

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-2246/1	Introduction Number AB-0148
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Description
 nitrate testing pilot program, granting rule-making authority, and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities	
	<input type="checkbox"/> Counties <input type="checkbox"/> Others	
	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS (1)(a) (1)(ec)	

Agency/Prepared By DHS/ Veronnica Thompson (608) 267-5147	Authorized Signature Andy Forsaith (608) 266-7684	Date 4/23/2019
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Fiscal Estimate Narratives

DHS 4/23/2019

LRB Number	19-2246/1	Introduction Number	AB-0148	Estimate Type	Original
Description nitrate testing pilot program, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation appropriates \$10,000,000 GPR in one-time funds to establish a nitrate testing grant program that will be overseen and administered by the Department of Health Services. No such program currently exists within the Department.

Under this bill, DHS is required to award up to \$2,500 per grant to eligible private well owners to cover remediation costs for wells with nitrate levels exceeding ten parts per million for the purpose of providing potable water for human consumption. Eligible costs include well testing, installation of an appropriate filtration system, replacement of the well, and/or replacement of the water supply.

The bill also requires DHS to distribute up to a total of \$500,000 to counties that apply to participate in the testing program to provide reimbursement for the actual costs of administering the testing and reporting requirements needed to assess nitrate levels. It is unclear how counties will reimburse city health departments for conducting these activities as Wisconsin has a mix of county and city operated health departments.

Under this bill, private well owners may contact a local health department to have the nitrate levels of their well water tested if the private well owner's county has chosen to participate in the program. Upon request from a private well owner, the local health department shall collect the necessary samples and do all of the following: 1) submit the samples for testing to the state laboratory of hygiene or another state certified laboratory as determined by DHS; 2) report the test results to DHS and the private well owner along with one or more remediation recommendations if the results indicate nitrate levels exceeding ten parts per million; and 3) notify the private well owner that the private well owner may contact DHS within 30 days to request a grant for a different approach than was recommend by the local health department.

A private well owner is eligible to apply for a grant under the proposed legislation if the report provided to DHS by the local health department indicates that nitrate levels in the owner's well water exceed ten parts per million. There is no income restriction on eligibility. Of eligible applicants, DHS is required to give preference to applicants who have a household member who is pregnant, breast-feeding, under three years old, or over the age of 65.

The Department can comply with these requirements by hiring 1.50 FTE two-year project positions to oversee the administration of the grant program and coordinate activities with local health departments and private well owners. These staff will also be responsible for compiling a report on the grant program, as required in the nonstatutory provisions. The cost of these 1.50 FTE project positions is \$141,700 GPR in each year of the biennium. The Department is unable to absorb these costs within existing resources. In sum, the fiscal effect of the bill would be \$10,283,400 GPR over the 2019-21 biennium.

To the extent that this bill increases the workload of local health departments, there will be costs to local health departments beyond those services eligible for reimbursement. However, it is not possible to estimate the possible increase since there is some ambiguity regarding the full scope of activities eligible for reimbursement as well as each local health department's capacity to meet the requirements of this legislation. For this reason, the local impact is indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description nitrate testing pilot program, 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): \$10 million GPR in nitrate testing grants.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$141,700	\$
	(FTE Position Changes)	(1.5 FTE)	
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations	10,000,000	
	TOTAL State Costs by Category	\$10,141,700	\$
B. State Costs by Source of Funds			
	GPR	10,141,700	
	FED		
	PRO/PRS		
	SEG/SEG-S		
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	\$10,141,700	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date			
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