

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

February 25, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB25 by Kolkhorst (Relating to health and nutrition standards to promote healthy living.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB25, As Introduced: a negative impact of (\$4,825,803) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$2,159,784)
2027	(\$2,666,019)
2028	(\$2,669,979)
2029	(\$2,673,273)
2030	(\$2,676,639)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$2,159,784)	18.0
2027	(\$2,666,019)	18.0
2028	(\$2,669,979)	18.0
2029	(\$2,673,273)	18.0
2030	(\$2,676,639)	18.0

Fiscal Analysis

The bill would require students in grade levels six, seven, and eight to participate in moderate or vigorous daily physical activity for at least 30 minutes for six, rather than four, semesters as part of the school district's physical education curriculum.

The bill would prohibit school employees from restricting student participation in recess and physical activities offered as part of a school district's physical education curriculum in kindergarten and grade levels one through eight based on academic performance or behavior.

The bill would require institutions of higher education to implement nutrition guidelines recommended by the Texas Nutrition Advisory Committee into curriculum requirements for medical students, health-related majors, and nursing students to receive funds from permanent funds outlined in Chapter 63 of the Texas Education Code.

The bill would establish the Texas Nutrition Advisory Committee to develop nutritional guidelines for the state consisting of seven members appointed by the Governor. The advisory committee would be administratively attached to the Department of State Health Services (DSHS).

The bill would require the Texas Nutrition Advisory Committee to produce an annual report to be submitted to DSHS, the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of the legislature with primary jurisdiction over health and safety.

The bill would require DSHS to maintain a website with nutritional guidelines and the annual report developed by the Texas Nutrition Advisory Committee.

The Health and Human Services Commission executive commissioner may adopt rules as necessary to implement Texas Nutrition Advisory Committee establishment and duties.

The bill would require food manufacturers to include a warning label on each product it offers for sale disclosing the use of any artificial color, food additive, or other chemical ingredient banned by Canada, the European Union, or the United Kingdom. Products for sale on the manufacturer's Internet website must include the warning label information on the website or through another communication.

The bill would require licensed physicians who submit an application for renewal of a license to practice medicine to complete continuing medical education regarding nutrition and metabolic health. The Texas Medical Board shall adopt rules to implement requirements.

The advisory committee and the related chapter shall expire on December 31, 2032.

Methodology

According to DSHS, 18.0 full-time equivalents (FTEs) would be needed to implement the provisions of the bill. Salaries and benefits for these positions total \$1.6 million in fiscal year 2026 and \$2.2 million in fiscal year 2027. The lower costs assumed in fiscal year 2026 is attributable to an assumed start date for the positions later in the fiscal year. Additional one-time and ongoing non-information technology (IT) costs for these positions total \$0.4 million in each fiscal year.

To support the regular operations of the newly created Texas Nutrition Advisory Committee, a Program Specialist V position (1.0 FTE) would be needed to provide support, including organizing meetings and agendas, report drafting, establishing bylaws and rules, and establishing the webpage. A Research Specialist V position (1.0 FTE) would assist the committee with research, literature reviews, and collection of recommendations for the required report.

Requirements for labeling foods by food manufacturers would require a Sanitarian III position (1.0 FTE) to develop a process for identifying prohibited ingredients banned in other countries. Sanitarian II positions (5.0 FTEs) and Sanitarian III positions (7.0 FTEs) would conduct inspections of food manufacturers to verify compliance every five years. Sanitarian III positions would also help managing inspectors with quality assurance and training activities. Travel costs for inspector Sanitarian II and Sanitarian III positions total \$0.1 million in each fiscal year. A Manager IV position (1.0 FTE) would manage the team of inspectors. This analysis assumes a five-year inspection cycle. A shorter inspection cycle would require additional positions and incur additional costs to implement.

A Program Specialist III position (1.0 FTE) would process new cases through the agency compliance process and an Attorney IV position (1.0 FTE) would process new cases through the State Office of Administrative Hearings.

According to the University of Houston System, University of North Texas System, Texas Tech University System, Texas State University System, University of Texas System, and Texas A&M University System, any costs associated with implementation of a nutrition curriculum would be absorbed within existing resources.

According to the Health and Human Services Commission, any costs associated with rulemaking would be absorbed within existing resources.

According to the Texas Medical Board, any costs associated with new licensing requirements or rulemaking would be absorbed within existing resources.

According to the Texas Education Agency, any costs associated with additional school district requirements would be absorbed within existing resources.

Technology

One-time and ongoing IT costs for DSHS related to the additional 18.0 FTEs total less than \$0.1 million in each fiscal year.

Additional IT costs for DSHS related to the modification of the Regulatory Automated System can be absorbed with existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 529 Health and Human Services Commission, 537 State Health Services, Department of, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration

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