

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**March 7, 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; authorizing a civil penalty.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB25, Committee Report 1st House, Substituted: 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 or open-enrollment charter school'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 or school's physical education curriculum in kindergarten and grade levels one through eight based on academic performance or behavior.

The bill would require one-half credit in nutrition education based on recommendations made by the Texas Nutrition Advisory Committee as part of the curriculum requirements for the foundation high school program.

The bill would require institutions of higher education to require each associate or baccalaureate degree program student to complete a course in nutrition education that is based on recommendations by the Texas Nutrition Advisory Committee.

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

The bill would require food manufacturers to include a warning label on each product it offers for sale disclosing the use of certain ingredients for human consumption banned by Australia, 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 authorize the Attorney General to enforce labeling requirements by food manufacturers by seeking an injunction, through civil penalties, and by reimbursements for reasonable value of investigating and bringing an enforcement action for violations.

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.

## **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.

Additional workload at the Office of the Attorney General for enforcement activities would result in additional workload for the agency. However, those costs could be absorbed within existing resources.

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, and the Higher Education Coordinating Board, any costs associated with implementation of nutrition curriculum and coursework could be absorbed within existing resources.

Any costs for the Health and Human Services Commission associated with rulemaking could be absorbed within existing resources.

Any costs for the Texas Medical Board associated with new licensing requirements or rulemaking could be absorbed within existing resources.

According to the Texas Education Agency, any costs associated with developing additional school district or school requirements and a nutrition curriculum under the foundation high school program could be absorbed within existing resources.

According to the Comptroller of Public Accounts, state revenue could increase due to recovery of penalties and costs associated with violations committed by food manufacturers; however, the extent to which it would impact state revenue cannot be estimated.

## **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**

School districts and charter schools may need additional staff and resources to provide students with two additional semesters of physical education in middle school. School districts and charter schools would need to make changes to master scheduling, may need to hire staff, and would need to purchase or develop materials to be used in providing instruction in the new nutrition course.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 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, 781 Higher Education Coordinating Board, 783

University of Houston System Administration

**LBB Staff:** JMc, NPe, ER, APA