

Unfair Competition Task Force Conservation District Self-Evaluation

GOAL: "To develop a cooperative plan between private enterprise and Conservation Districts to enhance a tree program consistent with local needs and private enterprise rights."

Reminder: The goal is not to dictate to conservation districts what type of programs they can or cannot offer, however, to provide them with the information and develop recommendations necessary to make sound decisions on what type of programs to offer.

The task force met and developed a recommendation for Conservation Districts to complete a self-evaluation to determine if the potential for or if unfair competition exists within your own conservation district.

The following are a series of questions your District should answer as a self-evaluation:

- 1) Has there been anyone in contact with the conservation district expressing concern about the conservation district selling large trees or asked about unfair competition?
- 2) Is there a need for the conservation district to sell large trees within your district boundary? (See if the service is needed? Is the service provided by private enterprise?)
- 3) Is there someone other than the conservation district who is or is willing to provide the service of selling large trees?
- 4) Can or has your conservation district and private sector formed a partnership to provide the service?
- 5) The District should determine the amount of subsidization occurring in the sale of large trees. (Consider all the costs associated with the district selling large trees compared to those costs encumbered by private enterprise.)
 - What is the sources of funding within your district (mill levy, grants, etc.)?
 - What is the primary source of district funding that pays district employees salaries?
 - Who pays for the rent , electricity, phone etc.. within your district office (Consider all overhead costs associated with operational costs for the District.)?

Calculate the percentage of costs associated with District operations (salaries, insurance, rent, etc.) and determine how much trees would need to be sold for to cover those costs.

Example:

If 25 percent of total District personnel program implementation time is spent on a large tree sales program;

25% of salary

25% of rent

25% of vehicle

25% of Insurance/Workman's Compensation

Total cost contributed to tree sale program

Price for tree + District cost = Total resale price

- 6) Is the conservation district providing the service of selling large trees within the private sector's major market area?
- 7) Do you view conservation districts selling large trees as unfair competition?

Again, the objective of completing this evaluation was for a Conservation District to assess whether the potential for unfair competition exists within a district's boundary.