

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION
Revision 1

May 17, 2011

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB81 by Nelson (Relating to food safety.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB81, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Food & Drug Registration</i> 5024	Probable Revenue Gain from <i>Food & Drug Registration</i> 5024	Change in Number of State Employees from FY 2011
2012	\$0	\$0	0.0
2013	(\$480,514)	\$535,500	5.0
2014	(\$443,343)	\$504,000	5.0
2015	(\$448,049)	\$504,000	5.0
2016	(\$444,808)	\$504,000	5.0

Fiscal Analysis

This bill would amend Chapter 431, Health and Safety Code, to allow the Department of State Health Services (DSHS) to license all shippers of raw fruits and vegetables and allow DSHS to license packers and washers of raw fruits and vegetables if they are not operating at the location of the harvest. This section takes effect September 1, 2012.

The bill would require DSHS to approve food safety best practice education programs for businesses licensed under the chapter.

The bill would also require any federal rule adopted as a state rule to be posted on the department's website with a link to the federal regulation and a clear explanation of the purpose of the regulation.

Methodology

DSHS estimates there are 1,430 producers who would be licensed each year with a two-year license. DSHS estimates the cost of the license would be \$350 and that licensing would begin in FY 2013. It is estimated that DSHS would generate \$500,500 in fees that would be deposited in Food and Drug Fee Account No. 5024 (GR-Dedicated).

DSHS estimates that 4.0 FTEs (1 Administrative Assistant II, 2 Sanitarian I, and 1 Sanitarian III) would be needed to license fruit and vegetable shippers. It is estimated that the cost to train and supply the FTEs is \$325,000 in FY 2013 and \$314,000 in each subsequent year. These costs include \$28,000 per year for traveling expenses. It is estimated that equipment to test fruits and vegetables for food-borne illnesses would cost \$84,723 in FY 2013 and approximately \$61,000 in subsequent years. All costs would be expended from Food and Drug Fee Account No. 5024.

DSHS estimates that there are 50 food safety course providers that would need to be certified by the department in FY 2013 and 5 course providers each year thereafter. DSHS estimates that each certification would be \$700 for an estimated revenue gain of \$35,000 in FY 2013 and \$3,500 each year thereafter to Food and Drug Fee Account No. 5024. DSHS estimates 1.0 FTE (Environmental Specialist II) would be needed to certify the 50 course providers starting in FY 2013 and the additional 5 course providers each year thereafter. The certification would be valid for 5 years. It is estimated that the cost to train and supply the FTE would be \$70,605 in FY 2013 and beyond. All costs would be expended from the Food and Drug Fee Account No. 5024.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, CL, BM, VJC, MB