

Individual State Agency Fiscal Note

Revised

Bill Number: 2760 HB	Title: Food in schools	Agency: 350-Supt of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

Indeterminate Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2 requires that in elementary and middle schools any food sold in competition with USDA school meals programs meet Dietary Guidelines for Americans related to fat content. Subsections provide for the following restrictions: 1) Limiting the sugar content (no more than 35% of total weight is sugar unless from unsweetened fruit and/or vegetables); 2) Limiting beverages available to students to water, nonfat or low-fat plain or flavored milk, nonfat or low-fat plain or flavored soy milk or rice milk and 100% fruit juices that have no added sweeteners; 3) Prohibits beverages with more than 10 milligrams of caffeine; 4) Limiting beverages serving sizes to a max of 12 ounces; 5) Prohibits sale of USDA defined "Foods of minimal nutritional value" on school campus during regular school hours. These are items such as beverages containing carbonation, hard candies, gum drops, chewing gum, flavored ices unless flavored with 100% fruit juice.

For the purposes of the fiscal note it is assumed that the Office of Superintendent of Public Instruction (OSPI) will monitor the compliance with the provisions of the legislation following USDA required procedures currently in place, thereby creating no additional cost to OSPI. USDA requires OSPI to review each school district once in every five years. During the district review OSPI reviews a sample (1-11 schools based upon the size of the district) of the schools. If OSPI is required to monitor compliance in every affected school every school year, the additional cost to OSPI/Child Nutrition Services would be approximately \$320,000 which includes an additional 5.5 FTE and travel related costs.

There is no way we can calculate the lost revenue the affected schools will experience since data is not collected on the sale of the regulated food and beverage items. Losses that districts incur may be offset with revenue from replacement foods that do meet the bills guidelines. Any loss that districts incur would affect the Associated Student Body (ASB) funds primarily. ASB funds are used in support of the student body. For instance, they have been used to buy books, TVs, pay for field trips, and needed equipment that the schools are not able to provide from other funds.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.