

Fiscal Estimate Narratives

DNR 3/20/2024

LRB Number	23-0898/1	Introduction Number	AB-1122	Estimate Type	Original
Description 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:

1. 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 and determine the extent of any contamination and to study and map geologic characteristics and well construction practices to determine any correlation between water quality, geology, and well construction.
2. The second grant will provide funding to county health departments and county land and water conservation departments for well testing education and outreach activities.

The bill provides \$1 million of one-time Environmental SEG funding in FY 2025 for the grant programs, and it specifies that the department can request \$2 million/yr. of additional funding for grants in its 2025-27 agency budget request.

I. State Fiscal Effect

A. One-Time Costs To Establish Grant Programs

The department estimates 240 hours of staff time to establish the grant programs, at an estimated cost of \$12,800 for salary and fringe benefits. Staff that would be involved with standing up the programs include a grant administrator, hydrogeologist, communications specialist and attorney.

B. One-Time Costs to Award Grants

Workload associated with administering grants includes outreach and application assistance, application review, grant agreement development and issuance, grant encumbrance, 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 (\$1 million/\$10,000) to local units of government. The department assumes it would require 8 hours of staff time for each grant, for a maximum of 800 hours or \$40,000 of staff costs over the life of the grant program.

II. Local Fiscal Effect

The fiscal effect upon local units of government is indeterminate.

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 local units of government to inform its residents of the importance of regular private well testing.

Long-Range Fiscal Implications

If \$2 million/yr. of grant funding is approved in the 2025-27 budget, department estimates that it would award 200 grants per year (\$2 million/\$10,000) at an estimated \$80,000/yr. in staff administration costs.

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description grants for testing privately owned wells and providing education, providing an exemption from emergency rule procedures, 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 of \$12,800 to develop the grant programs specified in the bill. One-time costs of \$40,000 to award an estimated 100 \$10,000 grants.		
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		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
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	\$	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date		
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