

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 84 (Delegate Nathan-Pulliam)

Environmental Matters

Food Service Facilities - Food Service Managers - Certification

This bill requires the Department of Health and Mental Hygiene (DHMH) to establish a food service manager certification program, to maintain a central registry, to set reasonable fees, to develop an examination, and to adopt regulations. The bill's provisions, administered by the local health departments, supercede any local law or regulation concerning the certification of food service managers. A political subdivision that establishes a program for the certification of food service managers that is more restrictive and facilities that employ a dietician or nutritionist are exempt from the bill's requirements. Requirements for the three-year certification term include payment of a fee and the passage of an examination based on food-borne disease prevention and sanitary food service practices. Certificate renewal is based upon continuous employment as a food service manager during the previous certification term; if not, re-examination is required.

The bill requires certified managers to train other facility employees in proper food handling techniques, and to maintain documentation of that training. Out-of-state applicants will be certified if the department determines that the individual became certified in that state after passing a substantially similar examination. A high- or moderate-priority food service facility must have at least one certified food service manager on the premises for a minimum of 16 hours per week on or after January 1, 2002.

Fiscal Summary

State Effect: General fund expenditures increase by up to \$10,000 in FY 2001 only, to develop an examination. State food service facilities such as hospitals and correctional institutions would be exempt from the bill's requirements. Revenues would not be affected.

Local Effect: Assuming the bill's provisions apply to all local health departments, in aggregate, revenues and expenditures would each increase by \$218,430 in FY 2001. Expenditures and revenues would each increase by \$291,240 in fiscal 2002 and beyond. **This bill imposes a mandate on a local government unit.**

Small Business Effect: Minimal.

Analysis

Current Law: A statewide certification program for food service managers does not currently exist.

Background: There are an estimated 25,000 food service facilities in Maryland. This includes an estimated 16,750 facilities with certified food service managers based on local ordinance in Baltimore City, Prince George's County, Howard County, and Montgomery County. These four local jurisdictions currently have food service manager certification programs. There are 8,250 facilities in other local jurisdictions that are not required to have certified food service managers.

State Fiscal Effect: The bill requires DHMH to develop the certification examination and maintain a central registry as part of the food service manager certification process. General fund expenditures could increase by an estimated \$10,000 in fiscal 2001 for development of an examination that ensures national reciprocity. A central registry could be produced and maintained using existing resources.

Local Fiscal Effect: Local health departments will administer the certification program and a political subdivision that establishes a more restrictive certification program, as determined by DHMH, is exempt from the bill's requirements.

DHMH estimates a revenue-neutral program with an increase in revenues and expenditures for local health departments of \$218,430 in aggregate for fiscal 2001. This estimate assumes (1) 25,000 food service facilities, of which 16,750 facilities have locally-certified food service managers and 8,250 facilities employ managers needing certification; (2) one food service manager per facility; (3) a \$30 cost for an initial or renewal certificate; (4) a certificate is valid for three years; (5) 50% of the food service managers not previously certified (4,125) will become certified the first year and 50% will become certified in the second year; (6) one-third of food service managers previously certified (5,583) will be renewed the first year, one-third the second year, and one-third the third year; (7) no exemption from the bill's provisions for any political jurisdiction; and (8) the October 1, 2000, effective date.

Expenditures and revenues will each increase by \$291,240 in fiscal 2002 and beyond,

assuming 5,593 renewals and 4,125 new certificates for a total of 9,708 applicants per year.

There are no fines or penalties outlined in this bill. Therefore, governments that levy fines under local law will realize a decrease in revenue. For example, Montgomery and Prince George's counties collect fines from uncertified food service managers. Prince George's County expects an \$18,000 annual revenue loss from fines as a result of this legislation and a \$64,250 decrease in revenue in fiscal 2001 and 2002 from the loss of fees during the time between the bill's October 1, 2000, effective date and the January 1, 2002, deadline for compliance. Montgomery County was unable to provide an estimate of fine-generated revenue. Baltimore City provides a non-compliant facility with a 90-day notice, but does not collect fines. Montgomery County and Baltimore City currently charge a \$30 fee for a three-year certification.

Approximately 79 certifications are requested annually to Howard County, which currently charges a \$12 fee upon proof of training, for a three-year certification. This application rate is assumed to remain constant and Howard County could realize annual revenue increases of approximately \$1,422 in fiscal 2002 and beyond due to the \$18 difference in fees. There are no fines or penalties for non-compliance in Howard County, but six months is allowed for a facility to replace a certified food service manager.

Each of these four jurisdictions expect a decrease in revenue in fiscal 2001 and 2002 from the loss of fees during the time between the bill's October 1, 2000, effective date and the January 1, 2002, deadline for compliance.

Small Business Effect: There are an estimated 8,250 food service facilities whose managers will need to be certified under the provisions of this bill, at an estimated cost to the industry of \$200 per manager for training and fees. Assuming a phase-in of certifications over two years, 4,125 new certifications would be given in fiscal 2001 at a cost to businesses of approximately \$825,000. DHMH estimates a total annual cost to the industry of \$2,232,917, reflecting \$825,000 for new certifications and \$1,116,667 for recertifications each year. The bill's provisions will require only one certified food service manager in the majority of businesses. Therefore, the total cost of doing business will increase minimally for compliance with the bill's provisions. In addition, high-priority food service facilities includes all assisted living homes. This bill will have a minimal impact on approximately 2,600 small assisted living home providers.

Additional Information

Prior Introductions: A substantially similar bill was introduced in the 1999 session as HB 874 but received an unfavorable report from the Environmental Matters Committee. It did not contain exemptions for facilities that employ dieticians and nutritionists.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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