



## Fiscal Estimate Narratives

DATCP 3/29/2010

LRB Number	09s0324/1	Introduction Number	ASA1- AB782	Estimate Type	Original
<b>Description</b> Encouraging the purchase of food produced in this state and creating goals and a preference in state procurement for food produced in this state					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Substitute Amendment 1 to AB 782 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) expand the existing Buy Local Buy Wisconsin (BLBW) provisions to include the creation of a council appointed by the department.

The Local Food, Farms and Jobs Council would advise the department on the administration of its existing BLBW responsibilities to increase awareness and consumption of locally produced foods and to conduct a grant program, and on the new local food responsibilities created in the bill. The increased costs of the bill could not be absorbed in the department's current budget.

#### I. Local Foods Purchases Estimate

DATCP does not purchase food for the purpose of feeding residents or employees. Food is purchased for two primary purposes: (a) by individual programs for board and council meetings, trainings, workshops and similar activities that have a majority of public participants; and (b) for the purpose of laboratory testing for food safety or quality.

It is difficult to determine if current department food purchases exceed \$25,000 per year. An in-depth review of individual purchase orders and purchasing card statements would be required to determine this information. If this bill 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 would become a requirement in 2020 and it is impossible to project at this time the total increased costs that may result.

#### II. Advisory Council Estimate

The bill would direct the department to create an advisory Local Food, Farms and Jobs Council. This council's charges would be to: (a) advise the department on its existing BLBW responsibilities (increasing awareness, production and consumption of locally produced foods and related products, and conducting a grant program); and (b) implement the bill's new responsibilities to encourage state entities to grow, purchase, and consume specific percentages of local foods. DATCP would provide staffing for the council. The bill provides no positions or resources to perform this function.

Councils generally serve in an advisory capacity to the agency's head and may provide a vehicle for stakeholder input into department decision-making. Their recommendations are not binding. Most frequently, advisory councils are appointed by an agency to obtain assistance in accomplishing a given task. In these instances the agency determines the level and scope of the council's activities and mandate. (See s. 15.01(4), Stats.)

ASA1 AB782 directs the council to "assist," "encourage," "facilitate," and "coordinate" institutions and agencies in activities to meet the goals for local food purchasing requirements established in the bill and to "facilitate" activities to expand awareness and production capacity.

This estimate assumes the council will promote public awareness but 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 agencies, local governments, and other entities affected by the bill.

If the bill were enacted, the department would utilize the existing 16 member Buy Local Buy Wisconsin Advisory Group as the advisory council. By statute, its members are not entitled to compensation, but are entitled to reimbursement of costs and expenses under s. 15.04 (1) (c), Stats. The meeting, mileage and food costs associated with this group are already being funded by the department, so these costs would continue to be absorbed.

To fully implement the activities identified in the bill would require 2.1 FTE and \$222,910. DATCP could not absorb these costs. If no resources are provided, DATCP would be able to assign only the staffing available at the time of implementation and the council's activities would be limited. (Only task A in Part III below could be performed without additional resources.)

The 2.1 FTE are broken down as follows:

- 0.8 FTE (1600 hours) program and planning analyst \$25.00/hour = \$58,740 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) 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 \$25,000

Support costs per FTE for rent, computer, central charges, etc. are estimated at \$12,000 per FTE. For 2.1 FTE this totals \$25,200. The 2010 fringe rate for permanent staff is 46.86%.

### III. Detailed Activity Estimates

This estimate of \$222,910 is based on the following individual estimates (personnel costs all include 46.86% fringe).

A. An addition to s.93.45 would create the council. New staffing costs related to council operation estimated at 200 hours @ \$25.00/hour = \$7,340.

B. 93.49 (2) (a)-(br) would direct the council to provide information to 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 information only to relevant entities and will not provide technical assistance or do actual coordination and tracking activities.
- Materials research and development - 400 hours/year @ \$25.00/hr = \$14,700.
- 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 department 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 = \$14,690 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) (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 and creating goals and a preference in state procurement for food produced in this state		
<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	\$172,710	\$
(FTE Position Changes)	(2.1 FTE)	
State Operations - Other Costs	50,200	
Local Assistance	0	
Aids to Individuals or Organizations	0	
<b>TOTAL State Costs by Category</b>	<b>\$222,910</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	170,450	
FED	52,460	
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	\$222,910	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		
<b>Date</b>		
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