

STATE AUDITOR'S OFFICE
DIVISION OF LOCAL MANDATES
FINANCIAL EFFECT DETERMINATION:
CHAPTER 346 OF THE ACTS OF 1986
SCHOOL BREAKFAST

DECEMBER 2, 1986

FINANCIAL EFFECT DETERMINATION:
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Per request of the House of Representatives, the State Auditor's Office, Division of Local Mandates conducted a study of the financial effect of the School Breakfast Law, Chapter 346 of the Acts of 1986. The study estimates the cost of providing free and reduced price breakfasts to students in cities, towns, and regional school districts required to offer breakfast under the Act. The FY 1987 total cost of the program is \$6,456,151.48. After deducting federal reimbursements, the net state obligation is \$168,438.28.

The Division made no attempt to ascertain the nutritional value of the breakfasts provided by any of the communities. The assumption was made that the standards set by school food service professionals would meet or exceed state and federal regulatory requirements. Many of the communities surveyed had no previous experience with the breakfast program.

In estimating the actual local cost, the liberty was taken of deducting the highest rate of reimbursement currently available from the federal government. Note however, that federal reimbursement rates are subject to change and could potentially be eliminated. It is the position of the State Auditor that any reduction in federal aid for the school breakfast program should be assumed by the Commonwealth. Any city or town mandated to participate in the Chapter 346 school breakfast program, this year or in the future, must be provided a guarantee of full state funding for the cost of providing breakfast regardless of federal participation.

METHODOLOGY

In October the Division mailed a financial effect statement to the school superintendent and food service director of each affected city, town or district. At a ninety-four percent response rate, data is available for seventy-four of the seventy-nine affected communities. The survey was designed to estimate:

- The rates of anticipated participation at the various eligibility levels;*
- The basic cost of providing breakfast including food, labor, and other expenses;
- Other costs including supervision of students and impacts on existing transportation expenditures.

* Pursuant to c. 346 it is assumed that municipalities and districts will charge the full cost of preparing and providing breakfast to students ineligible for free or reduced price meals.

The five appendices to this report provide detail and summary data for responding municipal and regional school districts, and relevant textual material.** They are as follows:

- Appendix A: Estimated daily number of breakfasts served;
- Appendix B: FY 1987 financial effect of Chapter 346 by cost category and total;
- Appendix C: Projected effect of Chapter 346 through FY 1990, using a four percent inflation rate as determined by the Federal Reserve Bank of Boston;
- Appendix D: The financial effect statement used to gather the data;
- Appendix E: A copy of G.L. c. 29, s. 27C, the local mandate law enacted as part of Proposition 2 1/2.

CONCLUSIONS/RECOMMENDATIONS

The comprehensive local financial effect is summarized in Appendix B of this report. The data received from fifty-four respondents indicates that federal reimbursements will provide adequate compensation at the maximum eligibility level. For twenty respondents, federal reimbursements will not be adequate to assume the cost imposed by Chapter 346. The estimated total FY 1987 cost, exclusive of anticipated federal reimbursements, is \$6,456,151.48. However, when the maximum federal reimbursement is included, the total effect of the Act is reduced to \$168,438.28.

The \$360,000 appropriation provided by Section 3 of Chapter 346 appears to be adequate to provide compensation to municipalities with a negative financial impact for FY 1987. However, it is advised that federal reimbursement levels be closely monitored in order to anticipate any potential deficit in local reimbursements from the federal government. According to the provisions of G.L. c. 29, s. 27C and Chapter 346, such deficiencies should be assumed by the Commonwealth.

Of final concern is the uniform rate of reimbursement anticipated by Chapter 346. As our findings indicate, the financial effect of c. 346 on individual municipalities varies widely. Although Section four of the Act states that it is not intended to contravene the anti-mandate provisions of Proposition 2 1/2, a reimbursement plan which fails to take into account local variations would, in fact, contravene the intent of G.L. c. 29, s. 27C.

