

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 1-22: EATING AND DRINKING ESTABLISHMENTS — HEALTHY MEALS FOR CHILDREN

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 1-22 will have little to no impact on racial equity or social justice in the County as its potential public health benefits for reducing health disparities will likely be offset by its disparate impact on people of color-owned businesses concentrated in the food industry.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of racial equity and social justice (RESJ) impact statements is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.²

PURPOSE OF BILL 1-22

The purpose of Bill 1-22 is to require food service facilities in the County to offer healthy food and beverage options for children to improve public health by reducing childhood and adult obesity rates.³ Any food service facility that offers children's meals for sale would also have to offer a "healthy children's meal" that includes a half a cup or more of an unfried fruit or vegetable, a whole grain product, and lean protein and default beverage of water, milk (dairy or plant-based) or fruit or vegetable juice.⁴ The Department of Health and Human Services will enforce compliance with the bill and publicize it in multiple languages, including Spanish.⁵ Bill 1-22 was introduced to the Council on January 11, 2022.⁶

ANTICIPATED RESJ IMPACTS

OLO does not anticipate that Bill 1-22 will impact RESJ in the County as the benefit of narrowing racial and ethnic disparities in obesity rates could likely be offset by increasing costs among businesses of color concentrated in the food industry. More specifically, available data suggests that children of color could disproportionately benefit from healthy children's meals because they experience higher rates of obesity. According to the 2018 Youth Risk Behavior Survey:⁷

- 19 percent of White middle school students in the County considered themselves slightly or very overweight compared to 27 percent of Black and 31 percent of Latinx students;
- 19 percent of White high school students in the County also considered themselves slightly or very overweight compared to 24 percent of Black and 35 percent of Latinx students; and
- 4 percent of White high school students in the County were obese compared to 11 percent of Black and 15 percent of Latinx students.

RESJ Impact Statement

Bill 1-22

If eating out fosters higher obesity rates among Black and Latinx children, increasing the availability of healthy meal options could narrow the obesity gap by race and ethnicity. Yet, available data also suggests that a healthy meal mandate could disproportionately harm minority businesses because they are concentrated in the food sector.

- Nationally, the top minority-owned industry with paid employees was the accommodations and food services industry. Accommodations and food sector businesses accounted for 18 percent of minority business enterprises (MBE's) compared to 7 percent of White-owned businesses in 2012.⁸
- In 2012 and 2017, 13 percent of Latinx-owned businesses and 24 percent of Asian-owned businesses were in the accommodations and food service sector.⁹
- Accommodations and food service businesses also accounted for the largest MBE sector in Maryland, comprising 4,012 businesses in 2012.¹⁰

Increasing the cost of local minority-owned businesses could widen existing racial disparities in entrepreneurship: People of color-owned 43 percent of businesses in Montgomery County in 2012 but their businesses accounted for less than four percent of total business revenue.¹¹ As such, OLO anticipates that the potential public health benefits of Bill 1-22 in narrowing health disparities by race and ethnicity would be offset by the higher cost of implementing the bill among people of color-owned businesses concentrated in the food sector. In turn, OLO anticipates Bill 1-22 will have little to no net impact on racial equity and social justice in the County.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

¹ Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by

² Ibid

³ Montgomery County Council, Bill 1-22, Eating and Drinking Establishments – Healthy Meals for Children, Introduced January 11, 2022

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ Summary Tables, 2018 Youth Risk Behavior Survey Results, Maryland High School and Middle School Surveys, Montgomery County

⁸ The Contribution of Minority Business Enterprises to the U.S. Economy, Office of Policy Analysis and Development, Minority Development Agency, U.S. Department of Commerce

⁹ Ibid and Annual Business Survey Release Provides Data on Minority- and Women-Owned Businesses, U.S. Census Bureau, May 19, 2020

¹⁰ Ibid

¹¹ Jupiter Independent Research Group, Racial Equity Profile, Office of Legislative Oversight Report 2019-7, July 15, 2019