

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-3837/1	Introduction Number AB-0392
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Description
 creating a PFAS municipal grant program

Fiscal Effect

State:

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

Local:

- | | | |
|--|--|---|
| <input type="checkbox"/> No Local Government Costs
<input type="checkbox"/> Indeterminate
1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected
<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**

GPR
 FED
 PRO
 PRS
 SEG
 SEGS

Agency/Prepared By	Authorized Signature	Date
LFB/ Paul Ferguson (608) 266-3847	Bob Lang (608) 266-3847	6/21/2021

Fiscal Estimate Narratives

LFB 6/21/2021

LRB Number	21-3837/1	Introduction Number	AB-0392	Estimate Type	Original
Description creating a PFAS municipal grant program					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 392 would create a municipal grant program for multiple activities to respond to suspected or known contamination by per- and polyfluoroalkyl substances (PFAS). Eligible municipalities would include any city, village, town, county, utility district, lake protection district, sewerage district, or municipal airport, provided one of the following had occurred: (a) the municipality or a third party tested or trained with a Class B firefighting foam that contained intentionally added PFAS in accordance with applicable state and federal law, and within the boundaries of the municipality; (b) the municipality applied bio-solids to land under a wastewater permit issued by the Department of Natural Resources; or (c) PFAS are impacting the municipality's drinking water supply, surface water, or groundwater within the municipality, and the responsible party is unknown, unwilling, or unable to take the necessary response actions.

DNR would award grants for any of the following activities:

- (a) Investigating potential PFAS impacts to the air, land, or water at a site or facility;
- (b) Treating or disposing of PFAS-containing firefighting foam containers from a municipal site or facility;
- (c) Sampling a private water supply within one mile of a site or facility known to contain PFAS or to have caused a PFAS discharge;
- (d) Providing a temporary emergency water supply, a water treatment system, or bulk water to replace water contaminated with PFAS;
- (e) Conducting emergency, interim, or remedial actions to mitigate, treat, dispose of, or remove PFAS contamination in the air, land, or waters of the state; and
- (f) Removing or treating PFAS in a public water system using the most cost-effective method to provide safe drinking water in areas where PFAS levels exceed either the maximum contaminant level or an enforcement standard for PFAS, or where the state has issued a health advisory for PFAS.

Additionally, DNR would be required to make awards based on the following considerations: (a) the municipality's financial and administrative commitment to performing and completing eligible activities; and (b) the degree to which the project would have a positive impact on public health and the environment.

The bill would require the Governor to allocate \$10,000,000 per fiscal year for PFAS municipal grants from amounts provided to the state under the federal American Rescue Plan Act (ARPA) of 2021. Assembly Amendment 1 would further specify that the allocation would apply to the 2021-23 fiscal biennium, for total funding equal to \$20,000,000.

Applicants would be required to contribute matching funds equal to at least 20% of the amount of the grant, including either cash or in-kind contributions. Additionally, applicants would waive the right to bring or maintain an action or claim against a party potentially responsible for PFAS contamination, and no applicant could receive grant funding if the municipality had previously been awarded funds from an action or claim against a responsible party for the site or activity that would be the basis for a grant.

It is not known how many municipalities or how many sites currently have air, water, soils, or sediments contaminated with PFAS. The DNR remediation and redevelopment program's online database currently lists 78 sites or activities associated with PFAS contamination in 35 municipalities. Due to the long-term and widespread use of PFAS-containing products, it is plausible that additional sites would be discovered through future investigations. DNR also estimates that the total amount of PFAS-containing firefighting foam held by all 825 fire departments in the state is between 63,200 gallons and 96,300 gallons. Of those amounts, DNR estimates that approximately 23,700 to 44,700 gallons are expired and in need of disposal, and these foams are located at just over half of fire departments in the state.

The variety of eligible response activities under AB 392 vary substantially in cost. Further, it is not determinable how many sites or prospective grant applicants under the bill would elect to pursue actions or claims in separate proceedings, rather than apply for grant funding.

It is assumed the grant program would require at least 1.0 full-time equivalent (FTE) position to administer, including grant management and other technical assistance. (DNR indicated in a fiscal estimate for 2019 Assembly Bills 842 and 843, which would have created a similar grant program, that such a level of staffing would be necessary for a program funded at \$2,500,000 each year. The estimate assumed a position cost of approximately \$85,100.) Under the bill, DNR would administer the grant program with existing staffing and funding.

Long-Range Fiscal Implications

Grant awards under the bill would vary with the number of applicants, the nature of activities for which funding is sought, and the determinations DNR may make in evaluating applications or making awards. Therefore, it cannot be determined how many response actions would be funded with the required allocation of ARPA funding under the bill. Additionally, because it is uncertain how many total sites or municipalities may require PFAS response actions in the future, it is not determinable what portion of state PFAS response actions would be supported by grant funding under the bill.

Upon the expiration of ARPA funding, the PFAS municipal grant program would require additional legislation to provide ongoing funding.

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description creating a PFAS municipal grant program		
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	\$82,600	\$
(FTE Position Changes)		
State Operations - Other Costs	2,500	
Local Assistance	10,000,000	
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$10,085,100	\$
B. State Costs by Source of Funds		
GPR		
FED	10,000,000	
PRO/PRS		
SEG/SEG-S	85,100	
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	\$10,085,100	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
LFB/ Paul Ferguson (608) 266-3847		6/21/2021
Bob Lang (608) 266-3847		