

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB 423

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Hope

3. Committee: General Laws

4. Title: Food Standards for Agency Meals; Secretary of Health and Human Resources to develop

5. Summary: Directs the Secretary of Health and Human Resources to develop Food Standards for Agency Meals to consist of (i) nutritional standards for foods served by state agencies and institutions and (ii) recommendations for the use of Virginia-grown foods to the greatest extent possible, and to disseminate such standards to the heads of all state agencies that purchase, prepare, or serve meals. The bill also directs the Secretary to convene a Food Standards Task Force, to consist of the heads of all state agencies and institutions that purchase, prepare, or serve food, at least one person qualified by experience as a dietician or nutritionist, and such other persons as the Secretary may deem appropriate. The Task Force shall develop the Food Standards for Agency Meals and is directed to review and update them at least triennially to ensure that the standards remain current and science-based. The Division of Purchases and Supply of the Department of General Services (DGS) is directed to adopt regulations to enforce the new standards.

6. Unknown Fiscal Impact (see item 8)

7. Budget Amendment Necessary: Yes, at a minimum, \$125,000 general fund in item 273.

8. Fiscal Implications: This bill will require the Office of the Secretary of Health and Human Resources to establish, convene, and oversee a food standards taskforce. The Secretary, with assistance from the task force, must develop food standards for meals served by state agencies and recommendations for the use of Virginia-grown products. Since the expertise to meet the bill's provisions does not exist in the Office, it is assumed that a position/contractor (at a cost of approximately \$100,000) with the necessary skill set will be needed. Further, it is assumed that additional funding (\$25,000) will be needed to cover the operational cost of the Task Force.

Since the standards required in this bill have not been developed a specific impact on state agencies cannot be determined. These standards could increase the cost of food services for any agency that does not already meet the guidelines adopted by the Task Force. Moreover, the Department of General Services maintains that establishing procurement procedures that create an in-state preference could limit competition and will likely increase costs for the purchase of food.

9. Specific Agency or Political Subdivisions Affected:

Office of the Secretary of Health and Human Resources

Department of General Services

All state agencies and institutions that purchase, prepare, or serve food

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/3/2010

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