

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Education Committee

BILL: CS/SB 1312

INTRODUCER: Agriculture Committee and Senator Siplin

SUBJECT: School Nutrition Programs

DATE: March 29, 2011 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Akhvein</u>	<u>Spalla</u>	<u>AG</u>	Fav/CS
2.	<u>Carrouth</u>	<u>Matthews</u>	<u>ED</u>	Pre-meeting
3.	_____	_____	<u>BC</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

The bill creates the “Healthy Schools for Healthy Lives Act” and provides for a type two transfer¹ of the administration of school food and nutrition programs from the Department of Education (DOE) to the Department of Agriculture and Consumer Services (DACS). It provides for the administration of the United States Department of Agriculture child food and nutrition programs by DACS. The bill also creates the Healthy Schools for Healthy Lives Council within DACS.

The bill substantially amends s. 1003.453 of the Florida Statutes and creates s. 570.98 of the Florida Statutes. It also creates one undesignated section of law.

The bill amends, transfers and renumbers: s. 1006.06, F.S., to s. 570.981, F.S.; s. 1006.0606, F.S., to s. 570.982, F.S.; and s. 1010.77, F.S., to s. 570.983, F.S.

¹ s. 20.06(2), F.S., defines, in pertinent part, a Type Two Transfer as the merger of an existing agency or department, or program, activity, or function into another agency or department or a merger with certain identifiable units or subunits, programs, activities, or functions removed or abolished.

II. Present Situation:

There is a direct correlation between good nutrition and student development and learning.² Due to this relationship, both the federal and state governments have adopted policies for local school districts to operate school nutrition programs.³ Federal regulations implementing the Richard B. Russell National School Lunch Act (7 C.F.R. § 210.3(b)) provide for the programs to be administered by a state's educational agency. This is the case in all but two of the 50 states.⁴ In Florida, DOE and DACS have roles in administering school food and nutrition programs. As such, Florida's school food and nutrition programs are spread across DOE and DACS, creating challenges, inconsistencies and inefficiencies. For instance, the School Lunch, Breakfast, and Summer Programs are administered by DOE, while the commodity Food Distribution, Disaster Feeding, and the Emergency Food Assistance Program (EFAP) are managed by DACS. The Healthy Schools for Healthy Lives Act would consolidate school food and nutrition programs under one state agency.

The Commissioner of Agriculture states that DACS is the most experienced and best positioned to manage Florida's school food and nutrition programs.⁵ Furthermore, it is the Commissioner's position that the transfer will foster increased coordination between Florida farmers and the school programs that provide food for Florida's children. With its year-round growing season, the state of Florida is uniquely capable of providing produce during the school year. DACS can connect schools with nearby farms, enabling the schools to tap into the abundance of nutritious and wholesome foods that Florida has to offer and serve locally-grown fresh fruits and vegetables at school meals. The Commissioner of Agriculture also states that DACS can apply its expertise to help instill in students a value and appreciation for fresh and nutritious foods, thus leading to a lifetime of healthy eating habits. Through existing programs in DACS' Marketing Division, such as Fresh From Florida Kids and Xtreme Cuisine, DACS currently works to educate families and children about healthy eating. Combining these efforts with the programs currently at DOE will enable schools to more effectively reach Florida's students with the valuable lessons and practices of healthy eating. DACS also has a culinary program administered by a certified executive chef to help develop and offer nutritious recipes with "kid appeal" to be served in cafeterias and classrooms. The culinary staff can also share proven techniques with school foodservice assistants.⁶

Furthermore, the Commissioner of Agriculture believes that transferring the school food and nutrition programs to DACS will allow for increased coordination and create efficiencies. DACS states that it can absorb some of the programs' administrative needs and bring other services in-

² *Early Childhood Nutrition and Academic Achievement: A Longitudinal Analysis*, available at: http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V76-43GH12C-1&_user=10&_coverDate=09%2F30%2F2001&_rdoc=1&_fmt=high&_orig=gateway&_origin=gateway&_sort=d&_docancor=&_view=c&_searchStrId=1697920803&_rerunOrigin=scholar.google&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=7709e53ea6bac836aafab9b4169e576c&searchtype=a.

³ The National School Lunch Act, as amended (42 U.S.C. 1751-1769), and the Child Nutrition Act of 1966, as amended (42 U.S.C. 1773) and s. 1006.06, F.S.

