

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1290 Amendment to: _____
 Requested by Legislative Council Date of Request: 1-13-98

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: This bill creates a state meat inspection service to examine and inspect meat products prepared solely for intrastate slaughter, meat canning, salting, packing, or similar establishment. The Commissioner of Agriculture will appoint inspectors that will be present during the slaughter of animals and in the preparation of food products.

The Federal Government pays for 50% of the cost of the program if program adopts Title 9 as a minimum standard.

See attachment for break down of cost assumptions.

- State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	0	0	0	0	0	0
Expenditures	0	0	\$202,500	\$127,500	0	0

- What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: \$330,125 (0)
- c. For the 2001-03 biennium: 0

- County, city, and school district** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

Signed: _____
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 Department: Agriculture
 Phone Number: 328-2231
 Date Prepared: 1-19-99

ATTACHEMENT FOR HOUSE BILL #1290

Assumption used in arriving at cost of a North Dakota program.

- USDA will continue doing meat inspections on the existing 20 full(slaughter to retail) processing plants it already inspects.
- For cost estimate, North Dakota inspectors would have 20-plant inspections-10 full and 10 custom(slaughter only for own use) plants. Any additional number of plants would increase the costs proportionately.
- Cost would be similar to Minnesota and South Dakota. The average cost of both programs should give an estimated cost of North Dakota's projected cost.
- All work will meet the Federal reimbursement level of 50%.
- First year a veterinarian would be hired to develop program and administrative rules. First year cost would be \$75,000, which would be for salary and \$10,000 operating. No Federal cost share on first year.
- Second year the program would be full staff eligible for Federal cost share.

COST COMPARISONS

State	# Plants	FTE	Budget /year
SD	100	25	\$1,200,000
MN	50 ¹	9 ²	\$675,000 ³

ND COST COMPARISONS WITH MN AND SD

Cost Analysis

SD has a cost of \$12,000/plant
 MN has a cost of \$ 13,500/plant
 Assumed cost per plant is **\$12,500**

North Dakota cost estimating 20 plant would be **\$255,000/ year**

SD has 100 employees or 4 FTEs / plant
 MN will have 7 employees or 5.5 FTEs /plant
 Average FTE/ plant is **4.75**

Breakdown of the cost/year of 4FTEs

One veterinarian	= \$ 65,000/year
Three inspectors	= \$115,000/year
3/4 Secretary	= <u>\$ 15,000/year</u>
Total cost FTE	\$173,000/year
Operating costs	<u>\$ 60,000/year</u>
Total cost	\$255,000/year

Assumed cost for a year is \$255,000. Federal will pay for half of the cost so it will cost the State \$127,500/year

¹ MN program is just starting. This is an estimated number they expect to do.

² estimated in 2000 budget

³ projected in 2000