

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7191**

**BILL NUMBER: SB 499**

**DATE PREPARED: Jan 6, 2000**

**BILL AMENDED:**

**SUBJECT:** Certification of food handlers.

**FISCAL ANALYST:** Mark Goodpaster

**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill creates the Indiana Food Handlers Certification Board. It requires that after June 30, 2003, every food facility in Indiana have at least one certified food handler. It provides that a food facility that begins 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. It sets qualifications for a certified food handler, including the passage of a board approved written examination on food protection practices. It requires the board to approve or deny an application for certification within 30 days after receiving it. It provides that a food handler's 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. It sets subject requirements for recertification training courses. It requires that the Board develop and maintain a statewide computerized data base containing statewide and countywide registries of certified food handlers and the food facilities that they serve.

**Effective Date:** July 1, 2000.

**Explanation of State Expenditures:** The Department of Health would provide 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 eight 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 \$14,400 (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. Under this bill, the board would

recognize examinations that are recognized by the Conference for Food Protection. The Board would also approve training and examination programs if the programs meet the same standards as examinations recognized by the Conference for Food Protection.

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. As an illustration of the potential number, 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. Other 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 added administrative costs of developing a statewide computerized database will depend on the Department of Health's current computer system capacity and the availability of current staff. Other costs will include printing and mailing. Printing and mailing costs will be significantly higher in the first year of implementation but then should decline considerably after the first year because certification remains in effect for five years and the demand for information should significantly decrease after food handlers receive certification.

These costs will be updated when additional information becomes available.

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. According to the December, 1999 State Manning Table, the Department of Health had 84 vacancies, and reverted \$418,917 in FY1999. 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 but provides for a certification fee which could cover some of these expenses.

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:** 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:** Department of Health, state facilities and institutions that prepare food for patrons and the public in consideration of payment

**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