⁴ Letter from the United States Department of Agriculture (USDA) to the Commissioner of Education dated March 4, 2011. On file with the committee.

⁵ Meeting between Senate Agriculture Committee staff and representatives of the Florida Department of Agriculture, March 17, 2011.

⁶ *Id.*

house, which should yield approximately \$400,000 in annual savings.⁷ Additional savings can be realized from DACS' relationship with the agriculture industry. For example, with access to Florida's farmers, agribusinesses and agricultural market data, DACS can help the programs save in the areas of food, training and distribution. In addition, DACS' food recovery initiatives identify Florida produce that can be distributed to the needy at a reduced cost. Methods from these initiatives may be applied to provide more nutritious and wholesome foods to schools at a reduced cost.⁸

The following is a description of the state-level organizational placement of school nutrition programs administered by DOE and DACS:⁹

Florida Department of Education:

The DOE is responsible for the administration, review, and evaluation of seven United States Department of Agriculture (USDA) funded child nutrition programs. During the 2009-10 fiscal year, the following programs generated \$745 million in reimbursements to program sponsors, which include all of Florida's 67 public school districts, 78 charter schools, 3 university schools, 49 private schools, and 49 residential facilities.

National School Lunch, School Breakfast, and After School Snack Programs – \$718.6 Million in Reimbursements

The National School Lunch Program (NSLP) and School Breakfast Program (SBP) provide non-profit school lunch programs with reimbursement for nutritious meals served to school children. Participating schools may also receive USDA commodity food through an agreement with DACS. Section 1006.06, F.S., requires Florida public school districts to offer the breakfast program in all elementary public schools. Reimbursement is based on student income eligibility.

The After School Snack Program (ASSP) provides a snack to students who are served in an afterschool educational or enrichment program that is provided at the end of the school day. The school district must operate the NSLP before ASSP can be offered.

Special Milk Program – \$31,295 in Reimbursements

The Special Milk Program (SMP) provides milk to children in schools, child care institutions and eligible camps that do not participate in other federal child nutrition meal service programs. The program reimburses schools and institutions for the milk they serve. Schools in the NSLP or SBP may also participate in the SMP to provide milk to children in half-day pre-kindergarten and kindergarten programs through which children do not have access to the school meal programs.

Summer Food Service Program – \$22.7 Million in Reimbursements

The Summer Food Service Program (SFSP) provides reimbursement for sponsors to serve free meals to low-income children at participating sites during the summer months when schools are normally closed. The reimbursement rates for the SFSP are slightly higher than the National School Lunch Program. Children who are 18 years of age or younger, or over 18 when

⁷ Department of Agriculture Fiscal Note, March 10, 2011, on file with the committee.

⁸ *Id.*

⁹ Department of Education legislative bill analysis, March 1, 2011, on file with the committee.

determined to be mentally or physically handicapped, are eligible for the program. Sponsors of this program include school districts, community-based organizations, and county governments.

Seamless Summer Option – \$1.8 Million in Reimbursements

School districts participating in the NSLP or SBP are eligible to apply for the Seamless Summer Option (SSO) to serve free meals to low-income children, 18 years old and under. This option reduces paperwork and administrative burdens, and reimbursement rates are the same as with NSLP and SBP. Sponsors of this program are school districts.

Fresh Fruit and Vegetable Program – \$2.7 Million in Reimbursements

The Fresh Fruit and Vegetable Program (FFVP) provides all children in participating schools with a variety of free fresh fruits and vegetables outside of the breakfast and lunch service. It is an effective and creative way of introducing fresh fruits and vegetables as healthy snack options. In 2010-11, the FFVP currently operates in 26 districts and 133 schools throughout Florida.¹⁰ The allocation for each school is between \$50 and \$75 per student. National allocations have not yet been released, but Florida anticipates receiving approximately \$6 million for the 2011-2012 FFVP. Unlike the other child nutrition programs which are reimbursed by meals served, FFVP sponsors are reimbursed for operating and administrative costs in addition to the funds received for the purchase of fruits and vegetables.

DOE Administration of Child Nutrition Programs

The DOE employs 45 staff with an administrative budget of \$6,461,745 for the 2010-11 fiscal year to administer the school and child nutrition programs for the following sponsors:

- 248 NSLP sponsors, including 3,578 breakfast sites, 3,651 lunch sites, and 1,655 snack sites;
- 135 SFSP and SSO sponsors;
- 18 SMP sponsors; and
- 133 elementary schools participating in the 2010-2011 Fresh Fruit and Vegetable Program.

