



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 60 of the 128th G.A.](#) **Date:** June 24, 2009
Status: As Introduced **Sponsor:** Rep. Pillich

Local Impact Statement Procedure Required: No — No local cost

Contents: Establishes nutritional standards for food and beverages sold in vending machines in public schools

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- School district, community, and STEM schools may incur one-time minimal administrative costs as a result of meeting the bill's requirements for adopting and complying with food and beverage guidelines.
- School district, community, and STEM schools may see changes in revenues from contracts for food and beverage sales due to the bill's restrictions on these sales.

Detailed Fiscal Analysis

Food and beverage standards

Continuing law requires school boards of education to adopt and enforce standards that govern the types of foods that may be sold on the premises of its schools, including the time and place of food sales. The bill requires school districts to adopt, in addition, standards governing beverage sales on school premises and extends both these requirements to community schools and STEM schools. School districts, community schools, and STEM schools, therefore, may incur one-time minimal costs to adopt standards as required under the bill.

Vending machine food and beverage restrictions

The bill specifies a variety of food and beverage items that may be sold in vending machines in a school district, community school, or a STEM school. Generally, food items must be less than 200 calories and can contain only certain percentages of fat, saturated and trans fat, and processed sugar. Beverage items cannot exceed 12 ounces, 150 calories per serving, or be carbonated. The bill also restricts beverages to be offered in vending machines to unflavored water, milk, a variety of fruit or vegetable juices, and electrolyte replacement beverages.

Separately from the bill's restrictions, the Alliance for a Healthier Generation, a joint initiative between the American Heart Association and the William J. Clinton Foundation, and representatives from PepsiCo, Coca-Cola, Cadbury Schweppes, and the American Beverage Association collaborated in 2006 to set up guidelines for serving nutritious and lower calorie beverages in schools during the school day. The goal of this compact was to achieve implementation of these standards in 75% of schools under contract prior to the beginning of the 2008-2009 school year and to achieve implementation in all schools prior to the beginning of the 2009-2010 school year. According to a spokesperson from the Ohio Soft Drink Association, company representatives in Ohio have agreed with the policy and have reached compliance with the standards in over 85% of schools as of this past school year (2008-2009). The beverage standards offered by the Alliance appear to be similar to those set by the bill.¹ The alliance has worked with the Campbell Soup Company, Dannon, Kraft Foods, and Mars to offer better nutritional food choices in schools as well.

¹ Please see the bill analysis and www.HealthierGeneration.org (Alliance for a Healthier Generation), respectively, for the beverage guidelines set forth by each.

As schools change the choices provided to students, they may see changes in the amount of revenue they collect from contracts for food and beverage sales. Given that the food and beverage industry is moving toward similar standards for sales in schools, the additional fiscal impact of the bill's restrictions on revenues from these sales likely will not be significant.

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