

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2409S.01I
Bill No.: SB 525
Subject: Agriculture, Department of; Children And Minors; Elderly; Food; Public Assistance
Type: Original
Date: March 17, 2021

Bill Summary: This proposal provides vouchers for farmers' markets for certain pregnant and postpartum women, infants, and children under 5 years of age.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$101,268)	(\$118,936)	(\$119,604)
Total Estimated Net Effect on General Revenue	(\$101,268)	(\$118,936)	(\$119,604)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal Farmer's Market Nutrition Program Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and costs of approximately \$235,000 net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government*	\$38,583	\$42,307	\$42,307

*to help cover local administrative costs

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Agriculture (MDA)** note the following regarding this proposal:

MDA assumes the federal grant award for Missouri will be \$235,070, which was the amount received the last year that Missouri received Women, Infant and Children supplemental nutrition program (WIC) funding for farmers markets (FY 2009). The reward would result in total federal administrative funds of \$39,962 ($\$235,070 \times 17\%$). This grant requires a 30% cash match of administrative funding equaling \$11,989. As stated in CFR 248.2, matching requirement, the match may be satisfied through expenditures for similar farmers' market programs which operate during the same period.

The remaining portion of the WIC Farmer's Market Nutrition Program (FMNP) utilized for food vouchers in Missouri equals \$195,108 ($\$235,070 - \$39,962$). For the purposes of this fiscal note, MDA assumes the benefit amount by each recipient or household is \$30, which results in 6,504 participants ($\$195,108/30$) and 39,024 vouchers (six \$5 vouchers totaling \$30 per participant).

MDA plans to pilot the WIC FMNP in the same areas as the State Farmer's Market Nutrition Program (SFMNP) with authorized farmers at farmers' markets only.

MDA assumes that it will be able to utilize existing WIC staff in the piloted areas. The local agencies in the pilot areas will be given \$42,307 ($\680 base pay \times 45 local agencies + $\$0.30$ per voucher redeemed) to administer the vouchers to eligible participants. Local agencies will be instructed to operate the program on a "first come, first serve" basis.

MDA will need one (1) additional FTE to implement this proposal. The FTE will be responsible for coordinating the voucher program, monitoring the grant budget, completing the required reports, coordinating efforts with local public health WIC agencies, and coordinating efforts with farmers' markets and producers across Missouri. The fiscal impact also factors in 10% of the program manager's time. Normal E&E costs are also necessary to support the on-going operation of the program.

The following additional costs are also essential to the program's operation:

Solutran - \$20,000

- Cost of printing vouchers
- Cost of processing vouchers
- Cost of returned vouchers
- Base, set up and deposit fee

SOAR account reporting

Local Public Health/WIC Agencies - \$42,307 (\$19,962 Federal; \$22,345 General Revenue)

Based on SFMNP areas

Promote the program to eligible residents

Distribute program applications

Determine participant eligibility

Process program applications

Issue vouchers to eligible participants

Perform nutrition education requirements

Audit for dual participation within each assigned area

Outreach/Printing/On-going Expenses/One-time costs - \$10,000

Outreach and recruitment of participants, farmers and farmers' markets

Program signage for farmers' markets

Printing of numerous federally required forms

Website and social media outreach

Creating, printing and distributing promotional materials for the program

Creating, printing and distributing training materials for the program

Customization and ordering of authorized farmer stamps, a required component of the program

Printing of all-weather signage to be hung at authorized farmers' booths

Training - \$5,000

Design a program training for farmers, farmers' markets and local agencies

Implementation of program training courses

Extensive travel involved to conduct multiple trainings annually

Extensive travel involved to inspect at a minimum 10% (as federally required) of authorized farmers annually

Cost of conducting both farmer reviews and local agency reviews annually

Oversight does not have any information to the contrary in regards to MDA's assumptions; therefore, Oversight will reflect MDA's costs on the fiscal note.

Officials from the **Department of Health and Senior Services (DHSS)** assume the following regarding this proposal:

Section 208.285, RSMo, establishes the Missouri Farmers' Market Nutrition Program under the administration of the Missouri Department of Agriculture. Participants of the Women, Infant and Children supplemental nutrition program administered by the Department of Health and Senior Services (DHSS), Division of Community and Public Health (DCPH), would be eligible to participate in this program.

Section 208.285.5, RSMo, of the proposed legislation would allow MDA to enter into written agreements with other state, local, and nonprofit agencies to maintain the Missouri Farmers' Market Nutrition Program.

