

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 27, 2023

TO: Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB758 by West (relating to food system security and resiliency planning.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined because the amounts and timing of any grant distributions, appropriations, grant distributions, depository interest, and gifts, grants, or donations are unknown.

The Department of Agriculture (TDA) is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the TDA may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

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

This bill would amend the Agriculture Code by adding Chapter 23 regarding food system security and resiliency planning.

The bill would require the TDA to establish the Texas food system security and resiliency planning council to provide guidance to the office of food system security and resiliency if that office is established as a division within the department by an Act of the 88th Legislature, Regular Session, 2023 and to review the state food system security plan developed under Section 23.003 of the bill.

The bill would require TDA to create a state food system security plan. The bill would create the food system security planning fund as a dedicated account in the General Revenue Fund. The account would consist of legislative appropriations, gifts, grants, donations, and interest earnings. The account could only be used to administer the council.

The bill would create the food system security and resiliency projects fund as a dedicated account in the General Revenue Fund. The account would consist of legislative appropriations, gifts, grants, donations, and interest earnings. The account could only be used to award grants or administer the Texas Food System Security and Resiliency Grant program. TDA's office would be required to award grants to a variety of recipients across the state who meet eligibility requirements to increase food system security or resiliency in Texas. The bill would require the amount of a grant award to be no less than \$10,000 and no more than \$250,000 and would establish \$10,000,000 as the maximum amount of grants that could be awarded under the bill. Under the provisions of the bill, the Texas Food System Security and Resiliency Grant program would expire on August 31, 2025.

The bill would require TDA to report information required by the bill to the Legislature biannually. The biannual reporting requirement in the bill would expire January 14, 2025.

TDA would be required to adopt rules necessary to implement the provisions of the bill.

Based on information provided by the Comptroller of Public Accounts (CPA), with respect to both of the new dedicated accounts in General Revenue created by the legislation, the fiscal implications of the bill cannot be determined because the amounts and timing of any appropriations, grant distributions, depository interest, and gifts, grants, or donations for the new funds are unknown at this time.

Based on information provided by TDA, this analysis assumes that additional staff would be needed if funds were made available for the two new funds. It is assumed that TDA would need 2.0 FTEs to administer grant awards for the Texas food system security and resiliency grant program and coordinating the food system security and resiliency council and plan. Costs for these positions would include operating equipment and expenses, professional services expenses and one-time rule making costs to implement the provisions of the bill. Personnel costs (Salary, benefits, and operating) for the FTEs are estimated to be \$201,078 in fiscal year 2024 and \$188,533 in fiscal years 2025. Under the provisions of the bill the grant program expires at the end of fiscal year 2025 and this analysis assumes 1.0 FTE would not be required after the expiration of the grant program. This analysis assumes the agency would need one FTE to coordinate the food system security and resiliency council for fiscal years 2026-2028 to maintain the Program Specialist V position at a cost of \$94,276 per year and 1.0 FTE. In addition, professional service costs would total \$100,000 in fiscal year 2024 and \$50,000 in subsequent fiscal years 2025-28 for TDA to work with a university or vendor to create and update the state food security plan as required by this legislation. This analysis assumes that the cost of making rules required by the bill could be accomplished using existing resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 537 State Health Services, Department of, 551 Department of Agriculture, 555 Texas A&M AgriLife Extension Service, 802 Parks and Wildlife Department

LBB Staff: JMc, SZ, MW, RSTE