The information provided as appendices to this report is only a summary of the data considered by the Division of Local Mandates. A certified statement of estimated costs from each responding city, town and regional school district as well as additional information regarding the methodology and results of our determinations are available to interested parties upon request.

** At the time that this study was completed data had not been received from the following affected communities: Attleboro, Fitchburg, Greater Fall River Regional, Quincy, and Revere.

ESTIMATED DAILY NUMBER OF
BREAKFASTS UNDER C.346

APPENDIX A

Municipality/Regional School District	No. of Full Price Breakfasts	No. of Reduced Price Breakfasts	No. of Free Breakfasts	Total Breakfasts
Adams-Cheshire Regional	10	2	17	29
Amherst	38	7	111	156
Ayer	16	39	59	114
Barnstable	10	2	138	150
Beverly	93	82	776	951
Boston	80	150	13,360	13,590
Bourne	20	8	28	56
Brockton	93	19	952	1,064
Brookfield	12	1	12	25
Brookline	15	59	178	252
Cambridge	10	10	1,000	1,020
Central Berkshire Regional	2	1	13	16
Chelsea	50	60	335	445
Chicopee	106	82	570	758
Clinton	65	20	105	190
Dedham	5	0	20	25
Dennis-Yarmouth Regional	1	0	5	6
Easthampton	2	0	10	12
Everett	2,747	448	868	4,063
Fairhaven	6	1	15	22
Fall River	64	144	1,392	1,600
Falmouth	3	2	43	48
Framingham	105	192	498	795
Gardner	17	6	69	92
Gill-Montague R.S.D	50	13	85	148
Gloucester	197	26	100	323
Greater Lawrence Technical	63	5	88	156
Greater New Bedford Regional	9	7	66	82
Greenfield	50	64	257	371
Haverhill	11	14	484	509

Municipality/Regional School District	No. of Full Price Breakfasts	No. of Reduced Price Breakfasts	No. of Free Breakfasts	Total Breakfasts
Holyoke	30	8	1,185	1,223
Hull	41	8	89	138
Lawrence	259	159	4,475	4,893
Leominster	75	25	300	400
Lowell	163	83	2,600	2,846
Lynn*	0	0	0	0
Malden	50	12	258	320
Marlborough	35	15	80	130
Medford	23	7	65	95
Methuen	35	11	168	214
Middleborough	131	13	107	251
Milford	8	3	54	65
Narragansett	10	16	27	53
New Bedford	6,455	1,631	6,671	14,757
Newton	9	5	1	15
North Adams	63	14	327	404
Northampton	23	3	187	213
Northbridge	15	9	28	52
Orange	30	7	91	128
Peabody	103	25	236	364
Pittsfield	65	31	270	366
Plymouth	14	3	84	101
Royalston	12	6	100	118
Salem	48	8	202	258
Shelburne	6	1	11	18
Smith Voc. H.S.	493	38	81	612
Somerville	25	0	1,250	1,275
Southbridge	30	30	244	304
Springfield	265	88	5,527	5,880
Taunton	94	32	343	469
Upper Cape Cod Reg Voc	238	5	51	294
Waltham	100	40	300	440
Ware	13	14	112	139
Wareham	53	46	296	395

Municipality/Regional School District	No. of Full Price Breakfasts	No. of Reduced Price Breakfasts	No. of Free Breakfasts	Total Breakfasts
Watertown	14	5	26	45
Webster	22	68	293	383
West Springfield	0	3	142	145
Westfield	300	8	117	425
Westport	14	16	37	67
Weymouth	30	10	45	85
Winchendon	7	10	90	107
Woburn	15	50	6	71
Worcester	48	8	598	654
Worcester Vocational	5	11	70	86
TOTAL	13,419	4,049	48,898	66,366

* Participation rates were not available at the time that this study was conducted.