Administrative services provided by the DOE include:

- Maintaining a web-based computer application to process \$745 million of claims reimbursements, sponsor applications, administrative program reviews, and federal reports;
- Providing sponsor training and technical assistance in child nutrition, food safety, and administrative services for all sponsors;
- Conducting on-site monitoring and administrative reviews of program administration and meal services for all sponsors;
- Evaluating and providing nutrient analysis of breakfast and lunch menus for all sponsors; and
- Providing outreach in the state to attract potential sponsors for the SFSP and increase participation in the breakfast program.

¹⁰ *Id.*

To provide the services listed above effectively, DOE works with Florida Atlantic University to administer two grants: (1) \$700,000 to deliver on-site training in a variety of areas, including producing and maintaining appropriate food service records, food preparation and safety, preparing and serving fresh fruits and vegetables, and the production of training videos; and (2) \$900,000 to observe and evaluate the scope of difficulties related to compliance, provide technical assistance to individual sponsors, provide technical assistance to companies that contract to deliver food products and services, assist sponsors with completing paperwork and taking the steps necessary to achieve and maintain regulatory compliance related to Provision 2 (program in schools with a high proportion of students who are eligible for free and reduced-price meals that allows all students to receive free meals), and the maintenance and technical support of DOE's "FUNDamental" financial software; which is used to measure critical indicators of the financial effectiveness of a sponsor's child nutrition program.

Alliances and Initiatives

The DOE established the Farm to School (F2S) Alliance to combat childhood obesity and meet the HealthierUS School Challenge criteria, which is a statewide training initiative for school food service professionals on how to prepare and serve meals that comply with the 2005 Dietary Guidelines for Americans. DOE coordinates F2S training, serves as the lead on the National F2S Network Regional Steering Committee, and commits staff time to the HealthierUS School Challenge and First Lady Michelle Obama's Let's Move Campaign. In January of 2011, an F2S Alliance meeting was held to "Build a Framework" for Florida F2S Programs. The Florida-Grown School Lunch Week is being planned for October 2011, to highlight products grown in Florida.

The F2S Alliance meetings have been attended by representatives from the United States Department of Agriculture, Farm Bureau, University of Florida Extension Offices, Florida Agriculture in the Classroom, Florida Fruit and Vegetable Association, Florida School Nutrition Association, R.C. Hatton Farms, U.S. Foodservice Food Distribution, Florida Action for Healthy Kids, Florida Dairy Council, Sustainable Agriculture Research and Education, Whole Foods, and organic growers.

The DOE provides outreach, guidance, and information to approximately 800 small farmers, their families, and the communities they serve about how to become involved and form business relationships with schools. DOE has garnered support from R.C. Hatton Farms, one of Florida's larger farmers, to assist with bringing smaller farmers into the discussion regarding food safety and distribution of their products.

The DOE provides guidance and training to Florida school food service directors, their staff, and parent-teacher organizations about the benefits of using locally grown products, procurement of local produce, and the use of local products in the NSLP to meet the HealthierUS School Challenge menu criteria. For the past three years, FNM has conducted presentations at the Florida School Nutrition Association Conference on procurement, distribution, and applications of food safety principles associated with local farm-grown produce.

The DOE actively supports interagency participation and coordination with the USDA, Florida Department of Health, Florida Department of Children and Families, Florida Coordinated School

Health Partnership, Coordinated School Health Initiatives, the Florida Food and Nutrition Advisory Council, and various other entities.

Integration into the Curriculum and Classroom

Nutrition education is provided through collaboration with the Office of Healthy Schools (OHS) within DOE. DOE's school food and nutrition programs partner with the OHS to assess and respond to the nutrition education and resource needs of school districts across the state. The OHS is partially funded with DOE school food and child nutrition administrative expense funds and employs a program director and nutrition coordinator. Through this partnership, DOE is able to integrate nutrition education into core subject areas like language arts and science. Examples of initiatives from this collaboration include:

