

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number 19-5545/1		Introduction Number SB-772	
Description PFAS standards and grant programs, providing blood testing for certain individuals, requiring a cancer cluster study, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input 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	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties	<input type="checkbox"/> Others <input type="checkbox"/> <u>0</u>
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370 (4)(mq)			
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

DNR 2/17/2020

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Description PFAS standards and grant programs, providing blood testing for certain individuals, requiring a cancer cluster study, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill, in conjunction with AB 842, requires the Department of Natural Resources to establish and enforce various standards for per- and poly-fluoroalkyl substances (PFAS), establish a grant program, and set criteria for certifying laboratories.

State Fiscal Effect

I. Assumptions

Various types of positions are identified in this estimate; therefore, the Department is utilizing an average salary and fringe of \$82,625 per FTE along with an estimated \$2,500 per position for supplies, for total per FTE cost of \$85,125.

II. Cost Estimate

A. Bureau of Drinking Water & Groundwater

1. The Department would be required to write and implement emergency/permanent rules for groundwater quality standards and maximum contaminant levels for public drinking water systems. (Sections 5 and 8)

There would staff time required for rule-making for PFAS Maximum Contaminant Levels (MCLs) in the safe drinking water regulation (Administrative Code NR 809) that includes setting sample protocols, analysis methods and laboratory reporting limits, setting sampling requirements, compliance determination, public notification requirements and language, vulnerability assessments and source water protection, treatment technologies, waivers, exemptions, reporting and record-keeping. The program has never set an MCL independent of the federal regulations. A fiscal estimate of this step is indeterminate at this time. The Department is currently engaged in the rule-making effort.

2. The bill provides for 1.0 FTE (\$85,125) for an advanced water supply specialist in the drinking and groundwater program. It is anticipated that this position would, on an ongoing basis, serve as a PFAS technical expert for the program.

B. Bureau of Remediation and Redevelopment

1. The bill provides 3.0 FTE positions and funds for the remediation and redevelopment program.

2. Section 12 – Grant Program and PFAS Action Fund Administration is expected to require 1.0 FTE and \$85,125. This position will be responsible for promulgating rules for establishing grant criteria and defining eligible entities and eligible practices administering the grant program. Additionally, the position above will be responsible for the maintenance of the PFAS action including establishing and managing individual accounts and billing for settlements as well as rule-making, oversight and administration of financial responsibility (Section 13) for PFAS.

3. The Department estimates it will require 2.0 FTE (\$165,250) of staff time to provide technical assistance and review on investigation and cleanup documents. This effort supports the grant program, action fund, and owner financial responsibility requirements in the bill. While this fiscal note identifies that permissive increased revenues

will affect local governments through the municipal grant program, the dollar amount is reflected in the fiscal note for AB 842.

4. Overall, the RR program is assuming 3.00 FTE and approximately \$255,375 in ongoing, annual salary/fringe costs would be needed to administer the provisions of the bill, which includes oversight of the PFAS action fund, technical assistance for the grant program, assistance to DHS, administering financial responsibility and maintenance of modeling, development of guidance, policies, evaluative tools and technical resources, rule development and promulgation, and administration of financial responsibility program.

C. Office of Emerging Contaminants

1. The bill provides for 2.0 FTE and funds \$170,250 for the Office of Emerging Contaminants (1.0 FTE Program and Policy Manager and 1.0 FTE Natural Resources Administrative Policy Coordinator).

2. The Program and Policy Manager will oversee and coordinate across the Department all policy activities provided for in AB842 and AB843. The Program and Policy Manager will also work with DHS and oversight of the pilot blood testing program (Section 6) in the Marinette/Peshtigo area. This position will also work with DHS, the community, the responsible party and other stakeholders for the cancer cluster study (Section 15).

3. The Natural Resources Administrative Policy Coordinator will be responsible for coordinating all rule-making and implementation efforts across the Department to ensure consistency. In addition, this position will be responsible for ensuring the Department remains abreast in PFAS technical matters in environmental media.

D. Bureau of Water Quality

1. The Department estimates 1.0 FTE and \$85,125 in annual salary/fringe costs for a wastewater specialist to establish Wisconsin water quality standards for PFAS (Section 7). It is anticipated that this position would, on an ongoing basis, serve as a PFAS technical expert for the program.

2. It is assumed that the additional ancillary workload to support the rule-making effort would be absorbed into the normal duties of existing staff (e.g., toxicologists to propose standards, limit calculators to calculate numeric permit limits based on standards established in code, permit drafters to incorporate limits into enforceable WPDES wastewater permits, and compliance engineers to complete permit compliance and enforcement activities).

E. Bureau of Waste & Materials Management

1. The bill provides 1.0 FTE and \$85,125 for an advanced hydrogeologist. The position would support rule-making efforts to incorporate PFAS groundwater standards into the solid waste management regulations. It is anticipated that this position would, on an ongoing basis, serve as a PFAS technical expert for the program.

2. The Department expects to work closely with the University on the disposal research (Section 4) and will coordinate information, stakeholder engagement, and data sharing with the University on disposal and destruction of PFAS substances.

F. Office of Great Waters

The bill provides 1.0 FTE (\$85,125) for an advanced environmental toxicologist in the great waters program to implement ongoing technical work such as surface water standard setting, sediment, and fish toxicology. It is anticipated that this position would, on an ongoing basis, serve as a PFAS technical expert for the program.

G. Bureau of Air Management

1. Development of an emission standard for PFAS (Section 9)--The Department would need to promulgate technology-based standards for PFAS. In the past, where the program has done this, there has been reliance on data from other states and the federal government. While this body of knowledge is evolving, the Department would need to develop and perform research studies on air emissions. This would likely be done via a contract with other engineering organizations. The Department will absorb this cost.

2. This analysis also assumes IT programming to allow sources to report digitally, the development of outreach materials to ensure the regulated community is aware of the requirement, and rule changes to NR 438 (reporting chapter). A fiscal estimate of this step is indeterminate.

H. Lab Certification

Section 15 Directs the Department to establish criteria for certifying laboratories to test for PFAS compounds. The Lab Certification Program is self-funded through fees assessed to the laboratories participating in the program. Certification for PFAS will increase costs to the laboratories seeking certification but decrease costs proportionally to the other labs in the program. The Program can absorb the increased workload related to PFAS certification with current staffing. Therefore, there is no fiscal impact to the DNR related to lab certification of PFAS testing.

I. In total, the Department estimates that it will require 9.0 FTE and \$766,125 to perform the activities required by this bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description PFAS standards and grant programs, providing blood testing for certain individuals, requiring a cancer cluster study, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$743,700	\$
(FTE Position Changes)	(9.0 FTE)	
State Operations - Other Costs	22,500	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$766,200	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	766,200	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	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	\$766,200	\$
NET CHANGE IN REVENUE	\$	\$

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Date

2/17/2020