



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 117** SLS 25RS 288
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 13, 2025	5:52 PM	Author: MIGUEZ
Dept./Agy.: Education		
Subject: Ultra-processed foods in public schools		Analyst: Julie Silva

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

Proposed legislation prohibits the serving or selling certain ultra-processed foods in public schools, beginning with the 2026 -2027 school year.

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

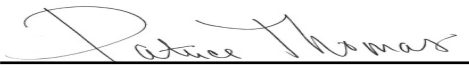
LDOE reports they anticipate no impact to state expenditures as a result of the proposed legislation. However, the LFO believes the potential for an increase exists if the total cost of student meals goes up and the federal reimbursement rate for reduced-price meals does not adjust to fully cover the 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.*

Local fund expenditures may increase in order to comply with the provisions of proposed legislation, but if such an impact occurs, it is not anticipated to be significant. LDOE provides that any increase in costs related to proposed legislation should be absorbable within current federal reimbursement rates. To the extent they are not, it is assumed local fund expenditures will increase. For informational purposes, the School Meals Corporate Report Card estimates that around 4-5% of kindergarten through grade 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.

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