



## Fiscal Estimate Narratives

DATCP 3/16/2010

LRB Number	09-4071/1	Introduction Number	SB-542	Estimate Type	Original
<b>Description</b> Encouraging the purchase of food produced in this state, creating goals and a preference in state procurement for food produced in this state, and creating a council.					

### Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 542 would: (1) require that state agencies, including DATCP, if they spend more than \$25,000 on food annually, try to purchase at least 10% local food each year until 2020 and require that they purchase at least 20% local food after 2020; and (2) create a council attached to the department which would result in increased staffing responsibilities.

#### (1) Local Foods Purchase

DATCP does not purchase food for the purpose of feeding residents or employees. Food is purchased for two primary purposes: by individual programs for board and council meetings, trainings, workshops and similar activities that have a majority of public participants; and for the purpose of laboratory testing for food safety or quality. It is difficult to determine if current total food purchases exceed \$25,000 per year since an in-depth review of individual purchase orders and pcard statement would be required to elicit this information. If Senate Bill 542 became law, the department would encourage programs that contract for catered food, conferences, etc. to utilize local food when feasible and would provide information and education to staff. The target of 20% local food purchased becomes a requirement in 2020 and it is impossible to project at this time the total increased costs that may result.

#### (2) Council

The bill would create a 34 member Local Food, Farms and Jobs Council that would be attached to the department. This council's charge would be to increase the purchase and consumption of local foods in Wisconsin. By statute, members are not entitled to compensation, but are entitled to reimbursement of costs and expenses under s. 15.09(6), Stats.

DATCP would provide staffing functions for the council. The bill provides no positions or resources to perform this function.

Statutory councils generally provide direction, guidance and high level decision making and do not typically implement program activities. Senate Bill 542 directs the council to "assist," "encourage," "facilitate," "coordinate" institutions and agencies in activities to meet the goals for local food purchasing established in the bill and to "facilitate" activities to expand awareness and production capacity.

For the purpose of this fiscal estimate the assumption is made that the council will provide high level oversight, broad policy recommendations and promote public awareness and will not develop programming, trainings, carry out highly specialized activities or provide financial assistance for compliance with bill requirements. This estimate assumes that the programming, training, direct assistance, etc. that would be required to meet the intent of the bill will be carried out by the agencies or entities represented by the council, local governments and other relevant entities.

Based on the above assumptions, additional ongoing staffing and support costs the department would need to implement this bill include 2.5 FTE and \$261,000. DATCP could not absorb these costs.

- 1.1 FTE (2200 hours) program and planning analyst \$25.00/hour = \$80,770 salary and fringe
- 0.5 FTE (1,000 hours) economic development consultant \$30.00/hour = \$44,060 salary and fringe
- 0.6 FTE (1,200 hours) communications specialist \$25.00/hour = \$44,060 salary and fringe
- 0.1 FTE (200 hours) office operations associate \$16.00/hour = \$4,740 salary and fringe
- 0.1 FTE (200 hours) GIS specialist @ \$38.00/hour = \$11,160 salary and fringe
- 0.1 FTE (200 hours) staff attorney @ \$50/hour = \$14,690 salary and fringe
- Non FTE website maintenance and supply costs \$31,540

(Support costs per FTE for rent, computer, central charges, etc. are estimated at \$12,000 per FTE. For 2.5 FTE this totals \$30,000. The 2010 fringe rate for permanent staff is 46.86%.)

Alternatively, if the council developed and provided in-depth programming, training and technical assistance, provided financial support for tracking requirements, etc. the staffing and associated costs would be significantly higher.

This estimate of \$261,000 is based on the following individual estimates (personnel costs all include 46.86% fringe):

A. 15.137 (4) would create the council. Annual operational costs would result.

- Assumes quarterly meetings at DATCP office building, including lunch (\$9) and one break (\$5) for 40 participants = \$2,240.
- Mileage reimbursement based on average of 50 miles per member per meeting = \$3,300.
- Staffing costs related to council operation estimated at 200 hours @ \$25.00/hour = \$7,340.
- Supplies and copying = \$1,000.

B. 93.49 (2) (a)-(br) would direct the council to encourage/assist state agencies, schools, child care providers, hospital and other similar entities that receive state funding to increase expenditures to 10 percent before and 20% after 2020, and to track those expenditures.

