

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0246-01
Bill No.: HB 85
Subject: Charities; Family Services Division; Public Assistance
Type: Original
Date: January 28, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$403,415)	(\$487,669)	(\$491,668)
Total Estimated Net Effect on General Revenue Fund	(\$403,415)	(\$487,669)	(\$491,668)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - Division of Family Services (DFS)** state the following information represents the potential cost to assume payment of the fees associated with this program and the data is based on a survey of food pantries that distribute federally donated agricultural commodities in addition to non-federal food products. The most current data available is for calendar year 2001.

DFS officials state the maximum Shared Maintenance Fee (SMF) that may be assessed is \$0.18 per pound. This fee is established by America's 2nd Harvest Food Bank national office and allows food banks to recover overhead expenses (i.e. transportation, storage, distribution, etc.). They state that five (5) of the six (6) food banks assess the SMF. The Central Missouri Food Bank does not assess the SMF. The food banks that assess the SMF are (for calendar year 2001):

- America's Second Harvest of Greater St. Joseph \$0.118
- Bootheel Food Bank \$0.056
- Harvesters - The Community Food Network \$0.097
- Ozarks Food Harvest \$0.116
- St. Louis Area Food Bank \$0.053

ASSUMPTION (continued)

The food banks which charge SMF had, in 2001, a total cost and weight attributable to the SMF:

- \$1,348,067 SMF's
- 16,593,953 pounds
- \$0.081 average SMF per pound
- 850 member pantries of which 289 (34%) distribute both federally donated agriculture commodities and nonfederal food products through The Emergency Food Assistance Program (TEFAP).

The average SMF charge per pound for 2001 of \$.081 was a decline from the \$.086 average charge for 2000. This decrease is attributable to increased fund raising efforts by the food banks and increased efficiency in food bank operations.

Participating food banks distributed 16,458,233 pounds in 2000 and 16,593,953 during 2001. This represents a .82% increase. In order to account for this increase, the .82% will be applied to projections for 2002 through 2006.

DOS used the average SMF charge for 2000 and 2001 (\$.084) in their calculations and adjusted pounds per year to adjust for the fact that food banks operate on a calendar year basis.

FY 2004

$16,956,978 \text{ pounds} \times \$0.084 \times .34 \text{ (percent of pantries qualifying for aid)} \times .833 \text{ (10 months of the fiscal year)} = \$ 403,415.$

FY 2005

$17,075,243 \times \$0.084 \times .34 = \$ 487,669$

FY 2006

$17,215,260 \times .084 \times .34 = \$ 491,668$

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
Food Pantry Assistance	<u>(\$403,415)</u>	<u>(\$487,669)</u>	<u>(\$491,668)</u>
ESTIMATED EFFECT ON GENERAL REVENUE FUND	<u>(\$403,415)</u>	<u>(\$487,669)</u>	<u>(\$491,668)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal authorizes the Division of Family Services to provide financial assistance to local not-for-profit food pantries distributing both federally donated and nonfederal food products. Assistance is to be apportioned based on the number of households served by individual food pantries and is to be used to acquire additional nonfederal food products.

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 Social Services

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a prominent loop at the end of the last name.

Mickey Wilson, CPA
Director
January 28, 2003