



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #147

Livestock Premises Registration (Agriculture, Trade and Consumer Protection)

[LFB 2013-15 Budget Summary: Page 65, #16]

CURRENT LAW

The statutes require any person keeping livestock to register with the Department of Agriculture, Trade and Consumer Protection (DATCP) the premises at which the animals are kept. The law, which took effect in 2005, is primarily intended to allow DATCP animal health staff to respond to potential disease outbreaks by being able to quickly trace animals identified as potential carriers of pathogens. The statutes and administrative rule ATCP 17 require premises holding any of the following animals to register with DATCP: (a) bovine animals; (b) equine animals; (c) goats; (d) sheep; (e) swine; (f) poultry; (g) farm-raised deer or elk; (h) captive game birds, such as pheasant, quail or duck; (i) camelids, such as camels, llamas or alpacas; (j) ratites, such as ostrich or emu; and (k) fish. There is no fee for registration of premises, and registrant information is kept confidential with limited exceptions. Previously, a premises registration was valid until the third December 31 after it was issued. However, a change to ATCP 17 taking effect June 1, 2013, changes the expiration to every third July 31, beginning after July 31, 2013. In other words, the next renewal period in the program would occur in July, 2016, rather than December 31, 2013, and it would be on a statewide basis. DATCP reports approximately 60,100 active premises are registered, with the most commonly registered animal categories being bovine animals, horses, poultry and swine.

Premises registration currently is carried out by a contract between DATCP and the Wisconsin Livestock Identification Consortium, a nonprofit organization with membership including farmer trade organizations, processors, agricultural lenders, genetics firms, and other agribusiness entities.

GOVERNOR

Continue base-level funding of \$250,000 GPR annually with 1.0 position for livestock premises registration.

DISCUSSION POINTS

1. The DATCP/WLIC contract previously has been funded by earmarked federal revenues. Federal grants transferred to WLIC were between \$876,900 and \$1,245,000 annually from 2006-07 through 2011-12. DATCP at this time expects no further funding from this source, although the Department expects to continue receiving funding from another federal grant program for general development of disease traceability systems. This funding is estimated at about \$100,000 annually in future years.

2. To partially offset the expiring federal funding, 2011 Act 278 provided \$250,000 GPR beginning in 2012-13 for DATCP to continue administering the livestock premises registration law. The act also transferred \$250,000 from the segregated working lands fund in 2012-13 to offset the GPR expenditure. Further, although DATCP at the time indicated it intended to continue administering the program through WLIC, the act provided 1.0 GPR position in the event the contractual arrangement could not be continued. In such an event, the position would allow DATCP to administer the premises registration program internally. To date, the position has not been filled. Further, DATCP and WLIC have not expressed any intention to terminate the current arrangement.

3. DATCP also was required by Act 278 to present a plan in the agency's 2013-15 budget request for continued funding of the livestock premises registration program. DATCP ultimately requested continued GPR funding, and the Governor has recommended the same.

4. Among Wisconsin's nearby states, DATCP reports Indiana is the only state that also requires registration of most livestock premises, including cattle, sheep, goats, swine, bison and deer/elk. Illinois, Iowa, Minnesota and Michigan administer voluntary premises registration systems, although Michigan and Minnesota require registration of deer farms. Michigan also requires registration of premises for farms housing cattle or fish. The United States Department of Agriculture (USDA) maintains a premises registration system at the federal level, but reporting is on a voluntary basis.

5. One could argue it would be appropriate to eliminate the position created under Act 278, in light of DATCP's intention to leave the position vacant during WLIC's administration of the program. If the position were eliminated, and were WLIC or another third party unable to administer the program with state assistance, DATCP could request restoration of a position under s. 13.10 of the statutes. The Committee could consider: (a) deleting 1.0 authorized position for the livestock premises registration program; (b) delete \$400 GPR annually that the bill would provide as standard budget adjustments; and (c) designate as supplies and services funding all current allocations for employee salary and fringe benefits under the premises registration appropriation in the state budget system [Alternative 1].

6. DATCP reports that if the current contract with WLIC or another party were discontinued, the Department could consider entering registered premises into the USDA system.

However, the Department reports it has not received sufficient assurances from USDA that premises information submitted by Wisconsin could be kept confidential, in accordance with state statutes.

7. The Committee also could consider deleting the authority provided under Act 278, as modified under the bill (\$250,400 GPR annually and 1.0 GPR position) [Alternative 2]. It is unclear what level of funding, if any, would be available to administer the premises registration program under such an alternative. Further, DATCP has not specifically estimated what level of resources would be required to administer the program internally, were a third party to be unavailable. However, the Department indicates resources aside from the current authorizations for livestock premises registration are allocated to other animal health programs, and without the position and funding authorized under Act 278, DATCP contends resources to administer the premises registration program, particularly during renewal periods, would draw from other animal health-related program areas. The Department reports the Act 278 position and funding likely would be adequate to administer the program internally, even if WLIC or another third party were not available, given the upcoming change in registrant expiration.

8. The Committee also could consider taking no action [Alternative 3]. This would adopt the Governor's recommendation to: (a) retain 1.0 GPR position for livestock premises registration program administration; and (b) increase GPR funding by \$400 as a standard budget adjustment. It could be argued this would provide a small increase for DATCP and WLIC, which have customarily operated the program with greater resources. However, it also could be argued this is more funding than initially intended under Act 278 for a contract with a third-party administrator, assuming the program was not using a state position to maintain the premises registry.

ALTERNATIVES

1. Delete \$400 GPR annually and 1.0 position for administration of the livestock premises registration program under DATCP. Remaining funding for administering the livestock premises registry would be allocated in the state budget system as supplies and services.

| ALT 1 | Change to Bill | |
|-------|----------------|-----------|
| | Funding | Positions |
| GPR | - \$800 | - 1.00 |

2. Delete \$250,400 GPR annually and 1.0 position for livestock premises registration.

| ALT 2 | Change to Bill | |
|-------|----------------|-----------|
| | Funding | Positions |
| GPR | - \$500,800 | - 1.00 |

3. Take no action. (Bill funding of \$250,400 GPR annually with 1.0 position would be maintained.)

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