

c HB 1553

Chair Heinert and the House Education Committee.

For the record, I am Representative LaurieBeth Hager, from District 21 in the middle corridor of Fargo, 12 blocks north and south of Main Avenue from the Red River into a western corner of West Fargo. Within my district, there are 4 elementary schools, Madison, Jefferson and Hawthorne and LE Berger Elementary in West Fargo. Our middle school students attend either Carl Ben Eilison or Ben Franklin or Cheney Middle School. Our high school students attend either Fargo North, Fargo South, or West Fargo High School. Many families in District 21 live in apartments, low income housing, or affordable older homes.

Last week our committee heard testimony on HB 1475 regarding the need and impact providing free school lunches can have on a student's health and well being, as well as their learning and classroom behavior. As you can read in the written submitted testimony on HB 1475 and HB 1553 there is widespread public support for providing free school lunches for all students. In a statewide poll conducted by the ND News Cooperative, 82 percent supported the state's involvement of providing free school meals and only 14% were opposed with 4% undecided.

Today I bring HB 1553. It also intends to provide free school lunches for all students but offers a different funding mechanism. In House Bill 1553, the source of funding would be the Legacy Fund Earnings rather than the general funds. I believe this will provide a more permanent method and solution for funding free school meals to all students in public and non public schools.

Before I get into the details of this bill, I would like to address the timeline of North Dakota school lunch funding legislation. The North Dakota Legacy Fund was established by a vote of the citizens in 2010 and funds became available for use in 2017. In 2019, the ND legislators hosted a series of meetings across the state to hear from the citizens ideas for using the Legacy Earnings. At the Fargo meeting, an NDSU math professor shared a proposal to provide free school lunches to public school students after learning the number of families being sent to collections for school lunch debt. During 2020 free school lunches were provided from federal government with COVID Relief Funds. Sadly this federal funding was not continued during the Biden Administration.

In 2021, the 67<sup>th</sup> Legislative Session, HB 1413 proposed using the Legacy Fund to provide free school lunches to public school students. The House Education Committee amended the bill into a legislative study to address the questions that are still being asked: Should funding for school lunches come from General Funds or Legacy Funds? As well as several other questions. The amended study bill passed the House but was defeated in the Senate.

In the 68<sup>th</sup> Legislative Session, HB 1491 was introduced to provide school meals to all public school students from the general fund at a cost of \$89 million. The bill was amended to provide school meals for public and non public students whose families were at or below the 200% poverty level. The House overwhelmingly passed this bill but it tied and died in the Senate. The appropriations committee incorporated funding of \$6 million dollars into the DPI budget to provide meals for students at or below the 200% poverty level. It passed and went into effect for the 2022-23 and 2023-24 school year.

Now during the 69<sup>th</sup> Legislative Session, 2 bills are before the House Education Committee. HB 1553 is seeking permanent funding from the Legacy Fund. If neither of these bills were to pass, hundreds of families would again be required to pay for school lunches. While hopefully Federal Free and Reduced Meals will be continued, only families at or below the 130 % poverty level would qualify. For example in 2024-2025, a family of 4 earning less than \$40,560 would qualify for free meals and if earning less than \$57,720 would qualify for a reduced priced meal.

A brief bit of background on our state's Legacy Fund. "The North Dakota Legacy fund is a state owned fund that invests oil and gas tax revenue to create long term financial stability for the state. The fund was established in 2010 through a ballot initiative but funds were not available until 2017. This is a strategic asset dedicated to securing long term financial stability that will allow North Dakotans to benefit from the state's natural resources for generations to come."

The Legacy Fund has grown to over \$11 Billion. In June of 2025, \$601 Million in legacy earnings will be transferred to the general fund.

The Department of Public Instruction has estimated the cost to fund school lunches for all school age children to be \$141 million for the biennium. It is basically \$70.5 Million for each year of the biennium.

Remember it is about \$5 to \$6 per student each day of the 175 days of the school year for 120,000 students. Meals for students who qualify for Federal Free and Reduced Meals would continue to be funded through federal funds. HB 1553 encourages policies to incentivize parents to sign up for the Federal Free and Reduced Lunch Program.

Finally I would like to mention, the economic impact of \$70 million reentering directly back into the North Dakota economy. Each family with school children or grandchildren will benefit by having a more approximately \$1000 more per child in their budget. I think most parents will use the extra money in their pocket for their children and within our North Dakota borders.

I believe, and I think we all believe, that North Dakota's most valuable legacy is our children. Our children are our future. Therefore, let us, as the 69<sup>th</sup> Legislative Assembly, uphold the wishes of the citizens who voted in 2010 to create the Legacy Fund and provide the funding for feeding our children while they are at school.

Thank you Chairman Heinert and members of the House Education Committee.