

Fiscal Estimate Narratives
DNR 2/4/2020

LRB Number 19-4716/1	Introduction Number AB-0800	Estimate Type Original
Description supporting the Center for Watershed Science and Education, creating a hydrogeologist position, funding research on phosphorus recovery and reuse, creating grant programs for counties to test wells and provide public education, granting rule-making authority, and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

The bill requires DNR to administer a new grant program that would issue grants to counties for private well testing, geologic and well construction studies and well owner education. DNR may not provide more than \$10,000 to any single county for testing and study under the first type of grant, or more than \$2,500 per county for notifications under the second type of grant. Counties may apply for a grant individually or as a group and are eligible for either a \$10,000 grant or a \$2,500 grant, but not both. The bill requires a county that receives a grant under this program to provide an equal amount of matching funds.

I. State Fiscal Effect

A. Ongoing Costs

1. The bill provides \$250,000 GPR annually for grants beginning in FY 2021.
2. The bill would result in ongoing workload to administer the new grant program, including outreach and application assistance, application review, grant agreement development and issuance, grant encumbrance, reimbursement review and processing, and reporting. The number of grant applications that would be received and evaluated each year cannot be accurately estimated; however, since only counties are eligible to apply for the grants, a maximum of 72 grant applications is expected overall since counties can either receive a \$10,000 well testing/mapping grant or a \$2,500 public notification grant, but not both.

The Department assumes it would require 5 hours staff time for each grant application at an estimated cost of \$250/grant for salary and fringe (\$33.77/hr. for a grants administrator position x 5 hrs. per grant x 1.483 for the fringe benefits add-on). The Department estimates that it can absorb these costs with existing staff and resources.

3. The bill is expected to increase the number of inquiries and applications for funds from DNR's existing Well Compensation and Well Abandonment Grant programs, which provide cost-sharing for income-eligible individuals who have contaminated wells. The level of increase and resulting costs are indeterminate.

B. One-Time Costs

The bill will require development of a new administrative code to promulgate procedures for implementing the new county grant program. To provide grant assistance to eligible applicants as quickly as possible, the DNR would likely pursue an Emergency Rule, followed by permanent rule-making. One-time costs to develop rules for a new county grant program are estimated to be \$37,400.

Additional one-time costs would be incurred to develop implementation procedures, grant application forms and instructions, web page content, and other outreach materials. The Department estimates that it can absorb the one-time costs with existing staff and resources.

II. Local Fiscal Effect

1. A county that applies for and receives a grant will be required to provide matching funds of either \$10,000 for testing and mapping of privately owned wells or \$2,500 for public notification for well owners whose wells may be

contaminated. The overall local fiscal impact is indeterminate because it is unclear how many counties will apply for a grant and whether they will apply for a testing/mapping grant or a public notification grant.

2. The bill requires cities, villages and towns to inform their residents of the importance of regular private well testing. The bill does not specify how local governments must meet this requirement, so local communities have some flexibility in method and associated costs. The local fiscal impact of this requirement is indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description supporting the Center for Watershed Science and Education, creating a hydrogeologist position, funding research on phosphorus recovery and reuse, creating grant programs for counties to test wells and provide public education, 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 to develop rules for a new county grant program of \$37,400, plus additional one-time costs to develop implementation procedures, grant application forms and instructions, web page content, and other outreach materials.			
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	250,000	
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$250,000	\$
B. State Costs by Source of Funds			
	GPR	250,000	
	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	\$250,000	\$
	NET CHANGE IN REVENUE	\$	\$

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Date

2/4/2020