

Department of Planning and Budget
2007 Fiscal Impact Statement

1. Bill Number SB1197

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Edwards

3. Committee Communicated to House

4. Title Board of Education regulations; eliminating trans fats.

5. Summary/Purpose: Requires the Board of Education to develop and disseminate guidelines for school divisions, with the goal of eliminating all foods containing trans fatty acids, beginning with the elimination of vegetable oils containing trans fats from school cafeterias. The goal should be to eliminate trans fats in all (i) foods sold as part of the official school breakfast and lunch programs, (ii) foods sold in vending machines on school grounds, and (iii) competitive foods sold during school hours.

6. Fiscal Impact Estimates are: See Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: This legislation will require a significant amount of staff time to conduct the necessary research to develop such guidelines. At this time, the extent of the ramifications resulting from the elimination of trans fats in public schools is unknown; however, it is anticipated that there will be a significant fiscal impact to school nutrition programs that comply with the recommendation and eliminate artificial trans fatty acids in the foods they offer to students. Some healthier alternative oils, such as olive oil, are much more expensive. Other products, such as breads, crackers, other baked goods and some entree products have not yet been developed without trans fats.

There may also be an issue of securing vendors in some school divisions to operate vending machines that contain affordably priced products not made with trans fats. Nevertheless, it is anticipated that any immediate costs associated with this legislation will stem from the administrative impact on the Department of Education. It is assumed that these costs will be absorbed within current resources.

9. Specific agency or political subdivisions affected: Board of Education, local school divisions.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/9/07 / SHD

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cc: Secretary of Education