



## Fiscal Estimate Narratives

DNR 2/25/2022

LRB Number	<b>21-6008/1</b>	Introduction Number	<b>SB-1002</b>	Estimate Type	<b>Original</b>
<b>Description</b> grants for testing privately owned wells and providing education, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

The bill requires the department to create and administer two grant programs that would be funded with \$1 million/yr. from the environmental fund. The first grant will provide funding to any county, city, village, or town for testing privately owned wells or water supplies to assess groundwater quality. The second grant will provide funding to county health departments and county land and water conservation departments for well testing education and outreach activities.

#### I. State Fiscal Effect

##### A. One-Time Costs

1. The bill will require staff to develop administrative rules for the two new grant programs. One-time costs to develop rules are estimated to be \$46,900 for approximately 850 hours of staff time (grant administrator, hydrogeologist, program supervisor, and staff attorney).
2. The bill will require an indeterminate amount of staff time to develop implementation procedures, grant application forms and instructions, web page content, and other outreach materials.

##### B. On-Going Costs

1. There will be an ongoing workload to administer the two new grant programs, including outreach and application assistance, application review, grant agreement development and issuance, grant encumbrances, reimbursement review and processing, and reporting.

Since there is no local match requirement, the department assumes that the average grant would be at or near the proposed \$10,000 maximum. Therefore, the department estimates awarding 100 grants per year (\$1 million/\$10,000) to local units of government.

It is unknown how the estimated 100 grants would be divided between well testing grants and outreach/education grants; however, it is reasonable to assume that a majority would be for well testing since they are available to counties, cities, villages or towns, while the education/outreach grant are only available to counties.

Assuming that it requires 5 hours staff time to review/process each grant application, the ongoing staffing cost for administering the two new grant programs is estimated to be \$26,300 (100 grants x 5 hours x \$52.50/hr. salary/fringe for grant administration).

2. The department estimates that availability of grant funding for well testing and outreach/education will generate additional demand for DNR's existing Well Compensation and Well Abandonment Grant programs, which provide cost-sharing for income-eligible individuals who have contaminated wells. The extent to which demand would increase cannot be accurately estimated and is therefore characterized as indeterminate.

## II. Local Fiscal Effect

1. Revenues would increase to the extent to which a local unit of government applies for and receives a well testing and/or education & outreach grant.
2. Costs would increase as a result of the bill requiring cities, villages and towns to inform its residents of the importance of regular private well testing.

### **Long-Range Fiscal Implications**

The bill specifies that the department shall submit a request for the 2023-25 biennial budget to double the amount of funding available for grants to \$2 million/yr. If that request is successful, staff workload and costs would increase by a proportionate amount.

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> grants for testing privately owned wells and providing education, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Estimated staffing cost of \$46,900 for administrative rule making.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$26,300	\$
(FTE Position Changes)	(0.3 FTE)	
State Operations - Other Costs		
Local Assistance	1,000,000	
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$1,026,300</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	1,026,300	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,026,300	\$
NET CHANGE IN REVENUE	\$	\$1,000,000

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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