

Testimony of Betsy Albright  
Executive Secretary Pennsylvania Milk Board

Amendment to 7 Pa. Code Chapter 150  
Milk Marketing Fees  
April 3, 2024

Good morning,

After a thorough analysis of our current budget balance, projected receipts under the current regulations, and projected personnel and operating expenses, I believe it is necessary to request an increase in dealer hundredweight fees that contribute to funding the Pennsylvania Milk Board. Based on our budget projections we request the dealer per hundredweight controlled fee be increased to \$.075 and the dealer per hundredweight non-controlled fee be increased to \$.007.

### **History**

The Board became primarily funded by hundredweight license fees in 1992. At that time the hundredweight fees were established at rates of \$.035/cwt for controlled milk and \$.0050/cwt for non-controlled milk, with the hauler rate being set at \$.0050/cwt. The Board also received a general fund appropriation of \$125,000. The general fund appropriation was discontinued after the 1996-97 fiscal year. The 1992 hundredweight fee rates remained in effect until January 26, 2004, when the controlled rate was increased to \$.045/cwt and the non-controlled rate was increased to \$.0057. Effective with the 2020-2021 license year the current \$.060/cwt controlled rate and \$.0064/cwt non-controlled rate were adopted.

### **Budget Projections**

Our budget model shows a 2023-2024 license year beginning balance in the Milk Marketing Fund of \$4,315,000.00, with projected receipts less disbursements of \$76,000.00. We project a modest increase in receipts less disbursements to \$81,183.00 for the 2024-2025 license year. This requested fee increase would be effective for the 2025-2026 license year, for which we project an increase in receipts less disbursements to \$115,658.00.

Despite the requested fee increase, we project disbursements to exceed receipts beginning with the 2026-2027 license year. By the 2028-2029 license year we project a deficit of over \$275,000.00. However, we do project that we will end the 2028-2029 license year with \$4,157,200 in the Milk Marketing Fund.

### **Subdealer quart-equivalent fee**

Subdealer quart-equivalent fees were increased effective with the 2020-2021 license year. At some point during the regulatory review process, after the proposed stage submission and before the final stage submission, the fee increase for 120,000 – 149,999 quarts per month was omitted and did not increase. The increase was \$50 and would have affected one subdealer. Rather than

begin the process from the beginning and delay the needed fee change for a year, we decided to wait until the next fee increase was necessary to address the missed subdealer quart-equivalent fee. We are proposing to adopt the new \$250.00 quart-equivalent fee at this time. This \$50.00 increase will affect four subdealers.

Thank you for your consideration of our requests.