

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-0306/2	Introduction Number SB-108	
Description The sale of unpasteurized milk products and an exemption from rules and licensing and permitting requirements for certain dairy farms		
Fiscal Effect		
State:		
<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		
Local:		
<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		
Fund Sources Affected	Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS S. 20.115(1)(a) and (1)(gb)		
Agency/Prepared By	Authorized Signature	Date
DATCP/ Michelle Wachter (608) 224-4703	Bill Walker (608) 224-4353	6/3/2011

Fiscal Estimate Narratives

DATCP 6/3/2011

LRB Number	11-0306/2	Introduction Number	SB-108	Estimate Type	Original
Description The sale of unpasteurized milk products and an exemption from rules and licensing and permitting requirements for certain dairy farms					

Assumptions Used in Arriving at Fiscal Estimate

This bill allows a dairy farmer with a license and a grade A permit to register with DATCP for the purpose of selling unpasteurized milk and milk products (buttermilk, kefir, yogurt, cottage cheese, ice cream, butter, and cheese). The bill also allows a dairy farmer who does not have a license or a grade A permit to register with DATCP for this purpose if the farmer milks fewer than 20 cows. A dairy farmer who registers with DATCP may sell unpasteurized milk and milk products directly to a consumer on the farm if the dairy farmer or the consumer provides a sanitary container, the container is filled in a sanitary manner, and the dairy farmer posts a sign stating "Raw milk products sold here. Raw milk products are not pasteurized."

It is not possible to project how many dairy farmers would seek to register with DATCP under this bill. For this estimate under the bill as written, it is assumed that between 1 and 12,000 dairy producers will seek to register. Under the bill, each request to register must be processed, with the producer registered and notified of their registration. There would be initial IT and Division of Food Safety costs for developing the registration and notification process, including the development of business rules and the testing of the process. These costs are estimated to be \$18,820. Ongoing costs would be comprised of staff time to process registration requests and e-mail notification of registration when appropriate. Where e-mail notification would not be possible, personnel, postage and mailing supply costs would be incurred with notification. We estimate these costs to be \$7 per registration, and therefore ranging between \$7 and \$84,000 per year.

For purposes of the worksheet to this fiscal estimate, which does not allow a range for estimates, the department is assuming about 570 registrations per year. At \$7 per registration per year, the cost of 570 registrations would be \$4,000 per year. Costs would be split equally between the department's food safety GPR appropriation and food safety PR appropriation.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-0306/2		Introduction Number SB-108	
Description The sale of unpasteurized milk products and an exemption from rules and licensing and permitting requirements for certain dairy farms			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Issuing and tracking permits under the bill would require an addition to the department's licensing system. Initial IT cost for development and processing of these permits is estimated at \$18,820 for department IT and division staff. Included would be costs for the Division of Food Safety for process development, creating business rules and testing the process.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$4,000	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$4,000	\$
B. State Costs by Source of Funds			
	GPR	2,000	
	FED		
	PRO/PRS (Food Regulation)	2,000	
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$4,000	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DATCP/ Michelle Wachter (608) 224-4703		Bill Walker (608) 224-4353	6/3/2011