



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

SPONSOR'S REBUTTAL TO FISCAL NOTE

House Bill Number: HB245 Date Prepared: 1/27/15

Short Title: **Revise laws related to raw milk**

Sponsor: **Nancy Ballance**

Generally, why do you disagree with the fiscal note?

Estimated violations are overstated, estimated number of products per producer is overstated, diagnostic lab costs for tests appear to be overstated, sampling collection services and travel time over estimated.

Specifically, what in the fiscal note do you feel is flawed?

(Describe specific assumptions, calculations, technical issues, etc.)

1. The department estimated there would be 70 producers. Our estimate is there will be only 30 producers.
2. Assumption that two additional tests per year would have to be done for violations assumes every producer would have two violations per year. A conservative estimate would be that $\frac{1}{4}$ of the producers would require the follow up for violations for a total of 255 test samples per year.
3. Assumption that half the producers would manufacture 5 products is unrealistic. A conservative estimate would be that half of the producers would manufacture 3 products for an additional 45 test samples.
4. Assumption of total number of samples should be 300 instead of 2,450.
5. Combined diagnostic costs for basic milk, coliform, standard plate, and somatic tests are shown on the fiscal note as \$40.70. According to the Department of Livestock website, these tests should total \$12.50 plus the Delvo test estimated at \$5.00 for a total of \$17.50.
6. Total cost for 300 tests at \$17.50 per test would be **\$5,250 per year.**

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7. Two part-time trained (30 minutes to train) workers at a cost of **\$16,160 per year** will collect samples instead of professional sanitarians at a cost of \$71,000 per year.
8. Samples will be collected 8 times per year and delivered to the Montana State Lab or to an acceptable certified independent lab using ice and coolers via the sampler or overnight courier.
9. Current Department of Livestock inspectors should sample small herd exemption dairies in the area as they complete their regular inspections of large commercial dairies.
10. The Department of Livestock will reimburse samplers for mileage at a cost of \$3,600 per year each. No lodging or vehicle purchases are necessary.
11. It should not be necessary to add 0.5 FTE in the Department of Livestock to administer this program for 30 producers.

Note: assuming each of the 2 samplers works 80 hours 8 times per year collecting samples at \$14/hour = \$8,960 per year for wages, plus mileage. Assuming each of the 2 samplers drives 1,000 miles 8 times per year = 16,000 miles/year times \$0.45/mile = \$7,200 per year.

Total wages of \$8,960 + mileage of \$7,200 = \$16,160 per year to collect samples.

What is your estimate of the fiscal impact?

General Fund Annual Operating Expenses

Diagnostic lab tests	\$ 5,250
<u>Sampler wages + mileage</u>	<u>\$ 16,160</u>
Total annual cost	\$ 21,410

Sponsor Signature: Nancy Ballance 1/27/15