

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5738-01
Bill No.: SB 878
Subject: Administration, Office of; Agriculture; Agriculture Department, Corrections Department; Education, Elementary and Secondary; Food; Health and Senior Services, Department of; Hospitals; Military Affairs; Nursing Homes and Long Term Care Facilities
Type: Original
Date: February 11, 2016

Bill Summary: This proposal changes the “Farm-to-School Act” and program to the “Farm-to-Table Act” and program

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Corrections (DOC)** assume they should be able to meet the 5% preference based upon milk purchases. Therefore, there should be no impact on the DOC.

Oversight would like to note additional information from DOC to a similar proposal:

"Section 262.290, the Farm to Table Program, appeared previously in Fiscal Notes 2429-01, 2429-02, and the DOC responded that the proposed legislation would have a significant impact to the Department. Based upon clarification, the DOC submits a ""no impact"" for Section 262.290 found in FN 419-03.

Our original understanding was that the language applied to produce and the DOC would not meet the 5% preference. However, it has been clarified that the language applies to all food products. The DOC should be able to meet the 5% preference based upon milk purchases by the Department. Therefore, there should be no impact on the DOC."

Officials at the **Department of Agriculture, Department of Health and Senior Services, Department of Elementary and Secondary Education, Department of Natural Resources, and Office of Administration** each assume this proposal will not have a fiscal impact on their respective organizations.

In response to a similar proposal (HB 1747), officials at the **Department of Higher Education, Department of Public Safety-Highway Patrol, and Department of Economic Development** each assumed the proposal would not have a fiscal impact on their respective organizations.

Officials at the school district of **New Haven** assume this proposal will have a negative fiscal impact to their organization. They estimate this proposal will add 15% to costs of providing meals for students through increased food costs and increased labor costs to procure and prepare the food purchased locally.

Officials at the school district of **Kansas City** assume this proposal will have an unknown fiscal impact to their organization. They are not able to estimate this impact because the Department of Agriculture has not established parameters for program goals which include education institutions.

Officials at the school districts of **Kingston 42, Malta Bend, and Special School District** each assume this proposal will not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials at the **Macon County R-IV** assume this proposal could have a negative fiscal impact to their organization based on costs related to workshop fees and travel to attend workshops.

Officials at the **Wright City R-II** school district assume this proposal could have a negative fiscal impact to their organization based on local market reaction.

Officials at the **Pettis County R-12** assume the fiscal impact would vary greatly from none at all to significant. If applied to only those schools that chose to be a part of the program, there would be no impact. If mandated for all schools, the cost would be significant because the cost of food would increase and would need to add storage space to building.

In response to a similar proposal (HB 1747), officials at the school districts of **East Newton R-VI** and **Kearney R-I** each assumed the proposal would have a negative fiscal impact, estimated at \$20,000 annually, on their respective organizations.

In response to a similar proposal (HB 1747), officials at the **Chillicothe R-II**, **Sarcoxie R-II**, and **Concordia R-II** each assumed an the proposal would have an unknown fiscal impact on their respective organizations.

Oversight assumes the program already applies to schools (Farm-to-School Act being replaced by the Farm-to-Table Act) and therefore the changes in this proposal would have no additional fiscal impact to school districts. Oversight will further assume school districts will be able to meet the new 5% threshold with existing resources.

Officials at the **Missouri Western State University** and **State Technical College of Missouri** each assume this proposal will not have a fiscal impact on their respective organizations.

In response to a similar proposal (HB 1747), officials at the **Jefferson College**, **Metropolitan Community College**, **Missouri State University**, **University of Central Missouri**, and **University of Missouri** each assumed the proposal would not have a fiscal impact on their respective organizations.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Lincoln University, Moberly Area Community College, Missouri Southern State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and Truman State University did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Clarkton C-4, Cole R-I, Columbia,

Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Everton R-III, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kennett #39, King City R-1, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Mehville, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Scotland County R-I, Sedalia, Seymour R-2, Shelby County R-4, Shell Knob #78, Sikeston, Silex, Slater, Smithville R-2, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Webster Groves, West Plains R-VII, and Westview C-6 did not respond to **Oversight's** request for fiscal impact.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|---------------------|---------|---------|

| | | | |
|--|------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|------------|------------|------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|---------------------|---------|---------|

| | | | |
|--|------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|------------|------------|------------|

FISCAL IMPACT - Small Business

A direct fiscal impact to small crop farms could be expected as a result of this proposal.

FISCAL DESCRIPTION

This act changes the "Farm-to-School Act" and program to the "Farm-to-Table Act" and program. Under this act, the program will connect Missouri farmers to institutions in order to provide such institutions with locally grown agricultural products. This act defines "institutions" as facilities including schools, correctional facilities, hospitals, nursing homes, and military bases. This act also requires the Department of Agriculture to develop program goals, which shall include the requirement that participating institutions purchase at least 5% of their food products locally by December 31, 2019.

Currently, certain state departments are required to make staff available to the program, including the Department of Health and Senior Services, the Department of Elementary and Secondary Education, and the Office of Administration. This act adds the Department of Corrections to this staff requirement.

Currently, the Farm-to-Table Task Force is composed of certain members. Under this act, one representative will also be added to the Task Force from the Department of Corrections, the Department of Health and Senior Services, and from a military base in this state. Currently, the Director of the Department of Agriculture and the Director of the Department of Elementary and Secondary Education may each appoint 2 members to the Task Force. Under this act, each may only appoint 1 member. Further, the Director of the Department of Corrections and the Director of the Department of Health and Senior Services shall each appoint 1 member. Under this act, the Task Force is required to prepare a report for the Governor, General Assembly, and the Director of each entity represented on the Task Force by December 31 of each year.

Currently, the Farm-to-School Act and Program expired on December 31, 2015. This act repeals this expiration date. This act has a delayed effective date of January 1, 2017.

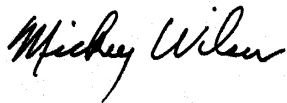
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections
Department of Agriculture
Department of Higher Education
Department of Natural Resources
Department of Economic Development
Office of Administration
Department of Health and Senior Services
Department of Elementary and Secondary Education
Department of Public Safety - Highway Patrol

SOURCES OF INFORMATION (continued)

Missouri State University
Missouri Western State University
State Technical College of Missouri
University of Central Missouri
University of Missouri
Jefferson College
Metropolitan Community College
Pettis County R-12
New Haven School District
Kansas City School District
Wright City R-II School District
Kingston 42 School District
Macon County R-IV
Malta Bend School District
Kingston 42 School District
Special School District of St. Louis County
East Newton R-VI School District
Kearney R-I School District
Chillicothe R-II School District
Sarcoxie R-II School District
Concordia R-I School District



Mickey Wilson, CPA
Director
February 11, 2016

Ross Strobe
Assistant Director
February 11, 2016