

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

House Bill 1486

(Delegate Tarrant, *et al.*)

Ways and Means

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**Education - Maryland School-Based Wellness Program**

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This bill establishes a Maryland School-Based Wellness Program in the Maryland State Department of Education. The State Superintendent of Schools (or designee) is responsible for developing, implementing, and administering the program with an Advisory Board on School-Based Wellness Initiatives established by the bill. A Maryland School-Based Wellness Program Fund is created and consists of money appropriated in the State budget to the fund, investment earnings, and any other money collected for the benefit of the fund. The fund may only be used to cover the costs of fulfilling the statutory requirements of the program for children and their families. Expenditures from the fund may only be made in accordance with the State budget.

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**Fiscal Summary**

**State Effect:** General fund expenditures would increase by \$109,800 in FY 2009 for program administration. Future year estimates reflect annualization, salary increases, and inflation. The estimate does not include grants or other financial incentives. Revenues would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	109,800	138,500	145,100	152,100	159,400
Net Effect	(\$109,800)	(\$138,500)	(\$145,100)	(\$152,100)	(\$159,400)

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

**Local Effect:** The bill would not have a direct effect on local school systems.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The stated purpose of the Maryland School-Based Wellness Program is to:

- institute changes in the nutritional status of food served in schools in order to encourage children to make food choices that improve their health and reduce the risk of chronic diseases;
- institute changes in the physical education curricula in public schools in order to reduce rates of childhood obesity and other chronic disease;
- institute changes in before- and after-school programs to encourage children and their families to make choices to reduce the rates of chronic disease for all family members;
- establish grants for schools that participate in the program;
- conduct targeted outreach to identify children and families that could benefit from the program;
- establish financial incentives for children and their families to participate in the program; and
- make referrals to licensed health care providers who are willing to provide primary care services to participating children and families.

The Advisory Board on School-Based Wellness Initiatives must assess school nutrition, physical education, and before- and after-school programs and must make recommendations regarding changes or additions to existing programs. The board must also study the feasibility of providing incentives to children and families who participate in the program and must investigate practices in other states. Advisory board members serve staggered, two-year terms and are entitled to reimbursement for standard travel expenses. MSDE must provide staff support for the advisory board.

**Current Law:** With the assistance of the local health department, each local board of education must provide adequate school health services, instruction in health education, and a healthful school environment. Local school systems must designate a school health services program coordinator. Every public school must also have a program of physical education that is given in a planned and sequential manner to all students in order to develop their good health and physical fitness and improve their motor coordination and physical skills. In order to receive funding through the federal school nutrition programs, schools are prohibited from selling foods of minimal nutritional value, as defined in federal guidelines, from 12:01 a.m. until the end of the last lunch period each day.

**Background:** In response to U.S. Department of Agriculture regulations for schools that receive funding under federal food services programs, the State Board of Education recently required Maryland's local school systems to develop school wellness policies. The policies have been reviewed by the School and Community Nutrition Branch, and the branch has reported that the policies adopted by local school systems comply with federal rules and State board standards. The School and Community Nutrition Branch reports that it will be monitoring and reviewing school systems' implementation of the policies.

Children's health has been an ongoing concern among Maryland legislators and state legislatures around the country. A briefing document from the National Conference of State Legislatures (NCSL) indicates that, in 2005, 21 states enacted legislation to refine or increase physical education requirements or encourage positive physical education programs, and 18 states enacted legislation to address school nutrition.

One of the principal concerns about children's health has been the percentage of children who are overweight. Comparing data from separate administrations of the National Health and Nutrition Examination Survey over a span of approximately 25 years reveals that the percentage of children who are overweight tripled from a 1976-1980 administration of the survey to a 2003-2004 survey administration. The pattern of increases is relatively consistent across age groups, genders, and racial backgrounds. The Centers for Disease Control and Prevention indicates that childhood obesity can be traced to poor nutrition and low levels of activity, as well as genetic factors.

**State Expenditures:** General fund expenditures could increase by an estimated \$109,842 in fiscal 2009, which accounts for the bill's October 1, 2008 effective date. This estimate reflects the cost of hiring an education specialist to oversee the implementation of school-based wellness programs, provide staff support for the advisory board, review school wellness policies in other states, and develop outreach materials and incentive programs for schools participating in the program. A full-time office secretary would also be hired to support the education specialist and the advisory board. Two full-time salaries, fringe benefits, one-time start-up costs, advisory board travel expense reimbursements, and other ongoing operating expenses are included in the estimate.

	<u><b>FY 2009</b></u>	<u><b>FY 2010</b></u>
Salaries and Fringe Benefits	\$94,022	\$127,680
Start-up and Other Operating Expenses	<u>15,820</u>	<u>10,832</u>
<b>Total State Expenditures</b>	<b>\$109,842</b>	<b>\$138,512</b>

Future year expenditures reflect: • two full salaries with 4.4% annual increases and 3% employee turnover; and • 2% annual increases in ongoing operating expenses.

Additional costs would be incurred for grants to schools and for any financial incentives used to encourage children and their families to participate in school-based wellness programs. Any State contributions to these efforts, which would presumably be made through appropriations to the Maryland School-Based Wellness Program Fund, would be determined by the annual budget process and cannot be reliably estimated.

**Local Fiscal Effect:** The bill does not place any immediate requirements on local school systems; however, if additional physical education requirements or stricter regulations for the foods sold in schools are adopted as a result of the bill, these actions could have a fiscal impact on local school systems. It is assumed that MSDE and the Advisory Board on School-Based Wellness Initiatives would work with local school systems to avoid any significant costs for the systems. If funding is available through the Maryland School-Based Wellness Program Fund, schools participating in wellness initiatives could be eligible for grants from the fund.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education, Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - March 19, 2008  
mcp/rhh

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