FY87 Estimated Financial Effects of
Implementing C.346, the School
Breakfast Law

APPENDIX B

Municipalities/Regional School Districts	Food Service Costs	Supervision Costs	Transportation Costs	Total Cost of C.346 Without Federal Reimbursement	Total Cost of C.346 With Federal Reimbursement
Adams-Cheshire Regional	\$1,998.00	\$0.00	\$0.00	\$1,998.00	\$0.00
Amherst	8,881.20	0.00	0.00	8,881.20	0.00
Ayer	8,299.80	1,436.40	0.00	9,736.20	0.00
Barnstable	16,020.00	0.00	0.00	16,020.00	0.00
Beverly	132,217.20	0.00	0.00	132,217.20	3,697.20
Boston	1,426,662.00	0.00	0.00	1,426,662.00	0.00
Bourne	3,268.80	0.00	0.00	3,268.80	0.00
Brockton	135,302.40	50,124.60	0.00	185,427.00	36,216.00
Brookfield	1,332.00	0.00	0.00	1,332.00	0.00
Brookline	24,220.80	0.00	0.00	24,220.80	0.00
Cambridge	125,082.00	0.00	0.00	125,082.00	0.00
Central Berkshire Regional	6,321.60	0.00	0.00	6,321.60	4,197.60
Chelsea	49,401.00	0.00	0.00	49,401.00	0.00
Chicopee	54,554.40	10,530.00	0.00	65,084.40	0.00
Clinton	9,045.00	0.00	0.00	9,045.00	0.00
Dedham	4,536.00	0.00	0.00	4,536.00	1,386.00
Dennis-Yarmouth Regional	630.00	0.00	0.00	630.00	0.00
Easthampton	2,412.00	0.00	0.00	2,412.00	846.00
Everett	121,968.00	0.00	0.00	121,968.00	0.00
Fairhaven	1,933.20	0.00	0.00	1,933.20	0.00
Fall River	157,766.40	3,240.00	0.00	161,006.40	0.00
Falmouth	3,571.20	0.00	0.00	3,571.20	0.00
Framingham	96,930.00	2,700.00	0.00	99,630.00	2,538.00
Gardner	8,289.00	0.00	0.00	8,289.00	0.00
Gill-Montague Regional S.D.	18,640.80	0.00	0.00	18,640.80	3,448.80
Gloucester	20,595.60	0.00	0.00	20,595.60	0.00
Greater Lawrence Technical	9,027.00	0.00	0.00	9,027.00	0.00
Greater New Bedford Regional	8,094.60	0.00	0.00	8,094.60	0.00
Greenfield	64,139.40	6,405.00	0.00	70,544.40	23,987.40
Haverhill	75,045.60	0.00	0.00	75,045.60	0.00