DCPH and local agencies must maintain the confidentiality of WIC participants and may only disclose confidential participant information as outlined in 7 CFR 246.26(h). The chief state health officer must designate in writing the permitted non-WIC uses of confidential participant information and to what entity the information is provided. The state or local agency disclosing the information must also enter into written agreements with the entity that will be using the information.

The WIC State Plan must include a list of all organizations the state or local agencies will execute, or intend to execute, written agreements with to disclose this information. DCPH estimates it will take one (1) Public Health Program Specialist (average salary \$44,235) two hours to support this effort, for an annual personal services cost of \$42.54 ($\$44,235 / 2,080 = \21.27 per hour; $\$21.27 \times 2$ hours). The department anticipates being able to absorb these costs; however, until the FY22 budget is final, the department cannot identify specific funding sources.

DCPH assumes any costs associated with the local agencies entering into agreements and providing services under the Missouri Farmer's Market Nutrition Program will be addressed in local agencies' individual fiscal note responses. Local agency funding to operate the WIC program cannot be used to provide services under the WIC Farmers' Market Nutrition Program, however some activities funded for WIC services, such as nutrition education, can be tailored to meet the requirements of both programs. Any other activities that are not specifically funded for WIC services must use other funding sources, in this case the Missouri Farmers' Market Nutrition Program administration funding.

Oversight assumes DHSS will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DHSS has indicated.

Officials from the **Department of Social Services** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for that agency.

Officials from the **Boone County/Columbia Health Department, Kansas City Health Department** and **Newton County Health Department** each assume the proposal will have no fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a similar proposal from 2021 (HB 652), officials from the **St. Louis County Health Department** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for that agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other county health departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget.

Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Cost - MDA - to administer program</u>			
Personal Services	(\$40,029)	(\$48,515)	(\$49,000)
Fringe Benefits	(\$26,135)	(\$31,521)	(\$31,682)
Expense and Equipment	(\$3,983)	(\$1,555)	(\$1,577)
<u>Total Costs – MDA</u>	(\$70,147)	(\$81,591)	(\$82,259)
FTE Change – MDA	1 FTE	1 FTE	1 FTE
<u>Cost - MDA - Outreach/Printing</u>	(\$8,333)	(\$10,000)	(\$10,000)
<u>Cost - MDA – Training</u>	(\$4,167)	(\$5,000)	(\$5,000)
<u>Transfer Out - MDA to WIC agencies in pilot areas</u>	(\$18,621)	(\$22,345)	(\$22,345)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$101,268)</u>	<u>(\$118,936)</u>	<u>(\$119,604)</u>
Estimated Net FTE Change to the General Revenue Fund	1 FTE	1 FTE	1 FTE

FEDERAL FARMER'S MARKET NUTRITION PROGRAM FUNDS			
<u>Income</u> - Grant award	\$235,070	\$235,070	\$235,070
<u>Cost</u> - MDA - Solutran	(\$20,000)	(\$20,000)	(\$20,000)
<u>Transfer Out</u> - MDA to WIC agencies in pilot areas	(\$19,962)	(\$19,962)	(\$19,962)
<u>Transfer Out</u> - MDA to WIC agencies for food vouchers	(\$195,108)	(\$195,108)	(\$195,108)
ESTIMATED NET EFFECT ON THE FEDERAL FARMER'S MARKET NUTRITION PROGRAM FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL WIC AGENCIES			
<u>Transfer In</u> - from MDA general revenue funds for administrative costs	\$18,621	\$22,345	\$22,345
<u>Transfer In</u> - from MDA federal funds for administrative costs	\$19,962	\$19,962	\$19,962
<u>Transfer In</u> - from MDA federal funds for food vouchers	\$195,108	\$195,108	\$195,108
<u>Cost</u> - food vouchers for program participants	(\$195,108)	(\$195,108)	(\$195,108)
ESTIMATED NET EFFECT ON LOCAL WIC AGENCIES	<u>\$38,583</u>	<u>\$42,307</u>	<u>\$42,307</u>

FISCAL IMPACT – Small Business

Farmers’ markets could have a fiscal impact as result of this proposal.

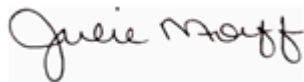
FISCAL DESCRIPTION

This bill allows the Department of Agriculture to apply for a grant under the US Department of Agriculture Women, Infants and Children (WIC) Farmers' Market Nutrition Program to allow pregnant and postpartum women to obtain food at eligible farmers' markets.

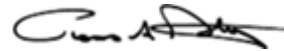
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Agriculture
Department of Health and Senior Services
Department of Social Services
Joint Committee on Administrative Rules
Office of the Secretary of State
Boone County/Columbia Health Department
Kansas City Health Department
Newton County Health Department
St. Louis County Health Department



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March 17, 2021



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