

SF1256 - 0 - Cooperative Grant Program Eligibility Modified

Chief Author: **Heather Gustafson**
 Committee: **Agriculture and Rural Development**
 Date Completed: **2/16/2023 2:42:13 PM**
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	400	400	400	400	400
Total	-	400	400	400	400	400
Biennial Total			800			800

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	.25	.25	.25	.25
Total	-	.25	.25	.25	.25

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 2/16/2023 2:42:13 PM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	400	400	400	400	400
Total	-	400	400	400	400	400
	Biennial Total		800	800		800
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	412	412	412	412	412
Absorbed Costs	-	(12)	(12)	(12)	(12)	(12)
Total	-	400	400	400	400	400
	Biennial Total		800	800		800
2 - Revenues, Transfers In*						
General Fund						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-	-		-

Bill Description

The bill broadens eligibility for the agricultural cooperative grant program to include cooperatives organized under chapter 308A in addition to 308B. This allows coops to accept equity from non-farmers for as long as farmers remain full control of the cooperative. The bill appropriates \$400,000 per year to award grants. Of this amount, up to 6% may be used by the Minnesota Department of Agriculture (MDA) to administer the program.

Assumptions

The MDA assumes that the appropriation is a base appropriation. The agency will need the full 6% the agency is allowed to use for administration of the program. That does not fully cover the cost of administering the program. Of the \$400,000 appropriated per year, \$24,000 will be allocated to administration. The remaining \$376,000 will be used for grants of up to \$50,000 per grant. Consistent with Office of Grants Management policy, we anticipate considerable pre-award and post-award responsibilities. This would include drafting a request for proposals, outreach to potential applicants, a competitive review process with community-based reviewers, financial reconciliation, and site visits. Based on comparable grant programs, we expect to award 10-15 grants each year ranging from ~\$10,000 to \$50,000. The MDA assumes costs will be .25 FTE program administrator with (salary and fringe) of \$103,000 annually * 0.25 FTE = \$25,750; communications/other \$3,022 annually * 0.25 FTE = \$756; Supplies \$250 annually * .25 FTE = \$62; Building space lease \$12,000 annually * 0.25 FTE = \$3,000; Competitive Review Panel \$2,500; Travel (based on approximately 10 trips for outreach, site visits, etc.) \$4,000 for Total Annual Admin Costs = \$36,068.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Grants			376,000	376,000	376,000	376,000
Salary & Fringe:						
Program Administrator	103,000		25,750	25,750	25,750	25,750
	Subtotal	0	25,750	25,750	25,750	25,750
Non-Salary Costs						
Space rent (cubicle)		0	3,000	3,000	3,000	3,000
PT Contract		0	2,500	2,500	2,500	2,500

Travel		0	4,000	4,000	4,000	4,000
Supplies/Communications/Other		0	818	818	818	818
	Subtotal	0	10,318	10,318	10,318	10,318
Grants & Expenditures	Total	0	412,068	412,068	412,068	412,068
	FTE	0	0.25	0.25	0.25	0.25

Long-Term Fiscal Considerations

As written, this is a base appropriation that will continue at \$400,000 per year. The cost of implementation will remain constant for as long as the appropriation remains in place.

Local Fiscal Impact

N/A

References/Sources

N/A

Agency Contact: Paul Hugunin 651-201-6510

Agency Fiscal Note Coordinator Signature: Julie Sis

Phone: 651-201-6412

Date: 2/16/2023 7:24:09 AM

Email: julie.sis@state.mn.us