

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 1148  
Ways and Means

(Delegate Kaiser)

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Public School Vending Machines - Nutritional Foods and Beverages

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This bill requires local boards of education to develop and adopt policies regarding vending machines that encourage a reduction in student consumption of foods of minimal nutritional value. The policies must be submitted to the Maryland State Department of Education by July 1, 2009. Schools must install automatic timing devices on vending machines to prohibit or permit access to the machines in accordance with policies established by the local board.

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Fiscal Summary

**State Effect:** MSDE could collect policies and reports from local school systems with existing resources.

**Local Effect:** Local school system revenues could decrease minimally if contracts with vendors become more limited. Existing contracts would not be affected. Local boards of education and school systems could develop policies with existing resources.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** The bill requires the policies developed and adopted by local boards of education to prohibit students from accessing vending machines that contain foods of minimal nutritional value until the end of the school day. The policies may allow students to access vending machines that contain nutritious foods, except during lunch periods. The policies must:

- require that at least 50% of the options in vending machines be nutritious;
- require that beverages contain at least 50% real fruit or

vegetables; • prohibit foods that derive at least 30% of their calories from fat; and • limit food portions to 210 calories or less.

School contracts relating to vending machines may not exceed three years, must be submitted to local boards of education for review, and must be available for public examination. Policies must provide that schools that violate local vending machine policies may not renew contracts or enter into new contracts.

**Current Law:** Chapter 312 of 2005 required local school systems to install timing devices on all vending machines by 2006. The devices must prohibit or allow access to the machines in accordance with nutrition policies established by the county board of education.

Federal regulations restrict the sale of food in food service areas that competes directly with school lunch sales during lunch periods. In particular, so-called “competitive foods” may not include foods of minimal nutritional value; other competitive foods may be sold in food service areas if proceeds from their sale accrue to the benefit of nonprofit school food authorities or school or student organizations. The regulations do not address the sale of foods during other times of the day.

The Maryland State Board of Education, through its Management and Operations Memorandum #12 (MOM 12), prohibits the sale of foods of minimal nutritional value until the end of the last lunch period. It strongly encourages schools to prohibit their sale until the end of the standard school day.

**Background:** Data from the National Health and Nutrition Examination Survey, conducted by the federal Centers for Disease Control and Prevention, indicate that the incidence of childhood overweight has increased across all age groups since 1980. For children between the ages of 6 and 11, the prevalence of overweight has increased from 6.5% to 18.8%, and for children between the ages of 12 and 19, it has increased from 5.0% to 17.4%. Causes of childhood overweight and obesity are generally considered to be lack of physical exercise, poor dietary habits, and genetics.

Many local school systems allow school administrators to raise revenues by contracting with vending and soda machine companies. The supplemental revenues are often used to support extra-curricular activities in schools. Other local school systems have exclusive systemwide contracts with vendors that supply county schools with vending machines and products sold in vending machines. DLS review of several local school board policies with respect to foods sold in vending machines indicates that they generally conform to the MSDE guidelines referenced above, and hence to the restrictions included in this bill.

**Local Revenues:** In local school systems that allow schools to independently contract with vendors, annual vending machine revenues are estimated at \$5,000 to \$10,000 for middle schools and \$10,000 to \$20,000 for high schools. Elementary schools do not typically provide students with access to vending machines. Montgomery County Public Schools reports that it, along with most school systems in the State, has experienced declining sales commissions from product vendors as it has instituted product mixes and restrictions consistent with MOM 12. However, Montgomery County could not provide updated revenue figures because this is the first year that it has instituted the new policy.

It is assumed that policies established by local boards of education would not significantly reduce contract revenues, especially since current board policies and practices tend to conform already to the restrictions imposed by this bill and MOM 12. However, local school revenues could decrease minimally in some cases.

**Local Expenditures:** It is assumed that local boards of education could develop, adopt, and enforce policies with existing resources. There would be no cost associated with the bill's requirement to place timing devices on vending machines because that is already required under current law.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education, Montgomery County Public Schools, Centers for Disease Control and Prevention, Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2008  
mam/mwc

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510