

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 14** SLS 25RS 121

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 6, 2025	11:39 AM	<b>Author:</b> MCMATH
<b>Dept./Agy.:</b> Education/ Health		<b>Analyst:</b> Julie Silva
<b>Subject:</b> Prohibited ingredients; Training for health professionals; SNAP waivers		

PUBLIC HEALTH

EG SEE FISC NOTE GF EX

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Provides relative to nutrition. (See Act)

Proposed legislation prohibits public schools and nonpublic schools that receive state funds from serving foods that contain specific artificial colors and additives to students, effective for the 2027-28 school year; requires the Louisiana State Board of Medical Examiners add continuing education on nutrition and metabolic health as a requirement for physicians and physician assistants that practice family medicine, internal medicine, pediatrics, and obstetrics and gynecology every two years, beginning 1/01/26; requires food service establishments that cook or prepare food using certain seed oils to display a disclaimer on the menu or other clearly visible location and provides that failure to comply with proposed law is a violation of the state Sanitary Code; and requires DCFS to develop and submit a waiver to the U.S. Department of Agriculture to permit Louisiana to prohibit the purchase of soft drinks using SNAP benefits, on or after 4/01/26 and implement the prohibition immediately upon approval. Requires food manufacturers and food service establishments to disclose certain ingredients. Failure to do so will result in a violation of the state Sanitary Code, effective 1/01/27.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
<b>Annual Total</b>						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed legislation is expected to result in a minimal increase in SGF and Federal Funds expenditures for DCFS to provide required notices concerning updates to SNAP-eligible products. The Louisiana State Board of Medical Examiners (LSBME) anticipates an increase in SGR expenditures to update and provide required training for certain medical professionals, and to update computer programming and certification tracking. LDOE does not anticipate an increase in expenditures; however potential impacts may result due to Act 305 of the 2023 RS, which requires LDOE to reimburse school meal costs under specific conditions. Local school systems, in limited circumstances, may realize an minimal increase in per meal costs.

**Louisiana State Board of Medical Examiners (LSBME)**

LSBME reports the addition of a continuing education requirement on nutrition and metabolic health for certain physicians and physician assistants will result in an increase in state expenditures. The LSBME, primarily funded by SGR collected through the issuance of licenses and board enforcement actions, estimates a five-year cost total for the proposed legislation at \$45,960. In FY 26, \$20,000 is needed to determine approved courses and update LSBME computer systems and programming to track course completion. An estimated \$6,000-\$6,850 is needed to pay for computer services in future FYs. These estimates are based on existing computer programming and tracking. The LFO is unable to corroborate these costs.

Continued on Page 2

**REVENUE EXPLANATION**

**Louisiana Department of Health (LDH), Office of Public Health (OPH)**

Proposed legislation may result in an increase in SGR for the LDH to require food manufacturers to label products containing artificial colors, additives, or banned chemicals with a QR code with a statement directing consumers to scan it for additional information and to require food service establishments using seed oils to display a disclaimer in a clearly visible location. Effective January 1, 2027, failure to meet of either of these requirements is a violation of the state Sanitary Code. Based on R.S. 40:6 (A): first time violations may result in a fine of no more than \$25 or imprisonment for not more than 10 days, or both; second time violations may result in a fine between \$25 to \$50 or imprisonment between 10 to 30 days, or both; subsequent violations are punishable by a fine of \$100 or imprisonment for not less than 30 days, or both. The LFO cannot anticipate the total amount of fines that may be imposed and collected as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

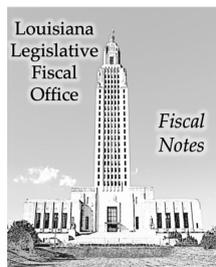
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**

**Department of Children and Family Services (DCFS)**

The proposed legislation is expected to result in a minimal increase in expenditures for the Department of Children and Family Services (DCFS) for the printing and mailing of approximately 4,465 notices, which provide a list of restricted items, at a cost of \$0.76 each. Total costs are estimated at \$3,394, funded equally with SGF and Federal funds. Proposed legislation requires DCFS to request a waiver from the United States Department of Agriculture (USDA) to permit Louisiana to prohibit Supplemental Nutrition Assistance Program (SNAP) recipients from purchasing soft drinks with their SNAP benefits. If the waiver is denied, the secretary of DCFS will notify the legislature within thirty days, DCFS will prepare any necessary revisions to address USDA's concerns, and DCFS will resubmit the waiver annually or until it is approved. Upon approval, DCFS will implement the restrictions within six months and will develop and provide a list of restricted items to EBT authorized retailers. The implementation cost associated with the requirements in the proposed legislation would largely fall on the authorized SNAP retailers in Louisiana, as they would be required to update their inventory to prohibit the purchase of soft drinks with SNAP benefits.

*NOTE: Ineligible beverages do not include any beverage that contains milk or milk products, soy, rice, or similar milk substitutes, or a beverage that contains added electrolytes or vitamins.*

**Louisiana Department of Education (LDOE) & Local School Systems**

Due to the unknown variables involved in the procurement and provision of food items in schools statewide, the information included in this fiscal note is intended to be illustrative of how governmental expenditures may be impacted. Actual impacts are indeterminable, but based on available information are not anticipated to be significant.

A majority of school sites in the state opt in to the Community Eligibility Provision (CEP), which allows schools to offer free meals to all students in high-poverty areas based on a formula to determine federal vs. local responsibility. If the cost of meals increases and federal reimbursement rates are not increased in kind, local fund expenditures may be impacted. If such an impact occurs, it is not anticipated to be significant. LDOE provides that any increase in costs should be absorbable within current federal reimbursement rates. For informational purposes, the School Meals Corporate Report Card estimates that around 4-5% of K-12 food products are likely to be impacted by the restrictions of proposed legislation. LDOE provided there are compliant products on the market for all school meal component groups. The LFO is unable to independently verify the percentage of current food items served in schools statewide that contain one or more of the prohibited ingredients. The cost to replace any items that are found to be noncompliant is similarly indeterminable but is expected to vary by item.

*NOTE: The statistics provided above do not contemplate the prohibited ingredients added by senate committee amendments. The LFO has requested data from LDOE taking these ingredients into account and will update this fiscal note when it is received.*

LDOE reports they anticipate no impact to state expenditures as a result of the proposed legislation. However, the LFO believes the potential for an increase exists if the total cost of student meals goes up and the federal reimbursement rate for reduced-price meals at non-CEP participant schools does not adjust to fully cover the new differential between a free meal and a reduced-price meal. The NSLP (National School Lunch Program) is administered by local education agencies (LEAs) through agreements with federal school food authorities (SFAs). Food items for public schools are purchased through local-level procurement practices and LEAs submit a monthly reimbursement claim to SFAs based on actual meals served. Meal reimbursement rates are set at the federal level and it is unknown if the requirements of proposed legislation will impact the price of public school meals to a degree significant enough to necessitate an increase in federal per meal costs. If meal prices increase and the federal reimbursement rate for reduced price meals is not adjusted to maintain the same price differential currently in place between reduced meals and free meals, an increase in the amount paid by the state due to Act 305 of the 2023 RS may be realized. *NOTE: Act 305 is effective only when funds are appropriated by the legislature and any increase in programmatic costs will be assessed through the legislative appropriation process.*

*NOTE: The provisions prohibiting certain ingredients exempts food in concession stands and vending machines in accordance with R.S. 17:197.1.*

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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