- Participation in Celebrate Literacy Week—OHS works in partnership with the Just Read, Florida! Office to promote literacy throughout the state by raising awareness of the nutrition-related programs and projects offered by the DOE, including the importance of school breakfast and school gardens. In January 2011, volunteers across 28 school districts and 1,100 classrooms read “Our Super Garden: Learning the Power of Healthy Eating by Eating What We Grow” by Anne Nagro.
- Seed Folks kits—In February 2011, OHS in partnership with the DOE's Language Arts Coordinator, Just Read, Florida!, and the Florida Department of Health's Comprehensive Cancer Control Program provided Seed Folks kits, containing lesson plans and activities challenging language arts benchmarks, to middle school students.
- Gardening for Grades Regional Trainings—Through a partnership with DOE's Science Coordinator, OHS has collaborated with Florida Agriculture in the Classroom to serve science teachers through nine regional Gardening for Grades training sessions in the spring of 2011. Gardening for Grades is a program funded by specialty crop grants, awarded by DACS.
- Foods of the Month Kits—In March 2011, OHS provided approximately 550 nutrition education resources specifically designed for the school cafeteria through the Foods of the Month (FoM) kits. FoM kits help schools enhance the nutrition education programming and improve dietary offerings in school meals by using the cafeteria as a learning laboratory.
- Healthy School District Trainings—Five regional Healthy School District Trainings will be conducted in March 2011, using the Coordinated School Health approach to provide district teams with the tools necessary to improve the health and wellness of their district's students and staff through Wellness Policy Committees and School Health Advisory Committees (SHACs).

The Florida Department of Agriculture and Consumer Services:

The Department of Agriculture and Consumer Services administers the Commodity Program portion of the National School Lunch Program and the Summer Food Service Program. Section 6(e) of the Richard B. Russell National School Lunch Act (NSLA), requires that no less than 12 percent of the federal support received by schools pursuant to the NSLA each year must be in the form of USDA food (commodities). Every year, DACS receives an allocation from the US Department of Agriculture based on the number of meals served the previous year. As the state agency responsible for ordering the commodities for the schools, DACS provides information to the schools on which foods USDA intends to acquire, determines from the schools how much, if

any, of each of the commodities available they would like to requisition and orders the foods. USDA is responsible for procuring and purchasing these commodities.

During school year 2010-2011, DACS provided over 69 million pounds of USDA food valued at approximately \$55,516,427 to about 193 participating schools (public school districts, private schools, residential child care institutions, etc.) throughout the state. An additional \$4,442,500 in fresh fruits and vegetables was also provided.

In 2011, DACS will provide over 75 million pounds of USDA food, valued at over \$66 million, in addition to another \$3,077,000 in fresh fruits and vegetables to participating Florida schools.

DACS developed and maintains the Florida Farm to School Program website to bring schools and farmers together to determine each other's needs and how to best meet them. As a founding member of the Farm to School Alliance, DACS participates and provides input at Alliance meetings. For the last three years, DACS has participated in various panel presentations and exhibitions promoting the consumption of fresh produce at the Florida Small Farms and Alternative Enterprises Conference.

For years, DACS has been an active participant in the Florida School Nutrition Association annual conference. In addition to conducting workshops on the administration of the USDA foods, DACS, in conjunction with the Department of Defense, is an exhibitor at the conference, promoting the consumption of fresh produce in schools and Florida fresh fruits and vegetables in particular. At the 2011 conference, DACS' chef will be in attendance demonstrating ways to entice students to consume more Florida fruits and vegetables.

In keeping with DACS' mission of providing healthy nutrition from the time children are young, DACS has developed the Fresh From Florida Kids. The program is designated to help parents instill healthy eating habits in their children who are just beginning to eat solid food and beyond. Research suggests that taste preferences and eating habits are fully developed by the time a child is three years old, so starting early is essential.

As children get older, DACS introduces them to good nutrition through Xtreme Cuisine. Xtreme Cuisine Cooking School teaches children about nutrition and introduces children to the variety of fresh, nutritious foods available in Florida. The program can be used by teachers, extension agents, health and family services professionals, and many others who work with Florida youth to teach children the nutritional attributes and other pertinent information about Florida agricultural commodities while providing basic cooking skills.

Office of Program Policy and Government Accountability (OPPAGA), Report No. 09-03¹¹
OPPAGA reviewed Florida's school nutrition programs in January 2009. In the report, *No Changes Are Necessary to the State's Organization of School Nutrition Programs*, OPPAGA found:

- The current structure aligns key program activities with the core missions of state agencies.