Municipalities/Regional School Districts	Food Service Costs	Supervision Costs	Transportation Costs	Total Cost of C.346 Without Federal Reimbursement	Total Cost of C.346 With Federal Reimbursement
Holyoke	160,767.00	2,700.00	0.00	163,467.00	0.00
Hull	11,615.40	0.00	0.00	11,615.40	0.00
Lawrence	508,568.40	59,400.00	0.00	567,968.40	0.00
Leominster	39,015.00	0.00	0.00	39,015.00	0.00
Lowell	293,099.40	0.00	0.00	293,099.40	0.00
Lynn*	0.00	0.00	0.00	0.00	0.00
Malden	22,896.00	0.00	0.00	22,896.00	0.00
Marlborough	12,933.00	0.00	0.00	12,933.00	0.00
Medford	9,730.80	17,100.00	0.00	26,830.80	15,778.80
Methuen	17,002.80	2,700.00	0.00	19,702.80	0.00
Middleborough	19,404.00	0.00	0.00	19,404.00	0.00
Milford	8,456.40	1,888.20	0.00	10,344.60	1,641.60
Narragansett	4,377.60	0.00	0.00	4,377.60	0.00
New Bedford	1,197,075.60	28,276.20	0.00	1,225,351.80	0.00
Newton	406.80	0.00	0.00	406.80	0.00
North Adams	59,396.40	1,440.00	0.00	60,836.40	8,285.40
Northampton	21,726.00	2,034.00	0.00	23,760.00	0.00
Northbridge	2,244.60	0.00	0.00	2,244.60	0.00
Orange	12,322.80	0.00	0.00	12,322.80	0.00
Peabody	35,029.80	0.00	0.00	35,029.80	0.00
Pittsfield	28,699.20	0.00	0.00	28,699.20	0.00
Plymouth	9,493.20	1,090.80	0.00	10,584.00	0.00
Royalston	11,422.80	0.00	0.00	11,422.80	0.00
Salem	35,244.00	844.20	0.00	36,088.20	3,526.20
Shelburne	1,238.40	450.00	0.00	1,688.40	0.00
Smith Regional Voc.	34,362.00	0.00	0.00	34,362.00	9,333.00
Somerville	213,750.00	0.00	0.00	213,750.00	22,050.00
Southbridge	31,424.40	3,600.00	0.00	35,024.40	0.00
Springfield	443,124.00	0.00	0.00	443,124.00	0.00
Taunton	50,922.00	727.00	3,400.00	55,049.00	3,400.00
Upper Cape Cod Regional Voc.	5,767.20	0.00	0.00	5,767.20	0.00
Waltham	43,740.00	720.00	0.00	44,460.00	0.00
Ware	20,286.00	1,598.40	788.40	22,672.80	3,916.80

Municipalities/Regional School Districts	Food Service Costs	Supervision Costs	Transportation Costs	Total Cost of C.346 Without Federal Reimbursement	Total Cost of C.346 With Federal Reimbursement
Wareham	47,379.60	8,791.20	0.00	56,170.80	5,374.80
Watertown	3,189.60	0.00	0.00	3,189.60	0.00
Webster	32,716.80	0.00	0.00	32,716.80	0.00
West Springfield	21,240.00	0.00	0.00	21,240.00	0.00
Westfield	12,987.00	22,464.00	0.00	35,451.00	11,358.00
Westport	5,718.60	0.00	0.00	5,718.60	0.00
Weymouth	5,985.00	1,460.00	0.00	7,445.00	0.00
Winchendon	11,340.00	0.00	0.00	11,340.00	0.00
Woburn	4,402.80	2,095.20	0.00	6,498.00	360.00
Worcester	100,246.68	0.00	0.00	100,246.68	7,096.68
Worcester Vocational	11,215.80	0.00	0.00	11,215.80	0.00
TOTAL	\$6,218,147.88	\$233,815.20	\$4,188.40	\$6,456,151.48	\$168,438.28

* Participation rates were not available at the time that this study was conducted.
Therefore, the financial effects of c.346 could not be calculated for the
City of Lynn.

FINANCIAL EFFECT OF CHAPTER 346

APPENDIX C

Municipalities/ Regional Districts	FY87 Cost	FY88 Cost	FY89 Cost	FY90 Cost
Beverly	\$3,697.20	\$3,845.09	\$3,998.89	\$4,158.85
Brockton	36,216.00	37,664.64	39,171.23	40,738.07
Central Berkshire Reg.	4,197.60	4,365.50	4,540.12	4,721.73
Dedham	1,386.00	1,441.44	1,499.10	1,559.06
Easthampton	846.00	879.84	915.03	951.63
Framingham	2,538.00	2,639.52	2,745.10	2,854.90
Gill-Montague R.S.D.	3,448.80	3,586.75	3,730.22	3,879.43
Greenfield	23,987.40	24,946.90	25,944.77	26,982.56
Medford	15,778.80	16,409.95	17,066.35	17,749.00
Milford	1,641.60	1,707.26	1,775.55	1,846.58
North Adams	8,285.40	8,616.82	8,961.49	9,319.95
Salem	3,526.20	3,667.25	3,813.94	3,966.50
Smith Voc. H.S.	9,333.00	9,706.32	10,094.57	10,498.36
Somerville	22,050.00	22,932.00	23,849.28	24,803.25
Taunton	3,400.00	3,536.00	3,677.44	3,824.54
Ware	3,916.80	4,073.47	4,236.41	4,405.87
Wareham	5,374.80	5,589.79	5,813.38	6,045.92
Westfield	11,358.00	11,812.32	12,284.81	12,776.21
Woburn	360.00	374.40	389.38	404.95
Worcester	7,096.68	7,380.55	7,675.77	7,982.80
TOTAL	\$168,438.28	\$175,175.81	\$182,182.84	\$189,470.16
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STATE AUDITOR'S OFFICE

