

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Education
Virginia Administrative Code (VAC) Chapter citation(s)	8 VAC 20-290
VAC Chapter title(s)	Regulations Governing School Lunch Sale of Food Items
Action title	Periodic Review
Date this document prepared	May 9, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	n/a	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>The regulations outlined in 8VAC20-290 concerning the sale of food items during school lunch periods have specific impacts on how local schools manage their food service operations. These guidelines not only influence the type of food that can be sold but also dictate how the revenue generated from these sales should be managed.</p> <p>This regulation directly affects how local schools manage and operate their food service programs. Costs may include adjustments to food service operations, additional staffing for compliance monitoring, and potential limits on food item diversity. Benefits include improved nutritional quality of food sold, better alignment with federal nutritional standards, and reinforced financial health of school lunch programs.</p> <p>This regulation effectively governs the sale of food items in schools</p>
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	during lunch periods, aligning with broader goals of maintaining high nutritional standards and supporting the financial viability of school lunch programs. While it imposes certain operational limitations, it also provides structured guidance that helps schools promote healthy eating practices among students.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Chapter 290 regulates the sale of food items during the school lunch period, stipulating that only items part of the school lunch program's Type A lunch and breakfast can be sold, with all income from these sales accruing to the school lunch account. The regulation aims to ensure that food sold during lunch hours meets certain nutritional standards and supports the financial health of the school lunch program.</p> <p>The regulation's focus on funneling all income from food sales back into the school lunch program can help sustain or improve the program's financial viability, potentially subsidizing costs for low-income families. This is crucial as it can prevent the need for increased meal prices, which could disproportionately impact these families.</p> <p>Chapter 290 plays a significant role in promoting healthy eating habits among students by ensuring that food sold during school lunch periods is nutritious and supports the school's lunch program financially. For families, this regulation offers the reassurance that their children have</p>
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	access to quality meals at school, which is essential for their physical and cognitive development. This regulation also aligns with public health goals by maintaining high nutritional standards in schools, benefiting all students but especially supporting those from less affluent backgrounds.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Chapter 290 may impact small businesses, particularly those operating within or in partnership with Virginia schools. The regulation restricts the sale of food items during school lunch periods to those recognized as components of the school lunch program's Type A lunch and breakfast. This limitation can affect small businesses such as local food vendors or small-scale food producers that might rely on selling a variety of products that are not included in the Type A menus. These businesses may see a decrease in sales opportunities as they can only sell items that are already part of the established menu.</p> <p>While the regulation does allow for the sale of a la carte items, it restricts these items to those which can be served as part of the Type A lunch and breakfast. This stipulation continues to limit the range of products that small businesses can offer. However, it also provides a focused market for those who specialize in products that align with Type A menus, such as certain types of sandwiches, soups, salads, and specific beverages.</p> <p>The requirement that all income from the sale of food items during the lunch period must accrue to the school lunch account could impact small businesses that operate within schools. Normally, these businesses might expect to retain a portion of the sales income for profit and operational costs. Under this regulation, the financial benefit to small businesses may</p>
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	<p>be limited strictly to indirect benefits such as brand exposure or long-term partnerships with the school.</p> <p>The recommendation for high schools to sell food items of recognized nutritional value outside of lunch periods aligns with federal requirements and might create opportunities for small businesses specializing in healthy foods. These businesses could leverage their alignment with nutritional standards to secure a place in the school food market, potentially leading to increased sales during non-lunch periods.</p> <p>Overall, chapter 290 imposes certain restrictions that could create challenges for small businesses in terms of reduced flexibility and potential income. However, it also opens up specialized market opportunities for those able to align their product offerings with the specified guidelines. The key for small businesses under this regulation is to adapt their product lines to meet the Type A criteria and explore opportunities to sell during non-lunch periods, leveraging the focus on nutritional value.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
8VAC20-290-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
				Grand Total of Changes in Requirements:	(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).