¹¹ <http://www.oppaga.state.fl.us/Summary.aspx?reportNum=09-03>

- There is no compelling reason to change the current structure of Florida's school nutrition programs.
- Changing the structure would not produce identifiable cost savings or other substantial benefits.
- Transferring programs and functions from one agency to another would likely result in short-term disruptions in services to school districts.

School Nutrition Program Transfers Experienced in Other States

Federal regulations implementing the Richard B. Russell National School Lunch Act (7 C.F.R. § 210.3(b)) provide for the NSLP to be administered by a state's educational agency. In all but two of the 50 states this is the case. In Texas and New Jersey, it was the desire to seek alternate agencies to administer the program. In 34 states, the commodity food program, which makes agricultural commodities available to sponsors, is administered by the education agency. The administration of the NSLP by an agency other than the state education agency requires a waiver by the Secretary of the USDA. USDA staff has been contacted for information regarding a potential waiver. At this time, it is unknown if a waiver would be approved or if a transfer could be accomplished by the bill's effective date of July 1, 2011.¹²

Officials in Texas and New Jersey indicated that consolidating the federal programs into their agriculture departments had two primary benefits. First, it improved coordination between the various programs. Second, the officials said that consolidating the programs within the agriculture agency had increased program visibility and administrative support by functioning with a smaller agency, rather than as a no-curriculum program within the larger state education agency.¹³

Officials in both Texas and New Jersey indicated that the primary disadvantage of consolidation was that it created transitional issues during the transfer. For example, when consolidation was being discussed, several DOE staff became concerned about the future of their positions. Another challenge to consolidation is that it could create either data sharing or duplicate data reporting issues.¹⁴

DACS has reached out to their counterparts in Texas and New Jersey to learn the progress of the programs since the transition and both states report success. Though they encountered issues during the transition, school food and nutrition programs in the agriculture departments of both Texas and New Jersey are making a positive impact on the health curriculum in the classrooms and the nutrition in the cafeterias. DACS feels it can apply lessons learned by both states to support a smooth transition of the school food and nutrition programs in Florida.¹⁵

¹² Department of Education legislative bill analysis, March 1, 2011, on file with the committee.

¹³ Letter from the United States Department of Agriculture (USDA) to the Commissioner of Education dated March 4, 2011. On file with the committee.

¹⁴ *Id.*

¹⁵ Meeting between Senate Agriculture Committee staff and representatives of the Florida Department of Agriculture, March 17, 2011.

III. Effect of Proposed Changes:

The bill transfers the administration of the National School Lunch Program and related food and nutrition programs from the Department of Education (DOE) to the Department of Agriculture and Consumer Services (DACS). The bill furthers the goal of the DACS to assume control over the program. The DOE has raised concerns with the transfer, namely:¹⁶

- Loss of funding—The loss of funding would affect the integration of nutrition education into the classroom. The initiatives discussed above, including reading child nutrition books in the classroom, Seed Folks kits containing lesson plans, gardening training sessions, and using the cafeteria as a training laboratory would be severely curtailed or eliminated.
- Disruption in services—As with any change, there will be a disruption in services that DOE currently provides. For example, the distribution of monthly Direct Certification information of students who are eligible for free or reduced price meals because of eligibility for the Supplemental Nutrition Assistance Program through the Department of Children and Families will require changes in multiple agencies. All Memorandums of Understanding and grants will need to be revised and updated to reflect the transfer. The Dietetic Internship Program will require a recertification by the Commission on Accreditation for Dietetics Education and amended contracts with the various entities that provide instruction to the interns. The coordination with the Florida School Choice Program to increase the number of charter schools sponsoring NSLP would be affected.
- Fiscal cost—There would be a financial cost to the State Administrative Fund for program operation to physically move the program from DOE to DACS. A physical program move could result in additional facilities renovation expenses to provide needed offices and technical support for the program. A relocation would likely result in short-term disruptions in services to school districts and additional workload relative to the moving process. Millions of dollars of program reimbursements could be delayed, causing fiscal concerns to sponsors. It is possible the program could remain housed in the Turlington Building, which would seem to negate any fiscal or policy benefit to transferring the program.
- Loss of indirect funds to the DOE—Indirect earnings revenue is derived from assessments on federal grants based on the DOE's current approved Indirect Cost Rate Agreement with the United States Department of Education, dated May 5, 2010, for the period July 1, 2010, through June 30, 2013. The assessment is a percentage of total direct expenditures excluding capital expenditures, flow-through appropriations, and unallowable costs. Indirect earnings are used to support management activities that are department-wide in nature and include activities such as purchasing, accounting, human resources, grants management, and legal services. The amount of \$631,410 is attributed to indirect earnings from school and child nutrition programs in the 2009-10 fiscal year.
- Federal government has not approved—Federal regulations implementing the Richard B. Russell National School Lunch Act (7 C.F.R. § 210.3(b)) provide for the NSLP to be administered by the state educational agency. In all but two of the 50 states this is the case. Texas and New Jersey sought and received alternative administration. In 34 states,

