

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

House Bill 874 (Delegate Nathan-Pulliam. *et al.*)

Environmental Matters

Food Service Facilities - Food Service Managers - Certification

The bill requires the Department of Health and Mental Hygiene (DHMH) to establish a program to certify food service managers and maintain a central registry of food service managers. DHMH must set reasonable fees for a food service manager certificate and is to administer the certificate program through the local health departments. An applicant for a food service manager must pass an exam developed by DHMH. The provisions of this bill supersede any local law or regulation concerning the certification of food service managers. A high or moderate priority food service facility is required to have at least one certified food service manager on or after January 1, 2001. On or after January 1, 2002, a high or moderate priority food service facility is required to have at least one certified food service manager “immediately available” when potentially hazardous food is being prepared, packaged, or sold. A certified food service manager must train other employees in food handling techniques.

Fiscal Summary

State Effect: General fund expenditures increase by up to \$10,000 in FY 2000 only, exclusive of potentially significant costs for State food service facilities. Revenues would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	10,000	-	-	-	-
Net Effect	(\$10,000)	-	-	-	-

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Potential significant increase in expenditures for local government food service facilities. FY 2001 regulatory expenditures and revenues would increase by \$173,600

in aggregate. Future year expenditures and revenues reflect the bill's phased-in requirements and the three-year certificate term. Expenditures and revenues in jurisdictions that currently regulate food service managers would decrease in FY 2000 and 2001. **This bill imposes a mandate on a local government unit.**

Small Business Effect: Potential meaningful.

Fiscal Analysis

State Effect: The bill requires DHMH to develop an exam that food service manager applicants must pass to be eligible for certification. DHMH advises that developing a certification exam is difficult because it must be developed to meet standards that ensure national reciprocity. Therefore, general fund expenditures could increase by up to an estimated \$10,000 in fiscal 2000 for exam development.

Expenditures for any State facility that prepares and serves food (such as a State correctional facility or hospital) would increase by an indeterminate amount, depending on the number of food service managers employed by the facility. The bill specifies that a high or moderate priority food service facility must have at least one certified food service manager on or after January 1, 2001 and, on or after January 1, 2002, at least one certified food service manager immediately available when potentially hazardous food is being prepared, packaged, or sold. This could result in a food service facility having to hire new staff after January 1, 2002 or paying for training and potentially higher salary costs if existing staff are trained and certified as food service managers. Further, food service facilities in the jurisdictions that currently regulate food service managers could be affected, depending on whether a jurisdiction's requirements are more or less stringent than the bill's provisions. The average cost per facility cannot be reliably estimated at this time.

Local Effect: The bill's requirement that local health departments administer a food service manager certification program would increase aggregate local expenditures and revenues by an estimated \$173,600 in fiscal 2001. This estimate assumes (1) 25,000 food service facilities, of which 16,666 are high or moderate priority facilities; (2) 50% of food service managers have been previously certified under an existing local program and 50% have never been certified; (3) one food service manager per facility; (4) a \$25 certificate fee; (5) a certificate valid for three years; (6) 50% of food service managers not previously certified will become certified in the first year and 50% will become certified in the second year; and (7) one-third of food service managers previously certified will be renewed in the first year, one-third in the second year, and one-third in the third year.

Future year expenditures and revenues assume that 1.5 food service managers per facility

would be needed due to the bill's requirement that after January 1, 2002 at least one certified food service manager must be immediately available when potentially hazardous food is being prepared, packaged, or sold. Thus, some food service facilities would need one food service manager per shift. Expenditures would increase by an estimated \$329,875 in fiscal 2002, \$121,525 in fiscal 2003, and \$173,600 in fiscal 2004.

Currently, Baltimore City and Prince George's, Montgomery, and Howard counties require food service managers to be certified by the county health department. The bill would preempt local regulation of food service managers. Montgomery County realizes annual revenues of \$24,000 from 1,200 food service managers paying a \$20 fee and Prince George's County realizes revenues of \$51,400. Under the bill's requirements, DHMH would set the fee amount. These counties could gain or lose revenue, depending on whether the current local certificate fee is greater or lesser than the amount set by the State. Further, because there is no provision in the bill for fines, the counties would lose revenues from fines and penalties assessed on individuals who violate the county's certification requirement. For illustrative purposes, Prince George's County collected \$17,700 in fines in fiscal 1998.

In addition, expenditures and revenues in counties with existing regulation of food service managers would decrease in fiscal 2000 and 2001 due to the bill's effective date. The bill would preempt all local regulation of food service managers, effective October 1, 1999. However, the bill does not require food service managers to be certified until January 1, 2001. Therefore, it is assumed that there would be no local regulation of food service managers from October 1, 1999 until January 1, 2001.

Expenditures for any local facility that prepares and serves food (such as a local health department, clinic, detention center, or public school) would increase by an indeterminate amount, depending on the number of food service managers employed by the facility. The bill specifies that a high or moderate priority food service facility must have at least one certified food service manager on or after January 1, 2001 and, on or after January 1, 2002, at least one certified food service manager immediately available when potentially hazardous food is being prepared, packaged, or sold. This could result in a food service facility having to hire new staff after January 1, 2002 or paying for training and potentially higher salary costs if existing staff are trained and certified as food service managers. Further, food service facilities in the jurisdictions that currently regulate food service managers could be affected, depending on whether a jurisdiction's requirements are more or less stringent than the bill's provisions. The average cost per facility cannot be reliably estimated at this time.

Small Business Effect: The bill specifies that a high or moderate priority food service facility must have at least one certified food service manager on or after January 1, 2001 and, on or after January 1, 2002, at least one certified food service manager immediately available

when potentially hazardous food is being prepared, packaged, or sold. The bill could adversely affect restaurants and bars (most of which are small businesses) and any other facility that prepares food (some of which may be small businesses) to the extent that a facility needs additional food service managers to ensure that at least one be immediately available. This could result in a food service facility having to hire new staff after January 1, 2002 or paying for training and potentially higher salary costs if existing staff are trained and certified as food service managers. Further, food service facilities in the jurisdictions that currently regulate food service managers could be affected, depending on whether a jurisdiction's requirements are more or less stringent than the bill's provisions.

The bill specifies that the individual applicant is to pay the food service manager certificate fee. It is assumed that the bill's requirement that a certified food service manager train other employees in food handling techniques would not create a great burden on food service facilities, particularly because the bill provides that training may be conducted by film, video, or print media.

The bill may prompt the development of more small business programs for training food service manager certificate applicants. Currently, Baltimore City and Prince George's, Montgomery, and Howard counties require food service managers to be certified by the county health department. There are approximately 230 instructors and 130 organizations in Prince George's County offering certification and recertification programs for the food service managers in the county. The certification and continuing education requirements in this bill could lead to additional instructors and classes being offered. These programs are taught at community colleges, restaurants, private career schools, and environmental organizations, among others. However, existing certification programs may need to restructure to orient training towards passing the exam that DHMH develops rather than the programs actually providing certification.

Information Source(s): Department of Health and Mental Hygiene (Community and Public Health Administration); Prince George's, Caroline, and Montgomery counties; Department of Legislative Services

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