APPENDIX D

THE COMMONWEALTH
OF MASSACHUSETTS

TO: Municipal School Superintendents
FROM: John Finnegan, Auditor of the Commonwealth
DATE: October 14, 1986
RE: The School Breakfast Law - (Chapter 346 of the Acts of 1986)

Chapter 346 of the Acts of 1986, the new School Breakfast Law, requires that your community make breakfast available to children attending designated public schools. The law provides for state reimbursement to those communities whose cost of providing free or reduced price breakfasts exceeds the federal reimbursement rates.

The Division of Local Mandates, under the provisions of Chapter 346, is directed to determine the total financial effect of this act for a three-year period.

JOHN J. FINNEGAN,
AUDITOR

We ask that you complete the attached financial effect statement and return it to our office no later than October 29, 1986. A self-addressed stamped envelope is provided for your use. Your cooperation in this matter will help ensure timely and accurate funding.

If you have questions or comments, please call the Division of Local Mandates at 1-800-462-COST or 617-727-0980. Thank you.

STATE HOUSE, ROOM 229
BOSTON, MASSACHUSETTS
02133
617-727-2075

DIVISION OF LOCAL MANDATES

APPENDIX D-2

CHAPTER 346 FINANCIAL EFFECT STATEMENT

Municipality/District: _____ Date: _____

Name of Respondent: _____ Title: _____

Please complete this Financial Effect Statement, sign the certification clause, and return it within 10 days, in the self-addressed, stamped envelope provided.

****FAILURE TO RETURN THIS STATEMENT MAY RESULT IN THE LOSS OF STATE FUNDING TO YOUR MUNICIPALITY FOR IMPLEMENTING CHAPTER 346.**

1) Estimate the cost of preparing and providing a single breakfast (please exclude supervisory and student transportation costs, if any).

- a) Food _____
- b) Labor(food service personnel) _____
- c) Other(please specify below) _____
- d) Total cost per breakfast _____

Comments:

2) Estimate the fee charged per breakfast at the following eligibility levels.

- a) Full price _____
- b) Reduced price _____

3) Estimate the number of students to receive breakfast at the following eligibility rates.

- a) Full price _____
- b) Reduced price _____
- c) Free _____
- d) Total number of students _____

4) Estimate or average the total cost per day to your municipality/district for preparing and providing free and reduced price breakfasts.

Total Cost _____

- 5) Estimate total additional supervisory costs, if any, expected as a result of providing breakfast under Chapter 346. If applicable, using the space below, please detail these costs and explain why additional supervisory personnel are necessary.

Total cost _____

Comments:

- 6) Estimate total transportation costs, if any, expected as a result of providing breakfast under Chapter 346. If applicable, please explain below why Chapter 346 related transportation cannot be accommodated within ordinary morning transportation service.

Total Cost _____

Comments:

** If necessary, please attach additional detailed information or statements you feel the Division should consider.

CERTIFICATION CLAUSE

I certify that the information provided herein is true to my best knowledge and belief.