¹⁶ Department of Education legislative bill analysis, March 1, 2011, on file with the committee.

the commodity food program, which makes agricultural commodities available to sponsors, is administered by the education agency. The administration of the NSLP by an agency other than the state education agency requires a waiver by the Secretary of the USDA. USDA staff has been contacted for information regarding a potential waiver. At this time, it is unknown if a waiver would be approved or if a transfer could be accomplished by the bill's effective date of July 1, 2011.

- Unforeseen consequences—On October 1, 1997, the Child and Adult Care Food Program (CACFP) was split and transferred from DOE. Chapter 97-260, Laws of Florida, transferred the Child Care Food Program (CCFP) from DOE to the Department of Health (DOH). The Adult Care Food Program (ACFP) was transferred from FDOE to the Department Elder Affairs (DOEA) as a result of a type two transfer under Section 20.06(2) Florida Statutes. As a result of the transfer of ACFP to DOEA, it was realized that ACFP, when separated from the Child Care Food Program, could not earn sufficient State Agency Expenditure funds to administer the program. Therefore, on July 23, 1998, a cooperative agreement was established between DOE and DOEA to transfer funds from DOE to DOEA in the amount determined to be needed by DOEA to operate the State Administrative Expense Plan in excess of the amount determined by formula to operate ACFP. This agreement was established as temporary assistance until ACFP program generated sufficient funding to independently administer the program. The ACFP was not able to generate sufficient USDA funding. Therefore, it has obtained \$200,000 in recurring general revenue to subsidize the administrative cost to operate ACFP. Currently, all states with the exception of Illinois and Florida operate ACFP and CCFP within the same agency, which is predominately the education agency.

This bill makes conforming changes to other sections of law to reflect the administration of these food and nutrition programs by the DACS. In particular, the DACS is required to administer all school food and nutrition programs, to cooperate with the United States Government and its agencies and instrumentalities to receive the benefit of federal financial allotments, and to act as an agent of or contract with, the federal government, another state agency, or any county or municipal government for the administration of the school food and nutrition programs.

The bill also requires the DAC's website to contain a link to nutritional content of foods and beverages.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Since the state has not received a waiver from the U.S. Department of Agriculture, the U.S. Department of Agriculture will not recognize the state law.

There will also be an effect on the Department of Education's budget in terms of the expenditure of indirect costs under these programs. The DACS would assume control over these revenues.

Department of Education:

According to DOE, contracting for the administration of a program adds another layer of management with associated costs and may compromise the direction and effectiveness of the program. Because the program applications, administrative reviews, and reimbursements for all school and child nutrition programs are processed through a central web-based application, it is unknown how a contractor would have sufficient resources to manage this computer application, or how the contractor could be accountable for administering reimbursements. Such a division or splitting off of administrative responsibilities would be confusing at best to program sponsors. In any event, additional program oversight would be required to ensure that all program resources, including reimbursements, are managed according to regulations.¹⁷

*Department of Agriculture and Consumer Services:*¹⁸

As required by federal regulations, DACS will enter into written agreements with program participants. DACS indicates that it has no intention to further contract or add another layer of administration. The DACS estimates additional expenditures in the amount of \$168,400 recurring for office space and data circuit requirements, as well as a non-recurring cost for telephone/network wiring, etc., in the amount of \$64,242.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

¹⁷ *Id.*

¹⁸ Department of Agriculture Fiscal Note, March 10, 2011, on file with the committee.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by the Agriculture Committee on March 28, 2011:

The Committee Substitute adds a section to create the Healthy Schools for Healthy Living Council within the Department of Agriculture and Consumer Services.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
