

## Fiscal Estimate - 2005 Session

Original                     
  Updated                     
  Corrected                     
  Supplemental

<b>LRB Number</b> <b>05-4216/1</b>	<b>Introduction Number</b> <b>SB-665</b>	
<b>Description</b> A market development program for agricultural products		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs                      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs                      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b>		
<b>Affected Ch. 20 Appropriations</b>		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(3)(a)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DATCP/ Linda Merriman Hitchman (608) 224-5132	Barb Knapp (608) 224-4746	3/31/2006

## Fiscal Estimate Narratives

DATCP 3/31/2006

LRB Number	05-4216/1	Introduction Number	SB-665	Estimate Type	Updated
<b>Description</b> A market development program for agricultural products					

### Assumptions Used in Arriving at Fiscal Estimate

SB 665 would direct DATCP to administer the Wisconsin First Program by promoting a Wisconsin identify for farm-raised food and encouraging institutions to purchase Wisconsin-produced food. The Division of Agricultural Development would coordinate this program within its Bureau of Ag Market Development, national/state marketing group. In action separate from this bill the division has been engaged with stakeholders in designing a statewide program to support local food systems and to promote Wisconsin grown products. This analysis indicates that effectively accomplishing the goals of this bill would require a program with multiple components. Existing resources would permit only very limited implementation. To carry out the intent of the bill new staff and website development resources would be required to develop and disseminate promotional information, and provide education, training and technical assistance to growers, local food systems and consumer groups. In addition, state grant assistance to local food groups and institutions would be needed. Existing programs would be expanded in two areas:

1. Create a Buy Wisconsin/Buy Local branding and promotion program which would provide technical market development and promotional assistance to businesses (grocery stores, restaurants, hotels, etc), local tourism groups, farmers and others in promoting Wisconsin-grown and produced food products.
2. Create a Supply Chain assistance program which would provide technical assistance to local governments, school districts and other public organizations to encourage their purchase of local foods, and to farmers groups, coops etc. to assist them to address the distribution and uniformity issues that are necessary to provide local foods to institutions.

Costs and staffing for these two programs:

- \* 2.0 ag market development consultants - \$132,000 annually (2 staff @ 2080 hours @ \$22/hour+ fringe each)
- \* Website upgrade and expansion to the existing SavorWisconsin.com website and additions and linkages to partner websites \$170,000 (2000 hours @ \$85/hour) - one-time
- \* Website maintenance - \$42,500 (500 hours @ \$85/hour) on-going
- \* Promotional matching grants to assist local food/tourism groups to promote locally grown food and products through local and regional markets and events - \$100,000 (20 grants @ \$5,000)
- \* Supply chain matching grants to assist farmers groups, coops, etc. to meet suppliers needs and to provide seed grants to institutions to assist with local purchases - \$100,000 (20 grants @ \$5,000)
- \* Publications - \$20,000 (brochures, how-to manuals, resource directories)
- \* Postage - \$3,000
- \* Supplies - \$15,000 one-time, \$30,000 ongoing
- \* Travel - \$5,000 (1-2 trips per week for each staff person to assist institutions and food groups across the state - estimated at 100 trips @ \$50/trip)

Total one time costs = \$185,000

Total ongoing costs = \$432,500 per year

### Long-Range Fiscal Implications

To fully implement this program it is anticipated that grant assistance to local groups and institutions would be necessary for a minimum of 6-8 years. Administrative staff would be ongoing. Therefore long-range fiscal implications are for a continuation of annual costs at an estimated \$432,500.

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-4216/1		<b>Introduction Number</b> SB-665	
<b>Description</b> A market development program for agricultural products			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Website upgrade: \$170,000 Supplies: \$15,000			
<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		\$132,000	
(FTE Position Changes)		(2.0 FTE)	
State Operations - Other Costs		100,500	
Local Assistance			
Aids to Individuals or Organizations		200,000	
<b>TOTAL State Costs by Category</b>		<b>\$432,500</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		432,500	
FED			
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		\$432,500	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DATCP/ Linda Merriman Hitchman (608) 224-5132		Barb Knapp (608) 224-4746	3/31/2006