (SB 154 (Skinner)) nor other budget bills or budget trailer bills contain an appropriation for these purposes.

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