

Fiscal Estimate - 2017 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 17-3991/1	Introduction Number AB-0686
Description testing of private wells, compensation for well contamination and abandonment, granting rule-making authority, and making an appropriation	
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div><input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div><input checked="" type="checkbox"/> Towns</div><div><input checked="" type="checkbox"/> Counties</div><div><input type="checkbox"/> School Districts</div><div><input checked="" type="checkbox"/> Village</div><div><input checked="" type="checkbox"/> Others</div><div><input type="checkbox"/> WTCS Districts</div><div><input checked="" type="checkbox"/> Cities</div><div><u>Tribes</u></div></div></div></div>	

Fiscal Estimate Narratives

DNR 1/8/2018

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Description testing of private wells, compensation for well contamination and abandonment, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

A. Bill Summary

The bill has two components:

1. Changes to Well Compensation Grant Program

a. Increases family income limit for participating in the Well Compensation grant program from \$65,000 to \$100,000. This proposed change is expected to increase the number of residents eligible and apply for financial assistance under this program.

b. Increases threshold for grant award reduction from annual family income of \$45,000 to \$65,000. This proposed change may increase the number of residents eligible for additional funding from the Department in the form of "economic hardship".

c. Eliminates current requirement that a well must also be a water supply for livestock before nitrate contamination standards applies. Current provisions of Well Compensation grant program indicate that a well is contaminated by nitrates only if that well contains nitrates above 40 parts per million and is used at least three months in each year.

d. Increases annual funding for payments to well compensation and abandonment grantees by \$800,000, from \$200,000 to \$1,000,000.

2. Establishment of new grant program for private well testing

a. The bill requires DNR to establish and administer a program to provide grants to cities, towns, villages, counties and tribes for testing of privately owned wells. Annual funding of \$100,000 is provided for this program.

B. Assumptions/Estimates

1. Changes to Well Compensation Grant Program

a. One-time costs to update grant application forms and instructions, grant web page, and other outreach materials. The Department estimates that it can absorb these one-time costs from within its existing budget.

b. Recurring workload increase associated with processing of additional grant applications, including: outreach and application assistance, application review, site assessment, grant agreement development and issuance, grant encumbrances, reimbursement review, reimbursement processing, reporting, and other administrative duties. It is unknown how many more applications would be processed; therefore, these costs are indeterminate.

2. Establishment of new grant program for private well testing

State Fiscal Effect

a. One-time costs associated with creation of the well testing grant program including emergency rulemaking, permanent rulemaking, program design and set-up (program guidance, web site, forms, flyers, legal review, outreach, training, staffing, etc.). It is estimated to take 380 hours at an average salary and fringe cost of \$47.89 for a total of \$18,200. The Department does not have the capacity to absorb these costs.

b. Ongoing costs are indeterminate and dependent upon how many eligible local governments will apply. If annual growth in the number of applications exceeds 5%, the department will not have the capacity to absorb these costs.

Local Fiscal Effect

a. Revenues would increase by \$100,000 in the form of grants to local units of government.

b. Local government costs associated with development and administration of a well testing program are indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description testing of private wells, compensation for well contamination and abandonment, granting rule-making authority, and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs of \$18,200 associated with creation of the well testing grant program.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance	900,000	
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$900,000	\$
B. State Costs by Source of Funds		
GPR	100,000	
FED		
PRO/PRS		
SEG/SEG-S	800,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$900,000	\$
NET CHANGE IN REVENUE	\$	\$100,000
Agency/Prepared By Authorized Signature Date		
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	1/8/2018