- Assumes council staff will provide communication and coordination efforts to get information to relevant entities and will not provide technical assistance or do actual tracking activities.
- Materials development and coordination - 400 hours/year @ \$25.00/hr = \$14,700.
- Mailings, meeting coordination, etc.- 200 hours/year @ \$16/hour = \$4,700.
- Communications/public information 200 hours at \$25.00/hour = \$7,340.

C. 93.49 (2) (c) & (d) would direct the council to assist farmers and others to identify and secure financing and equipment for projects to process, package and distribute local food products and facilitate the building of facilities needed to bring local food products to markets.

- Assumes council staff will serve a clearinghouse function and will not provide financial expertise or work with the finance community. Business finance knowledge and local foods infrastructure knowledge will be required by this position. 1000 hours @ \$30.00/hour = \$44,060.
- Programming time to develop local foods infrastructure information and referral content for website = \$5,000.

D. 93.49 (2) (e) would direct the council to support and encourage expansion of programs that recruit, train and provide technical assistance to farmers and others.

- Assumes council staff will serve as an information clearinghouse or conduit and will not provide direct assistance to entities in training or technical assistance. 200 hours @ \$25.00/hour = \$7,340.

E. 93.49 (2) (f) would direct the council to work with federal, state, local agencies and others to coordinate policies, initiatives and procedures that promote local foods:

- Assumes council staff would provide information sharing function, for example by updating a central website, and would not directly engage with specified entities in this coordination function.
- Information gathering and programming time would be required: 200 hours @ \$25.00/hour = \$7,340.
- \$10,000 to develop and maintain content for centralized website.
- 200 hours at \$25.00/hour = \$7,340 for communications/public information.

F. 93.49 (2) (g) would have the council work with federal, state and local agencies to seek the elimination or modification of rules and regulations that hinder the production, storage, distribution and marketing of local food products;

- Assumes council staff, with assistance from DATCP legal staff, will serve as a collection and or clearinghouse for information the council needs to support this responsibility and would not be responsible for identifying relevant rules and regulations or drafting modifications.
- 400 hours @ \$25.00/hours = \$14,685 for coordination activities.
- 200 hours @ \$50/hour = \$14,685 for legal support activities.

G. 93.49 (2) (h) would have the council encourage federal, state, and local entities to allow the use of public lands for growing food crops for processing, packaging, and distribution.

- Assumes that council staff would work with department GIS and IT staff, in addition to other agencies and localities, to synthesize or access public land use data in order to provide baseline information to the council, to provide outreach on goals to agencies, and to coordinate council recommendations.
- Estimate assumes staff would not be responsible for extensive negotiations, data development, etc.
- 200 hours @ \$25.00/hour = \$7,340 for coordination.
- 200 hours at \$38.00/hour = \$11,160 for GIS and data collection.
- 200 hours at \$25.00/hour = \$7,340 for communications/public information

H. 93.49 (2) (i) would direct the council to set annual goals for the purchase of local food products by residents of the state and evaluate progress toward those goals.

- Assumes council staff would collect available local food sales and consumption information to assist the council to set goals. Estimate assumes staff would try to track progress in local food consumption based on available data and would not conduct extensive surveys or undertake new data collection efforts: 600 hours @ \$25.00/hour = \$22,030.

I. 93.49 (2) (j) would charge the council with initiating and facilitating public awareness activities concerning the economic benefits of the production and consumption of local food products.

- Assumes the council staff would coordinate and lead a public awareness campaign.
- 600 hours @ \$25.00/hour = \$22,030 for communications staff.
- \$10,000 for materials and website development and maintenance.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Encouraging the purchase of food produced in this state, creating goals and a preference in state procurement for food produced in this state, and creating a council.			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$199,460	\$
	(FTE Position Changes)	(2.5 FTE)	
	State Operations - Other Costs	61,540	
	Local Assistance	0	
	Aids to Individuals or Organizations	0	
	<b>TOTAL State Costs by Category</b>	<b>\$261,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	203,840	
	FED	57,160	
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$261,000	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>			
DATCP/ Linda Merriman Hitchman (608) 224-5132		<b>Authorized Signature</b>	<b>Date</b>
		Bill Walker (608) 224-4353	3/16/2010