

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

| | |
|---|---|
| LRB Number 07-3903/2 | Introduction Number AB-0931 |
| Description purchases of cheese products used in the University of Wisconsin System. | |
| Fiscal Effect | |
| State: | |
| <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate | |
| <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs |
| Local: | |
| <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate | |
| 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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 | |
| Fund Sources Affected | |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | |
| Affected Ch. 20 Appropriations | |
| Agency/Prepared By | Authorized Signature |
| UWS/ Paige Hoffland (608) 263-3307 | Freda Harris (608) 262-2734 |
| Date | |
| 4/4/2008 | |

Fiscal Estimate Narratives
UWS 4/4/2008

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|--|------------------------------------|-------------------------------|
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| Description purchases of cheese products used in the University of Wisconsin System. | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits DOA or any agency with purchasing authority from purchasing for use in the University of Wisconsin System any cheese or prepared food product containing cheese unless the cheese is manufactured or processed by a dairy plant located in this state.

Cheese purchases: UW-System institutions currently purchase cheese from multiple sources, including large food supply contractors. Although we cannot estimate the fiscal impact, it is likely that this change will decrease the selection of cheese available from vendors and therefore increase purchase prices as competition is reduced. The increased administrative responsibilities required to ensure compliance with this bill result in an estimated increased labor costs of 26 weeks annually, or approximately 0.5 FTE for UW System overall. Based on the average annual salary for a Purchasing Agent-Objective, in October 2007, this 0.5 FTE position would cost \$22,600 in salaries and \$9,100 in fringe benefits. At a minimum, the fiscal impact of this bill would be \$31,700 for administrative costs.

Prepared Foods Containin Cheese: A change in legislation for prepared food products containing cheese would negatively impact the UW System, but this impact cannot be quantified. Rather than allowing the prohibited prepared food products to be purchased, institutions or their contractors would have to either a) significantly alter their menus to eliminate any products that may have the prohibited cheese and potentially reduce revenue or b) purchase raw ingredients to bake or cook such items from scratch and increase labor and other costs. More time would be needed to investigate the true cost of such major changes in the operation of UW System food programs.

Another cost that could not be calculated is the potential cost related to food service providers, who generally purchase in bulk for multiple sites and may decide that they could not provide specialized purchasing for one site. Add on expenses for them to provide this service or to seek a different provider could be substantial.

Long-Range Fiscal Implications