Signed _____

Date _____

Title _____

Telephone _____

The Division reserves the right to conduct audits of this information as necessary. Documentation must be available. The Division of Local Mandates thanks you for your cooperation. If you have any questions please call 727-0980 or toll free 1-800-462-COST.

27C. Certain laws, rules, etc. relating to costs or assessments effective only by vote of acceptance or appropriation; written notice requesting determination; class actions

Notwithstanding any provision of any special or general law to the contrary:

(a) Any law taking effect on or after January first, nineteen hundred and eighty-one imposing any direct service or cost obligation upon any city or town shall be effective in any city or town only if such law is accepted by vote or by the appropriation of money for such purposes, in the case of a city by the city council in accordance with its charter, and in the case of a town by a town meeting, unless the general court, at the same session in which such law is enacted, provides by general law and by appropriation, for the assumption by the commonwealth of such cost, exclusive of incidental local administration expenses and unless the general court provides by appropriation in each successive year for such assumption.

(b) Any law taking effect on or after January first, nineteen hundred and eighty-one granting or increasing exemptions from local taxation shall be effective in any city or town only if the general court, at the same session in which such law is enacted, provides by general law and by appropriation for payment by the commonwealth to each city and town of any loss of taxes resulting from such exemption.

(c) Any administrative rule or regulation taking effect on or after January first, nineteen hundred and eighty-one which shall result in the imposition of additional costs upon any city or town shall not be effective until the general court has provided by general law and by appropriation for the assumption by the commonwealth of such cost, exclusive of incidental local administration expenses, and unless the general court provides by appropriation in each successive year for such assumption.

(d) Any city or town, any committee of the general court, and either house of the general court by a majority vote of its members, may submit written notice to the division of local mandates, established under section six of chapter eleven of the general laws, requesting that the division determine whether the costs imposed by the commonwealth by any law, rule or regulation subject to the provisions of this section have been paid in full by the commonwealth in the preceding year and, if not, the amount of any deficiency in such payments. The division shall make public its determination within sixty days after such notice.

Chapter 29, Section 27C (Continued)

(e) Any city or town, or any ten taxable inhabitants of any city or town may in a class action suit petition the superior court alleging that under the provisions of subsections (a), (b), and (c) of this section with respect to a general or special law or rule or regulation of any administrative agency of the commonwealth under which any city or town is required to expend funds in anticipation of reimbursement by the commonwealth, the amount necessary for such reimbursement has not been included in the general or any special appropriation bill for any year. Any city or town, or any ten taxable inhabitants of any city or town may in a class action suit petition the superior court alleging that under the provisions of subsections (a), (b) and (c) of this section with respect to any general or special law, or rule or regulation of any administrative agency of the Commonwealth which imposes additional costs on any city or town or which grants or increases exemptions from local taxation, the amount necessary to reimburse such city or town has not been included in the general or any special appropriation bill for any year. The determination of the amount of deficiency provided by the division of local mandates under subsection (d) of this section shall be prima facie evidence of the amount necessary. The superior court shall determine the amount of the deficiency, if any, and shall order that the said city or town be exempt from such general or special law, or rule or regulation of any administrative agency until the commonwealth shall reimburse such city or town the amount of said deficiency or additional costs or shall repeal such exemption from local taxation.

(f) Any of the parties permitted to submit written notice to the division of local mandates under subsection (d) of this section may submit written notice to the division requesting that the division determine the total annual financial effect for a period of not less than three years of any proposed law or rule or regulation of any administrative agency of the commonwealth. The division shall make public its determination within sixty days of such notice.

(g) Notwithstanding the provisions of subsection (a), (b) and (c), any city or town shall be allowed to accept the provision of any law, rule or regulation specified by said subsections whether or not such law, rule, or regulation is funded by the commonwealth.

The provisions of this section shall not apply to any costs to cities and towns or exemptions to local taxation resulting from a decision of any court of competent jurisdiction, or to any law, rule or regulation enacted or promulgated as a direct result of such a decision.