

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 14** SLS 25RS 121
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---|---------|-----------------------------|
| Date: May 21, 2025 | 8:19 PM | Author: MCMATH |
| Dept./Agy.: Education/ Health | | Analyst: Julie Silva |
| Subject: Prohibited ingredients; Training for health professionals; SNAP waivers | | |

PUBLIC HEALTH RE1 SEE FISC NOTE GF EX Page 1 of 2
 Provides relative to nutrition. (See Act)

Proposed legislation prohibits licensed early learning centers, 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 four 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 food manufacturers and food service establishments to disclose certain ingredients. Failure to do so will result in a violation of the state Sanitary Code. Requires any public school that participates in a federally funded or assisted meal program or any nonpublic school that receives state or federal funding ensure food products served are manufactured in Louisiana, as much as is practicable.

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

| 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 | \$0 | 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 |
| Annual Total | \$0 | \$0 | | | | \$0 |

EXPENDITURE EXPLANATION

Proposed legislation is expected to result in an increase in SGR expenditures for the Louisiana State Board of Medical Examiners (LSBME) 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 state governmental 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 may realize significant, but indeterminable impacts, due to the requirement that 20% of food products served in schools be produced in Louisiana. In addition, in limited circumstances, a minimal increase in per meal costs may be realized as a result of prohibiting certain ingredients.

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)

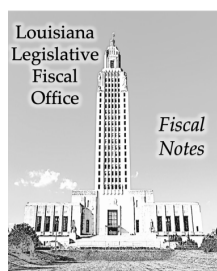
Proposed legislation may result in an increase in SGR for the LDH to require food manufacturers to label products containing artificial colors, additives, or banned chemicals with a QR code with a statement directing consumers to scan it for additional information, beginning in FY 27 for products already using a QR code and in FY 28 for products that do not. Additionally requires, beginning in FY 27, food service establishments using seed oils to display a disclaimer in a clearly visible location. Failure to meet 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
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|-----------------------------|
| Date: May 21, 2025 | 8:19 PM | Author: MCMATH |
| Dept./Agy.: Education/ Health | | |
| Subject: Prohibited ingredients; Training for health professionals; SNAP waivers | | Analyst: Julie Silva |

CONTINUED EXPLANATION from page one:

Louisiana Department of Education (LDOE), Licensed Early Learning Centers, & 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.

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.

Mandating a 20% local procurement target is expected to significantly impact local school systems' budgets by increasing food and operational costs. To meet this requirement while staying compliant with federal procurement and nutrition regulations, school systems may need additional funding, technical assistance, and additional time to build relationships with local suppliers and adjust their procurement strategies.

Notwithstanding the above, LDOE reports they anticipate no impact to state expenditures as a result of prohibiting certain ingredients in school provided meals. 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.*

Licensed early learning centers are similarly eligible for the Child and Adult Care Food Program (CACFP). CACFP reimburses eligible centers for up to two meals (breakfast, lunch, or supper) and one snack, or two snacks and one meal per day. In Louisiana, CACFP reimbursement rates for early learning centers are determined by the USDA and adjusted annually, and are based on changes in the Consumer Price Index. To the extent the cost of meals and snacks increases beyond the reimbursement rate, an increase in expenditures for early learning centers is expected. LDOE staff are currently researching other potential impacts that may result from this requirement. This fiscal note will be updated if such information is received.

NOTE: The provisions prohibiting certain ingredients exempt 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}

Patrice Thomas
Deputy Fiscal Officer