

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7696**

**BILL NUMBER: HB 1408**

**DATE PREPARED:** Feb 1, 1999

**BILL AMENDED:**

**SUBJECT:** Certification of food handlers.

**FISCAL ANALYST:** Bernadette Bartlett

**PHONE NUMBER:** 232-9586

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill creates the Indiana Food Handlers Certification Board. On and after January 1, 2000, every food facility in Indiana must have at least one certified food handler. A food facility that commences operation, changes ownership, or no longer has a certified food handler has six months to submit the name of its certified food handler to the Board.

This bill sets qualifications for a certified food handler, including the passage of a Board approved written examination on food protection practices. The examination must be given at least four times each year. The Board must approve or deny an application for certification within 30 days after receiving it.

A certificate issued by the Board expires five years from the date of issuance and may be renewed if the certificate holder successfully completes a recertification training course approved by the Board. This bill sets subject requirements for recertification training courses.

The Board must develop and maintain a statewide computerized database containing statewide and county wide registries of certified food handlers and the food facilities that they serve.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) The Health Professions Bureau is charged with providing administrative support for the Indiana Food Handlers Certification Board.

Costs for the operation of the Board will depend on the number of meetings required. The Board consists of seven members appointed by the Governor. Each member who is not a state employee is entitled to the minimum salary per diem as established by the Indiana Department of Administration and approved by the State Budget Agency. Members of the Board who are state employee are not entitled to per diem. All members, however, are entitled to reimbursement for traveling expenses and other expenses incurred in

connection with the members' duties. Meeting costs for the Board are estimated at \$12,600 (assuming that the cost per board member per meeting is \$150 with 12 meetings per year).

The Board is also responsible for examinations on food preparation. Currently, the Bureau contracts with companies that provide tests at no cost to the Bureau. Each candidate pays for the cost of the exam when the candidate takes the exam.

With respect to other administrative expenses, the number of potential food handlers is indeterminable but is expected to be significant given the many different types of facilities that store, prepare, display, or serve food to the public. The U.S. Census Bureau reports that in 1994, 34,500 food stores and 10,200 eating and drinking places were located in Indiana, for a total of 44,700 establishments. However, these figures may not include all establishments that would need a certified food handler. For instance, certain establishments whose primary focus is not food, such as drug stores; gasoline stations; amusement facilities; institutional cafeterias in schools, hospitals, etc., may not be included in the data.

The development of a statewide computerized database will probably result in no significant additional expenses given that a new computer system is being developed for the Bureau that is designed to process applications. The Bureau may experience some personnel expense associated with entering data into the system. Two COMOT IVS would cost approximately \$50,000 per year.

The cost of printing is estimated at \$45,000 the first year with postage equaling about \$125,000. Printing costs were based on a cost of approximately \$1 per candidate with less than \$3 for mailing packets of information. However, both the printing and postage costs should decrease significantly after the first year due to the fact that the certification is good for five years and the demand for information should significantly decrease after food handlers receive certification.

The Bureau will need to supply a board administrator at a cost of approximately \$41,000 each year (including fringe benefits). Office supplies and equipment for the three new staff are estimated at \$6,000 for the first year. Total costs for the first two years are outlined below:

Estimated Expenses for Implementing Food Handlers Certification		
Expense	Initial Year	Annual: Year 2-5
Personnel	\$91,000	\$91,000
Board Meetings	12,600	12,600
Printing & Postage	170,000	35,000
Office Equip. & Supplies	6,000	0
Total	\$279,600	\$138,600

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of 12-31-98, the State Personnel Manning table reported that the Bureau had three

vacancies; however, the Bureau intends to fill these positions within the next two weeks. With respect to reversions, the Bureau reverted \$223,413 in fiscal year 1997-98 and \$214,707 in fiscal year 1996-97. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The bill contains no appropriations.

In addition to the above, state and local facilities that provide food to the public could experience an increase in expenses. Requiring governmental facilities to employ certified food handlers could increase personnel costs, or the facilities could elect to pay for training of current employees. Facilities that provide food via contract may also experience an increase in costs if any additional expenses experienced by contractors are passed on to the governmental unit for whom the contractor provides services.

**Explanation of State Revenues:** (Revised) A food handler is defined as an individual who owns, operates, manages, or works at a food facility and is responsible for or oversees the storage, preparation, display, or serving of food to the public. Each food handler must apply to the Bureau and submit a \$10 certification fee. Certifications issued by the Board expire five years from the date of issuance. Applications must show proof that applicants has successfully completed a Board approved examination on food protection practices. The Board must also collect the fee for the examination.

The amount of revenue that will be generated by the certification of food handlers is indeterminable, but expected to be significant given the many different types of facilities that would be required to employ certified food handlers. Given the U.S. Census data, at least 44,700 certification fees would be required, generating \$447,000 every five years. Revenues would be deposited in the State General Fund.

Upon written request, a person can obtain information contained in the proposed computerized database developed for the storage and retrieval of information on food handlers. The Board is authorized to set fees to cover the expense for such requests. The amount of revenue that will be generated by requests for information is indeterminable.

**Explanation of Local Expenditures:** See State Expenditures above.

**Explanation of Local Revenues:**

**State Agencies Affected:** State facilities that offer food to the public.

**Local Agencies Affected:** Local government facilities that offer food to the public.

**Information Sources:** Statistical Abstract of the United States, 1997, U.S. Department of Commerce, Bureau of the Census, Table No. 1276; Barbara McNutt, Staff Counsel, Health Professions Bureau, (317) 233-4406; Joe Rice, Budget Analyst, State Budget Agency (317) 232-5629; Indiana Health Professions Bureau 1999-01 Biennial Budget Request as submitted to the State Budget Director on August 21, 1998..