

Fiscal Estimate Narratives
DNR 4/1/2020

LRB Number	19-5092/4	Introduction Number	AB-0867	Estimate Type	Original
Description					
groundwater monitoring, CAFO fees, nutrient management plans, well construction rules, the SnapPlus program, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill contains several provisions that impact the Department.

1. It increases the annual fee for concentrated animal feeding operations (CAFOs) from \$345 to \$650. In addition, it requires a CAFO to pay a permit renewal fee of \$3,270 once every five years instead of the \$650 annual fee.

Fiscal Effect: The fiscal effect of this provision is based on the following assumptions:

- A. A total of 313 permitted CAFOs, which reflects the number in existence at the conclusion of FY 2019;
- B. Annual permit revenue, under current law, is estimated to be \$107,985 (313 CAFOs x \$345);
- C. An estimated \$80,000 per position in the CAFO program for salary and fringe benefit expenses;
- D. CAFO permits are in effect for 5 years; therefore, it is estimated that, on average, approximately 62 CAFOs will be up for permit renewal each year and would thus pay the proposed \$3,270 permit renewal fee; and
- E. The remaining 251 CAFOs (313 total CAFOs - 62 paying the renewal fee) would, on average, pay the proposed \$650 annual fee each year.

Based on these assumptions, annual permit revenue for CAFOs would increase by an estimated \$257,905 [(62 permit renewals x \$3,270) + (251 annual permits x \$650) - \$107,985 of current law permit revenue]. The additional revenue would be enough to support 3 program staff (\$257,905/\$80,000 per FTE).

2. It requires the Department to establish a plan to expand nutrient management planning and cost-sharing availability to meet the goal of having all farmers and all manure landspreading operations covered by a nutrient management plan (NMP) by 2030.

Fiscal Effect: The Department interprets this provision of the bill to mean that it would conduct an inventory of existing NMPs, quantify gaps, and then determine cost-share levels necessary to fill the gaps.

Based on this interpretation, it is estimated that it would require 1.0 FTE a year to complete the NMP inventory and quantify funding gaps at an estimated cost of \$80,000 for salary and fringe benefits. Once the overall funding gap has been determined, additional cost-share funding would be needed that is above and beyond existing budgetary resources.

3. It allows the Department to require groundwater monitoring at any manure landspreading location in sensitive areas of the state if a public health risk exists.

Fiscal Effect: The fiscal effect of this provision is indeterminate.

4. It requires the Department, as necessary, to establish rules and update existing rules relating to well construction and pump installation to provide enhanced requirements to protect groundwater in sensitive geologic formations.

Fiscal Effect: The Department estimates that it would require 420 hours of staff time and \$24,700 of salary and fringe expenditures to establish and update administrative rules.

5. It requires the Department to collaborate with DATCP, the U.S. Department of Agriculture Natural Resources

Conservation Service, the University of Wisconsin-Extension, and the University of Wisconsin-Madison Department of Soil Science to update the SnapPlus program, to take into account nutrient loss.

Fiscal Effect: The Department currently allocates about \$180,000/yr. in the SnapPlus program from its nonpoint source contractual funding [appropriation 20.370 (9)(at)]. Assuming that current funding levels for nonpoint source contracts persist, the Department would implement this provision of the bill from its existing budgetary resources. Therefore, there is no fiscal effect to this provision of the bill.

6. It creates sum sufficient appropriations for the Department and DHS to perform emergency testing of public and private water supplies near areas of known contamination from perfluoroalkyl or polyfluoroalkyl substances (PFAS), and for DNR to assist municipalities and the public in addressing local sites that are contaminated with PFAS.

Fiscal Effect: The fiscal effect of this provision is based on the following assumptions:

- A. Coordination with additional staff from DHS and local health departments to collect rapid response samples from private wells and transient non-community public systems;
- B. All other public water systems would utilize existing staff to collect samples;
- C. The State Lab of Hygiene (SLOH) would increase lab capacity to ensure rapid response times for samples collected;
- D. An estimated 400 rapid response samples per year would be analyzed at SLOH at a cost of \$270/sample (cost includes sample collection kits, analysis and shipping costs); and
- E. The additional workload for the Department would require 1.0 FTE hydrogeologist position.

Based on these assumptions, annual costs are estimated as follows:

- A. \$99,000 for salary, fringe benefit and supply expenses associated with the hydrogeologist position
- B. \$108,000 for sample testing expenses (\$270 x 400)

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description groundwater monitoring, CAFO fees, nutrient management plans, well construction rules, the SnapPlus program, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): 1. 1.0 FTE and \$80,000 to complete a nutrient management plan inventory and quantify funding gaps. 2. 420 hours and \$24,700 to establish rules and update existing rules relating to well construction and pump installation to provide enhanced requirements to protect groundwater in sensitive geologic formations.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$99,000	\$
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	108,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$207,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	207,000	
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	257,900	
	SEG/SEG-S		
	TOTAL State Revenues	\$257,900	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$207,000	\$
	NET CHANGE IN REVENUE	\$257,900	\$

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