

LEGISLATIVE FISCAL OFFICE
Fiscal Note

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

Proposed Amd.:
Sub. Bill For.:

Date: April 29, 2025	12:34 PM	Author: MIGUEZ
Dept./Agy.: Education		
Subject: Ultra-processed foods in public schools		Analyst: Julie Silva

NUTRITION EG 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 of certain ultra-processed foods in public schools and nonpublic schools receiving state or federal funding, beginning with the 2026-2027 school year. Proposed legislation does not apply to concession stands and vending machines, in accordance with R.S. 17:197.1.

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

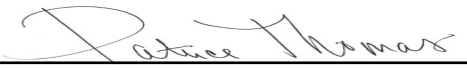
Due to the unknown variables involved in the procurement and provision of food items in schools statewide, the information included in this fiscal note is intended to be illustrative of how governmental expenditures may be impacted. Actual impacts are indeterminable, but based on available information 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.

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.*

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