

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3082-01
Bill No.: HB 1327
Subject: Health Care; Health, Public; Health Department
Type: Original
Date: January 16, 2008

Bill Summary: This legislation establishes an access to healthy food pilot program in the Department of Health and Senior Services.

The provisions of the legislation will expire six years from the effective date.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$104,167)	(\$25,150)	(\$25,305)
Total Estimated Net Effect on General Revenue Fund	(\$104,167)	(\$25,150)	(\$25,305)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Missouri House of Representatives, Department of Public Safety** and the **Office of the Missouri Senate** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Social Services (DSS)** assume the program is the responsibility of the Department of Health and Senior Services. Therefore, there is no fiscal impact to the DSS. There are no changes in the eligibility for food stamps or the administration of the food stamps program.

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

Section 191.820

Subject to appropriation, this legislation establishes an access to healthy food pilot program in the DHSS. The program shall include a maximum of four selected sites across the state in urban low-income areas, which have limited access to local and affordable fresh fruits and vegetables. The program's goal is to increase the offering of fresh fruits and vegetables in the targeted communities. It is assumed that the pilot would include four small stores selling food in St. Louis, Kansas City, and Springfield.

ASSUMPTION (continued)

To implement the provisions of this proposal, the Department would establish contracts with four local public health agencies (LPHA) in the state. Each LPHA would be required to provide the necessary support and assistance to the local store owner selected to participate in the project. The LPHA would work with the store owner on-site to gain and maintain his support of the project; help find reliable sources of quality, locally grown (when possible) produce; assure the produce is displayed effectively; assure that data is being collected accurately in order to adequately evaluate the effectiveness of the project.

The University of California, Davis, implemented a similar project in Sacramento in 2005. About \$25,000 was invested in store improvements and consultant fees for one grocery store in a neighborhood that serves about 35,000 low-income people. The department assumes each target area included in the project area would require a similar amount invested in the first year of the project, with 20 percent, or \$5,000 per site for ongoing costs to provide general guidance and monitor the progress of the project.

The Department would utilize existing staff to oversee the contracts with the LPHAs, and evaluate the effectiveness of the program. The department requests additional travel expenses for existing staff to travel to the project locations to provide oversight of the program. It is estimated that for each site, at least one trip per week for eight weeks would be necessary. At least four of those trips would likely require overnight. Travel expenses are estimated at \$5,000.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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GENERAL REVENUE FUND

Costs - Department of Health and Senior Services

LPHA Contracts	(\$100,000)	(\$20,000)	(\$20,000)
Travel Expenses	(\$4,167)	(\$5,150)	(\$5,305)
<u>Total Costs - DHSS</u>	<u>(\$104,167)</u>	<u>(\$25,150)</u>	<u>(\$25,305)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$104,167)</u>	<u>(\$25,150)</u>	<u>(\$25,305)</u>
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FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

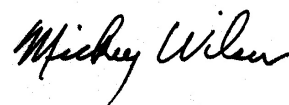
The proposed legislation states by January 1, 2009, and subject to appropriations, this proposal requires the Department of Health and Senior Services to establish an access to healthy food pilot program. The program must include a maximum of four sites located in urban low-income areas of the state. The program will assist small grocers and food retailers in each of the selected sites in obtaining refrigerated produce display cases to increase the availability of fresh fruit and vegetables.

The provisions of the proposal will expire six years from the effective date.

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 Health and Senior Services
Department of Social Services
Department of Public Safety
Office of the Missouri House of Representatives
Office of the Missouri Senate
Office of the Secretary of State



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Director
January 16, 2008