



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 117** SLS 25RS 288
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ HSE COMM AMD**
Proposed Amd.:
Sub. Bill For.:

Date: May 14, 2025	7:56 PM	Author: MIGUEZ
Dept./Agy.: Education		
Subject: Ultra-processed foods in public schools		Analyst: Julie Silva

NUTRITION RE1 SEE FISC NOTE GF EX Page 1 of 2
Prohibits the serving and selling of ultra-processed foods in public schools. (gov sig)

Proposed legislation prohibits the serving or selling of certain ultra-processed foods in public schools and nonpublic schools receiving state or federal funding, beginning with the 2027-2028 school year, though permits schools to implement the prohibition sooner. Proposed legislation does not apply to concession stands and vending machines, in accordance with R.S. 17:197.1. Additionally provides that any public school that participates in a federally funded or assisted meal program or any nonpublic school that receives state or federal funding, to the extent practicable, purchase food products manufactured in Louisiana.

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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Local Funds	\$0		SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0	\$0				\$0

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	\$0	\$0	\$0	\$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	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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.

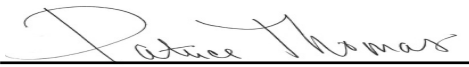
NOTE: Due to a lack of readily available data concerning the procurement practices of local school systems related to food products, this analysis does not contemplate the impact of requiring that, as much as is practicable, food served in schools be produced in Louisiana. The LFO is working with LDOE to determine whether the necessary data to assess such impacts can be obtained and this note will be updated if such data is collected and received. **This requirement is subject to the specific appropriation of funding by the legislature for this purpose.**

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 verify the percentage of current food items served in schools statewide that contain one or more of the prohibited ingredients. The cost to replace items that are found to be noncompliant is indeterminable but is expected to vary by item.

Continued on Page Two

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 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: Page 2 of 2

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.

Senate Dual Referral Rules
☐ 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