

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3648-01
Bill No.: HB 1666
Subject: Department of Agriculture; Agriculture; Public Assistance; Food
Type: Original
Date: February 10, 2020

Bill Summary: This proposal adds WIC recipients to those eligible for vouchers for fresh produce.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$88,292)	(\$94,423)	(\$95,056)
Total Estimated Net Effect on General Revenue	(\$88,292)	(\$94,423)	(\$95,056)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$25,827	\$27,000	\$27,000

FISCAL ANALYSIS

ASSUMPTION

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

MDA assumes that the federal grant award for Missouri will be \$235,070, which was the amount received the last year Missouri received 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 ($\$195,108/30$).

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 \$27,000 ($\$4.15 \times 6,504$) to administer the vouchers to eligible participants. Local agencies will be instructed to operate the program on a "first come, first serve" basis.

The 1.00 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. 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

ASSUMPTION (continued)

Local Public Health/WIC Agencies - \$27,000 (\$19,962 Federal; \$7,038 General Revenue)

- Based on SFMNP areas: St. Louis, Kansas City and Springfield 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 - \$19,740

- 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 208.285.5 indicates any other state department, state or local government agency, or nonprofit entity may be utilized to establish and maintain the WIC Farmers' Market Program.

ASSUMPTION (continued)

Regardless of the type of entity implementing the WIC Farmers' Market Nutrition Program, the DHSS 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.

DHSS estimates \$48.76 per year in staff salary to support this effort. This is based upon the salary of a Management Analysis Specialist II at \$50,704 per year, 2,080 total hours per year, with 2 hours dedicated to develop and update the written designation and list in the WIC State Plan ($\$50,704 \text{ annual salary} / 2,080 \text{ hours worked per year} = \$24.38 \text{ per hour} \times 2 \text{ hours} = \48.76).

The department anticipates being able to absorb these costs. However, until the FY 2021 budget is final, the department cannot identify specific funding sources.

DHSS assumes any costs associated with the local agencies entering into agreements and providing services under the WIC 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 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 on the fiscal note.

Officials from the **Department of Social Services (DSS)** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that DSS has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for DSS.

Officials from the **Office of the Secretary of State (SOS)** assume 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 \$5,000. 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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Columbia/Boone County Public Health and Human Services** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the Columbia/Boone County Public Health and Human Services has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local public health agencies 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.

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
Cost - MDA - to administer program			
Personal services	(\$36,726)	(\$44,511)	(\$44,956)
Fringe benefits	(\$23,717)	(\$26,302)	(\$26,450)
Expense and equipment	(\$9,484)	(\$1,572)	(\$1,612)
Total costs - MDA	(\$69,927)	(\$72,385)	(\$73,018)
FTE Change - MDA	1 FTE	1 FTE	1 FTE
Cost - MDA - Outreach/Printing	(\$8,333)	(\$10,000)	(\$10,000)
Cost - MDA - Training	(\$4,167)	(\$5,000)	(\$5,000)
Transfer Out - MDA to WIC agencies in pilot areas	(\$5,865)	(\$7,038)	(\$7,038)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$88,292)	(\$94,423)	(\$95,056)
Estimated Net FTE Change to the General Revenue Fund	1 FTE	1 FTE	1 FTE
FEDERAL FARMER'S MARKET NUTRITION PROGRAM FUNDS			
Income - Grant award	\$235,070	\$235,070	\$235,070
Cost - MDA - Solutran	(\$20,000)	(\$20,000)	(\$20,000)
Transfer Out - MDA to WIC agencies in pilot areas	(\$19,962)	(\$19,962)	(\$19,962)
Transfer Out - 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	\$0	\$0	\$0

FISCAL IMPACT - Local Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL WIC AGENCIES			
Transfer In - from MDA general revenue funds for administrative costs	\$5,865	\$7,038	\$7,038
Transfer In - from MDA federal funds for administrative costs	\$19,962	\$19,962	\$19,962
Transfer In - from MDA federal funds for food vouchers	\$195,108	\$195,108	\$195,108
Cost - food vouchers for program participants	(\$195,108)	(\$195,108)	(\$195,108)
ESTIMATED NET EFFECT ON LOCAL WIC AGENCIES	\$25,827	\$27,000	\$27,000

FISCAL IMPACT - Small Business

Farmers could have a fiscal impact a 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.

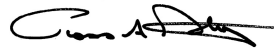
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Health and Senior Services
Department of Social Services
Office of the Secretary of State
Joint Committee on Administrative Rules
Columbia/Boone County Public Health and Human Services



Julie Morff
Director
February 10, 2020



Ross Strobe
Assistant Director
February 10, 2020