

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE

House Bill 257 (Delegate Nathan-Pulliam, *et al.*)
 Environmental Matters

Food Service Facility Manager - Certification

This bill requires the Department of Health and Mental Hygiene (DHMH) to establish a food service manager certification program, establishes a food service facility manager advisory committee to advise and assist DHMH in carrying out the requirements of the bill, charges local jurisdictions with administering the program, and requires each moderate or high priority “food service facility” to retain a certified food service manager.

Fiscal Summary

State Effect: The bill’s requirements could be handled with existing budgeted resources. Special fund pass-through due to local administration of the program.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$182,000	\$242,700	\$242,700	\$242,700	\$242,700
SF Expenditure	182,000	242,700	242,700	242,700	242,700
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: Assuming the bill’s provisions apply to all local health departments, in aggregate, revenues and expenditures would each increase by \$182,000 in FY 2002. Expenditures and revenues would each increase by \$242,700 in fiscal 2003 through fiscal 2006. **This bill imposes a mandate on a local government unit.**

Small Business Effect: Minimal.

Analysis

Bill Summary: This bill requires DHMH to establish a food service manager certification program, maintain a central registry, set maximum fee guidelines, approve certification examinations, adopt regulations, and establish a food service facility manager advisory committee to advise and assist the department in carrying out the requirements of the bill.

Each food service facility is required to retain a certified food service manager. Each of these facilities, except for those in Howard, Montgomery, and Prince George's counties and Baltimore City must retain at least one certified food service manager after July 1, 2002; and after July 1, 2005, each facility must ensure that a certified food service manager is on the premises and available for operational supervision at all times that food is being prepared, packaged, or offered to the public. The food service manager is required to promote food safety and sanitation and provide training to all food service workers concerning food safety and allergens.

Local jurisdictions are to administer the food service manager certification program for that jurisdiction, and in so doing, set, collect, and retain certification and renewal fees. A local jurisdiction may also enact its own food service manager certification program so long as the program is consistent with the State's standards. The certification and renewal fees may not exceed \$25 except in Baltimore City, Howard, Montgomery, and Prince George's counties. An individual seeking certification must submit an application, pay the certification fee, and pass the DHMH-approved examination. A certification is valid for a term of three years, and is renewable. A certification issued by a local jurisdiction is valid in all local jurisdictions in Maryland, and reciprocity may be offered to an individual who is certified in another state.

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.

Local Fiscal Effect: Local health departments will administer the certification program. Local jurisdictions may enact their own food service manager certification programs as long as the program is consistent with State standards.

DHMH estimates a revenue-neutral program with an increase in revenues and expenditures for local health departments of \$182,025 in aggregate for fiscal 2002. 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 \$25 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; and (7) the October 1, 2001 effective date.

Expenditures and revenues will each increase by \$242,700 in fiscal 2003 and beyond, assuming 5,583 renewals and 4,125 new certificates for a total of 9,708 applicants per year. This estimate assumes that the food service industry experiences substantial turnover in its managerial positions, and that this turnover would necessitate the certification or recertification of about 1/3 of food service managers annually. This estimate does not take into consideration any additional certification and renewal increases that will occur after July 1, 2005 (due to the bill's augmented requirement that a certified food service manager be on the premises whenever food is being prepared, packaged, or offered to the public) because the Department of Legislative Services cannot reliably quantify the increase at this time. Any changes, however, are anticipated to remain revenue neutral.

There are no fines or penalties outlined in this bill. Therefore, governments that levy fines under local law may realize a decrease in revenue should this bill be interpreted to prohibit fines or penalties for non-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 2002 at a cost to businesses of approximately \$825,000. DHMH estimates a total annual cost to the industry of \$1,941,600, reflecting \$825,000 for new certifications and \$1,116,600 for recertifications each year. The bill's provisions will require only one certified food service manager in such businesses through July 1, 2005. Therefore, the total cost of doing business will increase minimally for compliance with the bill's provisions through that date. In addition, high-priority food service facilities include all assisted living homes. This bill will have a minimal impact on approximately 2,600 small assisted living home providers.

Beginning July 1, 2005, the total cost of doing business in the industry will again increase as the bill's provisions will require more than one certified food service manager in the majority of these food service facilities (due to the requirement that a certified food service manager be on the premises at all times). The Department of Legislative Services cannot reliably quantify this cost increase at this time.

Additional Information

Prior Introductions: A similar bill was introduced in the 2000 session as HB 84, but no action was taken. Another similar bill was introduced in the 1999 session as HB 874. It received an unfavorable report from the Environmental Matters Committee.

Cross File: None.

Information Source(s): Office Administrative Hearings, Department of Health and Mental Hygiene, Baltimore City, Prince George's County, Department of Legislative Services

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Analysis by: Sandra Steele

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510