



**Colorado  
Legislative  
Council  
Staff**

**HB17-1192**

**REVISED  
FISCAL NOTE**

(replaces fiscal note dated March 2, 2017)

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

<b>Drafting Number:</b> LLS 17-0718	<b>Date:</b> March 16, 2017
<b>Prime Sponsor(s):</b> Rep. Duran; McLachlan Sen. Coram; Fields	<b>Bill Status:</b> House Appropriations <b>Fiscal Analyst:</b> Bill Zepernick (303-866-4777)

**BILL TOPIC:** COLORADO FOOD SYSTEMS ADVISORY COUNCIL

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>		
Cash Fund	Potential gifts, grants, and donations.	
<b>State Expenditures</b>	<b>up to \$99,279</b>	<b>up to \$106,149</b>
General Fund	67,350	71,733
Cash Funds	up to 21,160	up to 21,160
Centrally Appropriated Costs	10,769	13,256
<b>FTE Position Change</b>	0.8 FTE	1.0 FTE
<b>Appropriation Required:</b> \$67,350 - Department of Agriculture (FY 2017-18).		
<b>Future Year Impacts:</b> Ongoing state expenditure increase and potential revenue increase.		

The fiscal note has been revised based on new information on the anticipated scope of the advisory council's work.

**Summary of Legislation**

This bill repeals the Farm-to-School Coordination Task Force in the Department of Agriculture and combines certain duties of this task force with the Colorado Food Systems Advisory Council. The terms of the existing membership of the Colorado Food Systems Advisory Council expires under the bill and new membership must be appointed by August 31, 2017. The duties of the Colorado Food Systems Advisory Council are expanded to include additional collaboration, coordination, and outreach with schools, farmers, food producers, state and federal agencies, consumers; research and data collection on food systems and food access, and other tasks to provide advice and assistance to those involved in the food system.

As reconstituted under the bill, the Food Systems Advisory Council has 22 voting members, with 6 members appointed by the heads of various state agencies and 16 members appointed by the Governor. Additional nonvoting ex officio members may also be appointed by the Governor. Members serve without compensation, but may be reimbursed for expenses from the Food Systems Advisory Council Fund. The bill removes the restriction under current law that the Food Systems Advisory Council receive no General Fund for staff or operations. The Food Systems Advisory Council is continued beyond its current September 1, 2018, repeal date through September 1, 2022.

**Background**

The Farm-to-School Coordination Task Force and the Food Systems Advisory Council were both created in 2010. The Farm-to-School Coordination Task Force focused on developing recommendations on how to implement a farm-to-school program in Colorado. The task force serves without compensation and limited support from the Department of Agriculture. The Food Systems Advisory Council focused on broader issues concerning the food system, food access, and strategies for collaborating with local and regional food councils. The advisory council was supported primarily through in-kind support from the nonprofit LiveWell Colorado. Revenue to the Food Systems Advisory Council Fund has been minimal. See the Technical Note section concerning the availability and use of cash fund revenue under the bill.

**State Revenue**

By continuing the Food Systems Advisory Council beyond its current statutory repeal date, the bill may increase state revenue to the Department of Agriculture from gifts, grants, and donations, credited to the Food Systems Advisory Council Fund, starting in FY 2018-19. At this time, no source of donations has been identified. Gifts, grants, and donations do not contribute to the state's TABOR refund obligation.

**State Expenditures**

By expanding the duties of the Food Systems Advisory Council, ***the bill increases costs in the Department of Agriculture by up to \$99,279 and 0.8 FTE in FY 2017-18 and up to \$106,149 and 1.0 FTE in FY 2018-19.*** Most of these costs (\$67,350 in the first year and \$71,733 in the second year) are assumed to be from the General Fund. To the extent gift, grants, or donations are available, expense reimbursement to council members may be provided and additional research projects on the food system may be conducted. The costs of the bill are summarized in Table 1 and discussed below.

<b>Table 1. Expenditures Under HB 17-1192</b>		
<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Personal Services	\$44,952	\$53,943
FTE	0.8 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,558	950
Marketing and Farm-to-School Activities	15,000	15,000
Member and Staff Reimbursement	23,000	23,000
Centrally Appropriated Costs*	10,769	13,256
<b>TOTAL</b>	<b>\$99,279</b>	<b>\$106,149</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Personal services.** By expanding the duties of the Food Systems Advisory Council to include coordinating food systems and farm-to-school activities, conducting research and data collection, and other tasks, the Department of Agriculture requires an additional 1.0 FTE under the bill for a marketing and communications specialist. Costs for this staff, and the associated

operating and capital outlay expenses are shown in Table 1. Personal services costs are prorated in the first year to assume a start date of August 9, 2017, and to account for the General Fund paydate shift.

**Marketing and farm-to-school activities.** The Department of Agriculture will have costs of \$15,000 per year to conduct marketing and to support farm-to-school activities. These costs include providing Colorado Proud and other marketing materials (\$5,000), holding farm-to-school community meetings and events (\$7,000), and participating in trade shows and events (\$3,000).

**Member and staff reimbursement.** Based on expenses of \$230 per meeting for hotel and meals, the Department of Agriculture will have costs of \$23,000 to reimburse 25 members and staff for 4 meetings per year. This amount assumes there are 22 statutory members, 1 ex officio member, and 2 staff people in attendance at each meeting. Based on the language in the bill, it is assumed that member expense reimbursement (\$21,160) must come from the Food Systems Advisory Council Fund, which consists of revenue from gifts, grants, and donations and is continuously appropriated to the Department of Agriculture. See the Technical Note section concerning the availability and use of cash funds under the bill.

**Research and special projects.** To the extent gifts, grants, and donations are received in the Food Systems Advisory Council Fund, the council and its staff may pursue additional research and special projects associated with food system development. Moneys in the Food Systems Advisory Council Fund are continuously appropriated to the Department of Agriculture, so no additional appropriations are required should gifts, grants, or donations be available for such projects.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Table 2. Centrally Appropriated Costs Under HB 17-1192</b>		
<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,741	\$8,422
Supplemental Employee Retirement Payments	4,028	4,834
<b>TOTAL</b>	<b>\$10,769</b>	<b>\$13,256</b>

**Local Government Impact**

Representatives from school districts and local government entities that are appointed to the Food Systems Advisory Council will have an increase in workload to participate. Through the work of the advisory council, school districts may gain access to additional resources, grant funding, or benefit from improvements to their food and nutrition programs.

## Technical Note

Generally, the bill removes the current statutory restriction on using General Fund to support to Food Systems Advisory Council. However, the bill keeps the requirement that council member reimbursement comes from the Food Systems Advisory Council Fund. Given the lack of revenue to the fund, this restriction will likely result in members not being reimbursed for meeting attendance under the bill. If this restriction is removed, the fiscal note assumes that the entire cost of the bill would be paid from the General Fund, resulting in the need for an appropriation of \$88,510 from the General Fund in FY 2017-18.

## Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

## State Appropriations

For FY 2017-18, the bill requires a General Fund appropriation of \$67,350 to the Department of Agriculture and an allocation of 0.8 FTE.

If the issue discussed in the Technical Note is addressed, the bill will require a General Fund appropriation of \$88,510 and an allocation of 0.8 FTE in FY 2017-18.

## State and Local Government Contacts

Agriculture	Education
Governor	Higher Education
Human Services	Economic Development and International Trade
Information Technology	Public Health and Environment
Regulatory Agencies	School Districts

## Research Note Available

An LCS Research Note for HB17-1192 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.