

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version: HB 16  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: 016-DHSS-E-3-15-2019  
Title: LOCAL FOOD PROCUREMENT; LABELING  
Sponsor: TARR  
Requester: (H) Resources

Department: Department of Health and Social Services  
Appropriation: Public Health  
Allocation: Epidemiology  
OMB Component Number: 296

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

|                        | FY2020<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2020<br>Request | Out-Year Cost Estimates |         |         |         |         |
|------------------------|--------------------------------------|------------------------------------------------|-------------------------|---------|---------|---------|---------|
| OPERATING EXPENDITURES | FY 2020                              | FY 2020                                        | FY 2021                 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
| Personal Services      | ***                                  |                                                | ***                     | ***     | ***     | ***     | ***     |
| Travel                 |                                      |                                                |                         |         |         |         |         |
| Services               |                                      |                                                |                         |         |         |         |         |
| Commodities            |                                      |                                                |                         |         |         |         |         |
| Capital Outlay         |                                      |                                                |                         |         |         |         |         |
| Grants & Benefits      |                                      |                                                |                         |         |         |         |         |
| Miscellaneous          |                                      |                                                |                         |         |         |         |         |
| <b>Total Operating</b> | ***                                  | 0.0                                            | ***                     | ***     | ***     | ***     | ***     |

## Fund Source (Operating Only)

|              |     |     |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|-----|-----|
| None         |     |     |     |     |     |     |     |
| <b>Total</b> | *** | 0.0 | *** | *** | *** | *** | *** |

## Positions

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

## Change in Revenues

|              |     |     |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|-----|-----|
| None         |     |     |     |     |     |     |     |
| <b>Total</b> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimated SUPPLEMENTAL (FY2019) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2020) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

## Why this fiscal note differs from previous version/comments:

Not applicable; initial version based on the Governor's February 13, 2019 FY2020 amended budget request.

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Date: 01/17/2019 08:01 PM  
Date: 01/29/19

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

BILL NO. HB016

### Analysis

This bill would enable raw milk producers to offer for sale raw milk as well as any raw milk products in any venue that would allow those sales. Labeling must include that the consumable product is (or is made from) raw milk, not pasteurized and may cause health concerns; and that it is not subject to state regulation. Products must be sold directly to the end consumer, for home consumption, only in Alaska and cannot be involved in interstate commerce. Currently there is no public sale or distribution in a commercial way for raw milk. However, raw milk can be distributed as part of a “cow share” program whereby consumers must have a formal relationship with a farm and own a “share” of the cow which entitles them to distribution of milk for their own use.

This bill would supersede current regulations held by the Department of Environmental Conservation that govern the distribution of raw milk in Alaska (18 AAC 30). Department of Environmental Conservation is responsible for investigating food-borne illness while the Division of Public Health, Alaska Section of Epidemiology is responsible for the human health impacts from any outbreaks of food-borne illness. Epidemiology has investigated two (2011 and 2013) outbreaks of *Campylobacter* infections associated with raw milk consumption from “cow shares”. In total over 50 persons were sickened, including children, some of whom developed a reactive arthritis. (Bulletins that described the public health investigations are available at: <http://epibulletins.dhss.alaska.gov/Document/Display?DocumentId=142> and <http://epibulletins.dhss.alaska.gov/Document/Display?DocumentId=94>). Raw unpasteurized milk can contain various bacterial pathogens, such as *Campylobacter*, *Listeria*, and *E. coli* among others, that cause human illness.

Given that public health has documented outbreaks associated with raw milk consumption, with wider distribution of raw milk products more illnesses and outbreaks could be expected to occur. The Division of Public Health Section of Epidemiology, as well as Public Health Laboratories and Public Health Nursing could expect to be involved in more investigations, interviews, lab testing, and messaging about risks and health outcomes. This would involve personnel traveling to investigate cases; interviewing patients; working with medical providers; developing questionnaires and analyzing data; lab resources for characterizing the pathogens, including special molecular work to identify and relate specific pathogen strains and possibly lab time/supplies involved with the processing of environmental samples; and time to develop/customize educational materials and outreach to consumers about risks associated with the outbreak product.

Costs to diagnose, investigate and control the spread of the outbreak would depend on the size and scope of the outbreak; therefore, this is an indeterminate fiscal note.